

**INMOSUPA SOCIMI, S.A.**

**Annual Financial Statements and Management's Report for the year ended 31  
December 2020**

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### **FORMULATION OF THE ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT**

**INMOSUPA, SOCIMI, S.A.****Balance Sheet at 31 December 2020****(Expressed in euros)**

<b>NET WORTH AND LIABILITIES</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>NET WORTH</b>		<b>7.189.821,89</b>	<b>7.160.092,06</b>
<b>EQUITY</b>		<b>7.189.821,89</b>	<b>7.160.092,06</b>
<b>Capital</b>	<b>10.1</b>	<b>6.894.040,00</b>	<b>6.894.040,00</b>
Issued Capital		6.894.040,00	6.894.040,00
<b>Reserves</b>	<b>10.2</b>	<b>285.924,08</b>	<b>285.924,08</b>
Legal and Statutory		12.060,68	12.060,68
Other Reserves		273.863,40	273.863,40
<b>Prior years Income</b>	<b>10.2</b>	<b>(19.872,02)</b>	<b>--</b>
Negative income of previous years		(19.872,02)	--
<b>Annual Income</b>	<b>3</b>	<b>29.729,83</b>	<b>(19.872,02)</b>
<b>NON CURRENT LIABILITIES</b>		<b>7.033.499,27</b>	<b>6.993.797,71</b>
<b>Long-term liabilities</b>	<b>11</b>	<b>3.028.511,27</b>	<b>3.528.797,71</b>
Amounts owed to credit institutions		2.977.571,27	3.491.867,71
Other financial liabilities		50.940,00	36.930,00
<b>Long-term liabilities to group companies and associates</b>	<b>11</b>	<b>4.004.988,00</b>	<b>3.465.000,00</b>
<b>CURRENT LIABILITIES</b>		<b>867.450,68</b>	<b>836.286,23</b>
<b>Short-term liabilities</b>	<b>11</b>	<b>575.044,49</b>	<b>573.617,95</b>
Amounts owed to credit institutions		515.172,56	507.907,95
Other financial liabilities		59.871,93	65.710,00
<b>Short-term liabilities to group companies and associates</b>	<b>11</b>	<b>47.693,62</b>	<b>55.039,54</b>
<b>Trade creditors and other payables</b>		<b>244.712,57</b>	<b>207.628,74</b>
Sundry Creditorspersonal	11	214.312,96	164.951,04
Staff (remuneration payable)	11	--	192,93
Other payables to public authorities	12	28.403,14	40.522,77
Advances from customers		1.996,47	1.962,00
<b>TOTAL NET WORTH AND LIABILITIES</b>		<b>15.090.771,84</b>	<b>14.990.176,00</b>

**INMOSUPA, SOCIMI, S.A.**

**Income statement for the year ended at 31 December 2020**

(Expressed in euros)

	Notes	2020	2019
<b>CONTINUING OPERATIONS</b>			
<b>Business Net Turnover</b>	<b>13.1</b>	<b>671.695,09</b>	<b>662.933,02</b>
Sales		671.695,09	662.933,02
<b>Staff Expenses</b>	<b>13.2</b>	<b>(26.489,49)</b>	<b>(28.645,92)</b>
Wages and salaries		(19.926,05)	(21.442,48)
Social security charges		(6.563,44)	(7.203,44)
<b>Other operating expenses</b>		<b>(378.589,75)</b>	<b>(429.776,67)</b>
External services	13.3	(252.707,19)	(293.155,27)
Taxes		(120.324,56)	(135.735,40)
Losses, impairment losses and changes in provisions for commercial operations		(5.558,00)	(886,00)
<b>Depreciation of fixed assets</b>	<b>5, 6 y 7</b>	<b>(82.261,54)</b>	<b>(76.697,29)</b>
<b>Other income/expenses</b>		<b>(8.557,10)</b>	<b>(9.603,85)</b>
Exceptional expenses		(13.171,31)	(11.057,56)
Exceptional income		4.614,21	1.453,71
<b>OPERATING INCOME</b>		<b>175.797,21</b>	<b>118.209,29</b>
<b>Financial income</b>	<b>13.4</b>	<b>4.931,52</b>	<b>16.959,86</b>
From holdings in equity instruments		4.487,67	16.959,86
In group and associated companies		4.487,67	16.959,86
From marketable securities and other financial instruments		443,85	--
From third parties		443,85	--
<b>Financial expenses</b>	<b>13.5</b>	<b>(150.998,90)</b>	<b>(155.041,17)</b>
Debts to group and associated companies		(101.231,06)	(119.958,95)
Debts to third parties		(49.767,84)	(35.082,22)
<b>FINANCIAL PROFIT</b>		<b>(146.067,38)</b>	<b>(138.081,31)</b>
<b>PROFIT BEFORE TAX</b>		<b>29.729,83</b>	<b>(19.872,02)</b>
<b>Income Tax</b>	<b>12.1</b>	<b>--</b>	<b>--</b>
<b>Annual Earnings</b>	<b>3</b>	<b>29.729,83</b>	<b>(19.872,02)</b>

INMOSUPA, SOCIMI, S.A.

Statement of changes in Net Worth for the year ended at 31 December 2020

(Expressed in euros)

A) Statement of recognised income and expenses for the year ended at 31 December 2020

	Notes	2020	2019
<b>Income statement result</b>	<b>3</b>	<b>29.729,83</b>	<b>(19.872,02)</b>
<b>Income and expenses recognised directly in Net Worth</b>			
Grants, donations and legacies received		--	--
Tax effect		--	--
<b>Total income and expense recognised directly in Net Worth</b>		<b>--</b>	<b>--</b>
<b>Transfers to the profit and loss account</b>			
Grants, donations and bequests received		--	--
Tax effect		--	--
<b>Total transfers to income statement</b>		<b>--</b>	<b>--</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE</b>		<b>29.729,83</b>	<b>(19.872,02)</b>

INMOSUPA, SOCIMI, S.A.

Statement of changes in equity for the year ended at 31 December 2020

(Expressed in euros)

B) Statement of total changes in equity for the year ended at 31 December 2020

	Registered capital (Note 10.1)	Reserves (Note 10.2)	Earnings from previous years (Note 10.2)	Annual Earnings (Note 3)	TOTAL
<b>BALANCE, END OF 2018</b>	<b>5.569.040,00</b>	<b>219.650,38</b>	--	<b>120.606,84</b>	<b>5.909.297,22</b>
<b>Total recognised income and expense</b>	--	--	--	(19.872,02)	(19.872,02)
<b>Transactions with shareholders or owners</b>					
Capital increase	1.325.000,00	--	--	--	1.325.000,00
Dividend distributions	--	(54.333,14)	--	--	(54.333,14)
<b>Other changes in equity</b>					
Distribution of profit	--	120.606,84	--	(120.606,84)	--
<b>BALANCE, END OF 2019</b>	<b>6.894.040,00</b>	<b>285.924,08</b>	--	<b>(19.872,02)</b>	<b>7.160.092,06</b>
<b>Total recognised income and expense</b>	--	--	--	29.729,83	29.729,83
<b>Other changes in equity</b>					
Dividend distributions	--	--	(19.872,02)	19.872,02	--
<b>BALANCE, END OF 2020</b>	<b>6.894.040,00</b>	<b>285.924,08</b>	<b>(19.872,02)</b>	<b>29.729,83</b>	<b>7.189.821,89</b>

**INMOSUPA, SOCIMI, S.A.****Statement of cash flows for the year ended 31 December 2020****(Expressed in euros)**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before tax</b>		29.729,83	(19.872,02)
<b>Adjustments to profit or loss</b>			
Depreciation of fixed assets	<b>5,6 y 7</b>	82.261,54	76.697,29
Impairment losses		5.558,00	886,00
Financial income	<b>13.4</b>	(4.931,52)	(16.959,86)
Financial expenses	<b>13.5</b>	150.998,90	155.041,17
<b>Changes in current assets</b>			
Debtors and other receivables		(18.438,72)	(25.392,15)
Other current assets		14.916,78	(29.137,19)
Creditors and other payables		37.083,83	19.773,21
Other current liabilities		(13.183,99)	(58.857,13)
<b>Other cash flows from operating activities</b>			
Interest payments	<b>13.5</b>	(150.998,90)	(155.041,17)
Interest receipts	<b>13.4</b>	4.931,52	16.959,86
<b>Cash flows from operating activities</b>		<b>137.927,27</b>	<b>(35.901,99)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments for investments</b>			
Group and associated companies	<b>14.2</b>	--	(850.000,00)
Intangible assets	<b>5</b>	--	(140,00)
Property, plant and equipment	<b>6</b>	(231.747,79)	(280.170,91)
Investment property	<b>7</b>	(2.076.614,92)	(935.381,49)
Other financial assets		(1.850,00)	--
<b>Proceeds from disinvestment</b>			
Group and associated companies	<b>14.2</b>	850.000,00	--
Other financial assets		--	27.116,97
<b>Cash flows from investing activities</b>		<b>(1.460.212,71)</b>	<b>(2.038.575,43)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES****Proceeds and payments for equity instruments**

Issuance of equity instruments	10.1	--	1.325.000,00
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**Proceeds and payments for financial liability instruments**

## Issuance

Amounts owed to credit institutions		14.886,12	2.344.541,09
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Debts to group and associated companies		539.988,00	--
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## Refund and amortisation of

Debt to credit institutions		(507.907,95)	--
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Debts to group and associated companies		--	(1.635.000,00)
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**Payments for dividends and remuneration of other equity instruments**

Dividends	10.2	--	(54.333,14)
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<b>Cash flows from financing activities</b>		<b>46.966,17</b>	<b>1.980.207,95</b>
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**EFFECT OF EXCHANGE RATE CHANGES**

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**NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS**

	<b>(1.275.319,27)</b>	<b>(94.269,47)</b>
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Cash or cash equivalents at the beginning of the year		1.351.902,71	1.446.172,18
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Cash or cash equivalents at the end of the year	9	76.583,44	1.351.902,71
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## **INMOSUPA, SOCIMI, S.A.**

### **Annual Report for the year ended 31 December 2020**

#### **1. COMPANY ACTIVITY**

The company INMOSUPA, SOCIMI, S.A. (hereinafter "The Company") was incorporated as a S.L. company in 2015 and was registered at the Companies House of A Coruña in Book 3537, Sheet 165, Page C53230.

The company was transformed into a S.A. (public limited company), changing its name to INMOSUPA SOCIMI, S.A., in the deed granted on 10 December 2019 before the notary of A Coruña, Juan Cora Guerreiro, under number 2513 of his order of protocol, and registered in the Commercial Register of A Coruña on 14 January 2020.

The Company was listed on Euronext Access Paris on 6 April 2020.

Its registered office and tax seat is located at C/ SOCORRO Nº 28, B1 C, 15003, LA CORUÑA.

The main activity is the rental of industrial premises.

#### **SOCIMI LAW 11/2009**

In addition, the Company reported on April 27, 2018 to the Tax Agency of its choice for the implementation of the regime of Spanish Real Estate Investment Trusts ("REIT", or "SOCIMI"), and is subject to Law 11/2009, of 26 October, with the amendments that were added later to it, by Law 16/2012 of 27 December, which regulates the SOCIMIs, The incorporation to said tax regime was approved by the Company's shareholders on 26 April 2018.

The Company's corporate purpose falls within the corporate purposes required for SOCIMIs in article 2 of Law 11/2009, of 26 October, which regulates Real Estate Investment Trust Companies (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario).

Furthermore, Law 11/2009 establishes the following investment requirements in Article 3:

1. SOCIMIs must have invested at least 80 per cent of the value of their assets in real estate of urban nature intended for leasing, in land for the construction of real estate to be used for that purpose, provided that the construction begins within three years of their acquisition, as well as in shareholdings in the capital or assets of other entities to be used also for the acquisition and development of urban real estate for rental purposes.

This percentage will be calculated on the consolidated balance sheet in the event that the company is the parent of a group in accordance with the criteria established in article 42 of the Commercial Code, irrespective of residence and the obligation to prepare consolidated annual accounts. This group will be made up exclusively of SOCIMIs and the other entities referred to in Article 2(1) of the said Law (companies with a main corporate purpose corresponding to the acquisition and development of urban real estate for rental).

2. At least 80 per cent of the income for the tax period for each financial year, excluding those derived from the transfer of the shares and immovable property (both for the purpose of fulfilling its main corporate purpose), after the expiry of the maintenance investments referred to in the following paragraph, must come from:
  - a) the lease of real property assigned to the pursuit of its main corporate purpose with persons or entities in respect of whom none of the circumstances set out in Article 42 of the Commercial Code apply, irrespective of residence; and/or

- b) dividends or shares in profits from holdings assigned to the pursuit of its main corporate purpose.

This percentage will be calculated on the consolidated balance sheet in the event that the company is the parent of a group in accordance with the criteria established in article 42 of the Commercial Code, irrespective of residence and the obligation to prepare consolidated annual accounts. This group will be made up exclusively of SOCIMIs and the other entities referred to in Article 2(1) of the Law. This percentage is to be met by 31 December 2020.

3. The real property forming part of the company's assets must remain leased for at least three years. For the purposes of the calculation, the time that the properties have been offered for lease shall be included, with a maximum of one year.

The period shall be calculated:

- a) In the case of real property that appears in the assets of the company prior to the time of making the election for the REIT regime, from the starting date of the first tax period in which the special tax regime established in this Law is applied, provided that on that date the property was leased or offered for lease. Otherwise, the provisions of the following point shall apply.
- b) In the case of real property developed or acquired subsequently by the company, from the date on which it was first leased or offered for lease.

In the case of shares or holdings in the capital of entities referred to in Article 2(1) of this Law, they must be held in the assets of the company for at least three years from their acquisition or, where applicable, from the beginning of the first tax period in which the special tax regime established in this Law is applied.

Furthermore, Law 11/2009 establishes the following requirements in its Articles 4 and 5:

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

SOCIMI shares must be registered shares.

This requirement is met by the Company.

2. SOCIMIs shall have a minimum share capital of 5 million euros, an amount that has been exceeded by the Company, thereby complying with this requirement.

Non-cash contributions for the incorporation or increase of capital made in real estate must be appraised at the time of their contribution in accordance with the provisions of article 38 of the Consolidated Text of the S.A. Companies law, and for this purpose, the independent expert appointed by the Mercantile Registrar must be one of the appraisal companies provided for in mortgage market legislation. Likewise, an appraisal by one of the appraisal companies indicated shall be required for non-monetary contributions made in real estate for the incorporation or increase of the capital of the entities indicated in letter c) of Article 2.1 of this Law. There can only be one class of shares; this requirement is met in the case of the Company, as set out in note 10.

When the company has opted for the special tax regime established in this Law, it must include in the name of the company the indication "Sociedad Cotizada de Inversión en el Mercado Inmobiliario, Sociedad Anónima", or its abbreviation, "SOCIMI, S.A.".

This requirement is met by the Company.

3. Likewise, as described in article 6 of Law 11/2009, of 26 October, which regulates Real Estate Investment Trust Companies, SOCIMIs and entities resident in Spanish territory in which they participate that have opted for the application of the special tax regime established by said Law, shall be obliged to distribute the profit obtained in the financial year to their shareholders in the form of dividends, once the corresponding commercial obligations have been met, and the distribution must be agreed within the six months following the end of each financial year, in the following manner:

- 100% of the profits from dividends or shares in profits distributed by the entities subject to this regime.

- 50% of the profits derived from the transfer of real estate and shares or holdings, made after the periods established in the investment requirements have elapsed, the remainder of such profits being reinvested within three years of such transfer, failing which they must be distributed in their entirety.

- At least 80% of the remaining profits obtained.

This requirement is met by the Company.

Pursuant to the First Transitional Provision of Law 11/2009, of 26 October, which regulates Real Estate Investment Trust Companies, it is possible to opt for the application of the special tax regime under the terms established in article 8 of said Law, even if the requirements established therein are not met, provided that such requirements are met within the two years following the date of the option to apply said regime.

## **2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS**

The financial statements (also referred to as “annual accounts”) have been prepared in accordance with the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, which has been amended by Royal Decree 1159/2010, of 17 September, as well as with the rest of the commercial legislation in force.

The annual accounts have been prepared by the Sole Administrator and will be submitted for approval by the General Shareholders' Meeting, which is expected to approve them without any changes.

The figures included in the annual accounts are in euros, unless otherwise stated.

### **2.1 True and fair view**

The annual accounts have been prepared on the basis of the Company's auxiliary accounting records and have been prepared in accordance with prevailing accounting legislation in order to give a true and fair view of the Company's net assets, financial position and results of operations. The cash flow statement has been prepared in order to give a true and fair view of the source and use of the Company's monetary assets representing cash and cash equivalents.

## 2.2 Comparative information

In accordance with commercial legislation, in addition to the figures for the financial year 2020, the previous year's figures are presented for comparative purposes for each item in the balance sheet, income statement, statement of changes in equity and cash flow statement, in addition to the figures for the financial year 2020. Quantitative information for the previous financial year is also included in the notes to the financial statements, except where an accounting standard specifically states that this is not required.

## 2.3 "Going concern" principle

As at 31 December 2020, the Company had a negative working capital of EUR 677,911.47 (positive EUR 867,450.68 as at 31 December 2019). However, it has the necessary equity structure to access new sources of financing and has therefore prepared its accounts on a going concern basis.

## 2.4 Critical aspects of valuation and estimation uncertainty

The Company has prepared its financial statements on a "going concern" basis, with no material risks that could lead to significant changes in the value of assets or liabilities in the next financial year.

The Company has prepared the financial statements for the financial year 2020 under the "going concern" principle, having taken into consideration the current situation of COVID-19 as well as its possible effects on the economy in general and on its business in particular, there being no risk of continuity in its activity, as detailed in note 17 of these notes to the financial statements.

## 3. DISTRIBUTION OF PROFIT

The proposal for the distribution of the profit for the financial year 2020, formulated by the Sole Administrator and expected to be approved by the General Meeting of Shareholders, is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Income statement balance (profit)	29.729,83	(19.872,02)
	<b>29.729,83</b>	<b>(19.872,02)</b>
Application		
To legal reserve	2.972,98	--
To negative results	2.972,98	(19.872,02)
To dividends	23.783,86	--
	<b>29.729,83</b>	<b>(19.872,02)</b>

The Company has distributed the following dividends:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Distributed dividends	--	54.333,14

### **3.1 Limitations on dividend distributions**

The Company is obliged to transfer 10% of profits for the year to the legal reserve until it reaches at least 20% of share capital. This reserve is not distributable to shareholders until it exceeds 20% of share capital (Note 10.2).

As a SOCIMI, the Company is obliged to distribute the profit obtained during the year to its shareholders in the form of dividends, once the corresponding commercial obligations have been met, in accordance with the provisions of article 6 of Law 11/2009, of 26 October, which regulates Real Estate Investment Trust Companies (SOCIMI).

## **4. RECORDING AND VALUATION RULES**

The principal accounting and valuation principles used by the Company in preparing these financial statements are as follows:

### **4.1 Intangible fixed assets**

Intangible assets are initially measured at cost, either acquisition or production cost.

After initial recognition, intangible assets are measured at cost less accumulated amortisation and, where applicable, accumulated impairment losses.

The Company's intangible assets are amortised systematically on the basis of the estimated useful lives of the assets and their residual values. The amortisation methods and periods applied are reviewed at each year end and, where appropriate, adjusted prospectively. At least at year-end, the existence of impairment indicators is assessed, in which case the recoverable amounts are estimated and any necessary valuation adjustments are made.

#### Computer software

Computer software corresponds to the cost of acquisition. They are amortised on a straight-line basis over their estimated useful life of 5 years.

Repairs which do not represent an extension of the useful life and maintenance costs are charged to the income statement (also referred to as "profit and loss account") in the year in which they are incurred.

### **4.2 Property, plant and equipment**

Property, plant and equipment are initially measured at cost, either acquisition or production cost.

After initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and, where applicable, accumulated impairment losses.

The cost of assets acquired or produced after 1 January 2008, which require more than one year to be ready for use, includes finance costs accrued before the assets are ready for use and which meet the requirements for capitalisation.

Also included in the value of property, plant and equipment is the initial estimate of the present value of assumed decommissioning or retirement obligations and other obligations associated with the asset, such as restoration costs, where these obligations give rise to the recognition of provisions.

Repairs that do not represent an extension of useful life and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The costs of expansion or improvements leading to an increase in production capacity or a lengthening of the useful life of the assets are capitalised and the carrying amount of the replaced items is written off, where appropriate.

Depreciation of property, plant and equipment is provided on a straight-line basis over their estimated useful lives from the time they are available for use.

The years of estimated useful life for the various items of property, plant and equipment are as follows:

	years of lifetime
Technical premises and machinery	10
Furniture and equipment	10
Information processing equipment	4
Transport equipment	6

At each financial year end, the Company reviews the residual values, useful lives and depreciation methods for property, plant and equipment and, where appropriate, adjusts them prospectively.

#### **4.3 Investment property**

The Company classifies under this heading properties held wholly or partially to earn rentals, for capital appreciation or both, rather than for use in the production or supply of goods or services, or for the Company's administrative purposes or for sale in the ordinary course of business.

Investment property is valued on the same basis as property, plant and equipment.

Investment property is depreciated on a straight-line basis over an estimated useful life of 50 years.

#### **4.4 Impairment of non-financial assets**

At least at the end of each reporting period, the Company assesses whether there is any indication that any non-current asset or, where appropriate, any cash-generating unit may be impaired. In assessing whether there is any indication that the asset may be impaired, the Company has taken into account, among others, the following circumstances:

- a) Significant changes in the technological, regulatory or legal environment in which the entity operates that have occurred during the period or are expected to occur in a short term and that have an adverse effect on the entity.
- b) significant decline in the market value of the asset, if it exists and it's available, beyond that expected from age or normal use.
- c) evidence of obsolescence or physical deterioration of the asset.
- d) significant changes in the manner or extent to which the asset is used that have occurred during the period or are expected to occur in a short term and that have an adverse effect on the entity.
- e) there is reasonable doubt that the technical performance of the asset can be sustained in the future in accordance with the forecasts that were taken into account at the date of incorporation.
- f) construction of the asset is discontinued before the asset is ready for use.
- g) Cessation or significant reduction in the demand or need for the services provided with the asset.

Having analysed the above points, the Sole Administrator considers that there are no indications of impairment that could affect non-financial assets.

Impairment losses and their reversal are recognised in the income statement. Impairment losses are reversed when the circumstances that gave rise to them cease to exist, except for goodwill. The reversal of impairment is limited to the carrying amount of the asset that would have been determined had no impairment loss previously been recognised.

#### **4.5 Leases**

Contracts are classified as finance leases when it follows from their economic terms that substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee. Otherwise, contracts are classified as operating leases.

##### Company as lessee

Operating lease payments are recognised as an expense in the profit and loss account as they accrue.

#### **4.6 Financial assets**

##### Classification and valuation

###### *Loans and receivables*

This category includes trade and non-trade receivables, which include financial assets for which the amount receivable is fixed or determinable, which are not traded in an active market and for which the Company expects to recover the full amount paid, except, where applicable, for reasons attributable to the solvency of the debtor.

On initial recognition in the balance sheet, they are recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration given plus directly attributable transaction costs.

After initial recognition, these financial assets are measured at amortised cost.

However, trade receivables maturing within one year that do not bear contractual interest rates, as well as advances and loans to employees, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured initially and subsequently at nominal value, when the effect of not discounting cash flows is not material.

The difference between the fair value and the delivered amount of operating lease guarantees is considered a prepayment for the lease and is taken to the profit and loss account over the lease term. For the calculation of the fair value of the security deposits the remaining period is taken to be the minimum contractual term committed.

#### Write-off

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when they are transferred, provided that substantially all the risks and rewards of ownership are transferred.

If the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognised when control is not retained. If the Company retains control of the asset, it continues to recognise the asset at the amount to which it is exposed to changes in the value of the transferred asset, i.e. its continuing involvement, by recognising the associated liability.

The difference between the consideration received net of attributable transaction costs, considering any new asset obtained less any liability assumed, and the carrying amount of the financial asset transferred, plus any cumulative amount recognised directly in equity, determines the gain or loss arising on derecognition of the financial asset and forms part of the profit or loss for the year in which it arises.

The Company does not derecognise financial assets in disposals in which it retains substantially all the risks and rewards of ownership, such as bill discounting, factoring transactions, sales of financial assets under repurchase agreements at a fixed price or at the sale price plus interest and securitisations of financial assets in which the Company retains subordinated financing or other types of guarantees that absorb substantially all the expected losses. In these cases, the Company recognises a financial liability for an amount equal to the consideration received.

#### Interest and dividends received on financial assets

Interest and dividends on financial assets accrued after the time of acquisition are recognised as income in the profit and loss account. Interest should be recognised using the effective interest method and dividends when the right to receive them is declared.

For this purpose, the amount of explicit interest accrued but not yet due at that time and the amount of dividends declared by the competent body up to the time of acquisition are recognised separately on initial measurement of financial assets on a maturity basis. Explicit interest is understood to be that which is obtained by applying the contractual interest rate of the financial instrument.

In addition, when the dividends distributed unequivocally derive from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they are not recognised as income and are deducted from the carrying amount of the investment.

#### **4.7 Impairment of financial assets**

The carrying amount of financial assets is written down by the Company with a charge to the income statement when there is objective evidence that an impairment loss has occurred.

In determining impairment losses on financial assets, the Company assesses potential losses for both individual assets and groups of assets with similar risk characteristics.



### Debt instruments

There is objective evidence of impairment of debt instruments, understood as receivables, loans and debt securities, when an event occurs after their initial recognition that has a negative impact on their estimated future cash flows.

The Company considers as impaired assets (doubtful assets) those debt instruments for which there is objective evidence of impairment, which mainly refers to the existence of defaults, defaults, refinancing and the existence of data showing the possibility of not recovering all the agreed future cash flows or that there will be a delay in their collection.

For financial assets measured at amortised cost, the amount of impairment losses is equal to the difference between their carrying amount and the present value of the estimated future cash flows to be generated, discounted at the effective interest rate prevailing at the time of initial recognition of the asset. For floating rate financial assets, the effective interest rate at the reporting date is used. For trade and other receivables, the Company considers as doubtful assets those balances that are overdue by more than six months for which there is no certainty of collection and balances of companies that have filed for insolvency proceedings.

The reversal of impairment is recognised as income in the income statement and is limited to the carrying amount of the financial asset that would have been recognised at the date of reversal had no impairment loss been recognised.

### Equity instruments

In the case of equity instruments measured at cost, included in the "Available-for-sale financial assets" category, and equity investments in Group companies, jointly controlled entities and associates, the impairment loss is calculated as the difference between their carrying amount and the recoverable amount, which is the higher of their fair value less selling costs and the present value of future cash flows arising from the investment. Unless there is better evidence, the estimate of impairment takes into account the equity of the investee, adjusted for any unrealised gains existing at the measurement date.

The reversal of impairment losses is recognised in the income statement up to the limit of the carrying amount that the investment would have had at the date of reversal had no impairment loss been recognised, for investments in the equity of Group companies, jointly controlled entities and associates; whereas for available-for-sale financial assets measured at cost, the reversal of impairment losses recognised in prior years is not possible.

## **4.8 Financial Liabilities**

### Classification and evaluation

#### *Debits and payables*

These include financial liabilities arising from the purchase of goods and services in the ordinary course of the Company's business and payables arising from non-trade transactions that are not derivative instruments.

On initial recognition in the balance sheet, they are recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs.

After initial recognition, these financial liabilities are measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest method.

However, trade payables falling due in less than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of

which is expected to be paid in the short term, are measured at their nominal value, when the effect of not discounting cash flows is not material.

The difference between the fair value and the amount received from operating lease guarantees is treated as a prepaid lease receivable and is taken to the profit and loss account over the lease term. For the calculation of the fair value of the lease guarantees, the remaining period is taken as the minimum contractual term committed.

#### Write-Off

The Company derecognises a financial liability when the obligation has been extinguished.

### **4.9 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank current accounts and deposits and reverse repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, their maturity was not more than three months.
- They are not subject to a significant risk of change in value.
- They form part of the Company's normal cash management policy.

For the purposes of the cash flow statement, occasional overdrafts that form part of the Company's cash management are included as less cash and cash equivalents.

### **4.10 Provisions and contingencies**

Liabilities that are uncertain as to their amount or as to the date on which they will be settled are recognised in the balance sheet as provisions when the Company has a present obligation (whether arising from a legal or contractual provision or from a constructive or constructive obligation) as a result of past events, which it is probable that an outflow of resources will be required to settle the obligation and which is quantifiable.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party, and adjustments arising from the discounting of the provision are recognised as a finance cost as they accrue. In the case of provisions maturing in one year or less, and where the financial effect is not material, no discounting is applied. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate of the corresponding liability at each point in time.

Compensation receivable from a third party at the time of settlement of provisions is recognised as an asset, without reducing the amount of the provision, provided that there is no doubt that such reimbursement will be received, and without exceeding the amount of the recorded obligation. Where there is a legal or contractual link to externalisation of the risk, by virtue of which the Company is not liable for the risk, the amount of such compensation is deducted from the amount of the provision.

On the other hand, contingent liabilities are defined as possible obligations arising from past events, the realisation of which is conditional upon the occurrence of future events not wholly within the control of the Company, and present obligations arising from past events for which it is not probable that an outflow of resources will be required for settlement or which cannot be measured with sufficient reliability. These liabilities are not recognised in the accounts and are disclosed in the notes to the financial statements, except where the outflow of resources is remote.

Obligations existing at the balance sheet date arising from past events which could give rise to a loss for the Company, the amount and timing of which are uncertain, are recognised in the balance sheet as provisions at the present value of the most probable amount that the Company expects to have to pay to settle the obligation.

The Company has taken into account all possible contingencies arising from the coronavirus crisis and does not expect to include any of them in the current year's financial statements.

#### **4.11 Commitments to employees**

The Company does not have a retirement pension plan for its employees, and its obligations in this respect are covered by the social security system.

Severance indemnities payable to employees due to redundancies resulting from staff realignments or other reasons not attributable to them are calculated on the basis of years of service. Any expense in this connection is recognised in the profit and loss account for the year in which there is a valid expectancy towards the affected third parties.

#### **4.12 Income tax**

The income tax expense for the year is calculated as the sum of the current tax, which results from applying the corresponding tax rate to the taxable profit for the year less any existing tax credits and deductions, and the changes during the year in the deferred tax assets and liabilities recognised. It is recognised in the income statement, except when it relates to transactions that are recognised directly in equity, in which case the related tax is also recognised in equity.

Deferred taxes are recognised for temporary differences existing at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax basis of an asset and liability is taken to be the amount attributed to it, for tax purposes.

The tax effect of temporary differences is included under "Deferred tax assets" and "Deferred tax liabilities" in the balance sheet.

The Company recognises a deferred tax liability for all taxable temporary differences, except, where applicable, for the exceptions provided for in current legislation.

The Company recognises deferred tax assets for all deductible temporary differences, unused tax credits and tax loss carryforwards to the extent that it is probable that future taxable profits will be available against which these assets can be utilised, except, where applicable, for the exceptions provided for in current regulations.

At the end of each reporting period, the Company assesses recognised and previously unrecognised deferred tax assets. Based on this assessment, the Company derecognises a previously recognised asset if it is no longer probable that it will be recovered, or recognises any previously unrecognised deferred tax assets if it is probable that future taxable profit will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates expected to apply at the time of reversal, in accordance with current enacted legislation, and in accordance with the manner in which the deferred tax asset or liability is rationally expected to be recovered or settled.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, regardless of the expected date of realisation or settlement.

As described in note 1, the Company is covered by the SOCIMI regime regulated by Law 11/2009, of 26 October, which regulates Real Estate Investment Trust Companies. In this regard, in compliance with certain requirements established by the Law, the Company pays zero per cent

corporate income tax. The requirements to be met are indicated in note 1 under "SOCIMI, Law 11/2009". In this regard, article 10 of this Law also regulates the special tax regime for shareholders, and in particular for dividends distributed out of profits or reserves in respect of which the special tax regime established in this Law has been applied, as well as for income obtained from the transfer or redemption of the shareholding in the capital of companies that have opted for the application of this regime.

The Board of Directors monitors compliance with the requirements established in said Law, with the objective of maintaining the tax advantages, and estimates that said requirements will be met within the terms and deadlines established, and recognises the corporate income tax for the year in this respect.

#### **4.13 Classification of assets and liabilities as current and non-current**

Assets and liabilities are presented in the balance sheet classified as current or non-current. For these purposes, assets and liabilities are classified as current when they are linked to the Company's normal operating cycle and are expected to be sold, consumed, realised or settled in the course of that cycle. On the other hand, they are expected to mature, be disposed of or realised within one year; they are held for trading purposes or are cash and cash equivalents whose use is not restricted for a period of more than one year. Otherwise they are classified as non-current assets and liabilities.

The normal operating cycle is less than one year.

#### **4.14 Income and expenses**

On an accruals basis, income and expenses are recognised when they occur, regardless of when they are received or paid.

##### Revenue from sales and services

Revenue is recognised when it is probable that the Company will receive the benefits or economic returns from the transaction and the amount of revenue and costs incurred or to be incurred can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, less any discounts, rebates and other similar items that the Company may grant and, where applicable, interest incorporated in the face value of receivables. Indirect taxes levied on transactions and passed on to third parties do not form part of income.

#### **4.15 Foreign currency transactions**

The functional and presentation currency of the Company is the euro.

Foreign currency transactions are valued in euro at the exchange rates prevailing at the time of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rate prevailing at the balance sheet date. Exchange gains and losses arising in this process, as well as those arising on the settlement of such assets and liabilities, are recognised in the profit and loss account in the year in which they arise.

Non-monetary items measured at historical cost are measured at the exchange rate at the date of the transaction.

#### **4.16 Environmental assets and liabilities**

Expenses relating to the decontamination and restoration of contaminated sites, waste disposal and other expenses arising from compliance with environmental legislation are recorded as

expenses in the year in which they are incurred, unless they correspond to the purchase cost of items that are incorporated into the Company's assets for long-term use, in which case they are recorded under the corresponding headings of "Tangible fixed assets" and depreciated using the same criteria.

#### 4.17 Related party transactions

Related party transactions are accounted for in accordance with the valuation rules detailed above.

The prices of transactions with related parties are properly supported and the Company's Administrator considers that there are no risks that could give rise to significant tax liabilities.

## 5. INTANGIBLE ASSETS

The detail and movements of the different items that make up intangible assets are as follows:

(Euros)	Inicial Balance	Adittions and provisions	Final Balance
<b>Financial year 2020</b>			
<u>Cost</u>			
Computer software	140,00	--	140,00
	140,00	--	140,00
<u>Acumulated amortization</u>			
Computer software	(24,55)	(28,00)	(52,55)
	(24,55)	(28,00)	(52,55)
<b>Net book value</b>	<b>115,45</b>		<b>87,45</b>
<b>Fiscal year 2019</b>			
<u>Cost</u>			
Computer software	--	140,00	140,00
	--	140,00	140,00
<u>Acumulated amortization</u>			
Computer software	--	(24,55)	(24,55)
	--	(24,55)	(24,55)
<b>Net book value</b>	<b>--</b>		<b>115,45</b>

As of December 31, 2020 and 2019, there are no fully amortized intangible assets.

## 6. TANGIBLE FIXED ASSETS

The detail and movements of the different items that make up property, plant and equipment are as follows:

(Euros)	Initial Balance	Adittions and provisions	Initial Balance
<b>Financial year 2020</b>			
<u>Cost</u>			
Technical premises and other tangible fixed assets	309.104,85	231.747,79	540.852,64
	309.104,85	231.747,79	540.852,64
<u>Accumulated amortization</u>			
Technical premises and other tangible fixed assets	(7.797,65)	(9.366,34)	(17.163,99)
	(7.797,65)	(9.366,34)	(17.163,99)
<b>Net book value</b>	<b>301.307,20</b>		<b>523.688,65</b>
<b>Ejercicio 2019</b>			
<u>Cost</u>			
Technical premises and other tangible fixed assets	28.933,94	280.170,91	309.104,85
	28.933,94	280.170,91	309.104,85
<u>Accumulated amortization</u>			
Technical premises and other tangible fixed assets	(1.814,88)	(5.982,77)	(7.797,65)
	(1.814,88)	(5.982,77)	(7.797,65)
<b>Net book value</b>	<b>27.119,06</b>		<b>301.307,20</b>

### 6.1 Description of the main movements

As in the previous year, the additions for the year are mainly due to the carrying out of reforms in the investments that the Company has.

### 6.2 Other information

As of December 31, 2020 and 2019, there are no tangible fixed assets in use and fully amortized.

The Company has taken out insurance policies that cover the net book value of property, plant and equipment.

As of December 31, 2020 and 2019, no significant impairment adjustments have been recognized or reversed for any individual property, plant and equipment.

As of December 31, 2020 and 2019, the Company does not have investments located abroad.

All property, plant and equipment of the Company are free of mortgage or pledge charges, nor is there any type of pledge or reservation of ownership over property, plant and equipment.

## 7. REAL ESTATE INVESTMENTS

The detail and movements of the different items that make up real estate investments are as follows:

(Euros)	Initial Balance	Additions and provisions	Final Balance
<b>Financial year 2020</b>			
<u>Cost</u>			
Land and buildings	12.577.531,91	2.076.614,92	14.654.146,83
	12.577.531,91	2.076.614,92	14.654.146,83
<u>Accumulated amortization</u>			
Land and buildings	(206.603,10)	(72.867,20)	(279.470,30)
	(206.603,10)	(72.867,20)	(279.470,30)
<b>Net book value</b>	<b>12.370.928,81</b>		<b>14.374.676,53</b>
<b>Financial year 2019</b>			
<u>Cost</u>			
	11.642.150,42	935.381,49	12.577.531,91
	11.642.150,42	935.381,49	12.577.531,91
<u>Accumulated amortization</u>			
Land and buildings	(135.913,13)	(70.689,97)	(206.603,10)
	(135.913,13)	(70.689,97)	(206.603,10)
<b>Net book value</b>	<b>11.506.237,29</b>		<b>12.370.928,81</b>

### 7.1 Description of the main movements

In real estate investments, the various properties that the Company has rented to third parties are recorded.

The additions for fiscal year 2020, like those for fiscal year 2019, correspond mainly to the acquisition of various homes and premises in A Coruña and Madrid.

### 7.2 Other information

There are no real estate investments fully amortized and in use as of December 31, 2020 and 2019.

The Company has taken out insurance policies that cover the net book value of real estate investments.

The Company has real estate investments with a net book value as of December 31, 2020 of 2,842,117.64 euros (2,888,642.98 euros as of December 31, 2019) that were mortgaged as collateral for a mortgage loan for various investments for amount of 2,340,080.24 euros as of that date (2,594,880.81 euros as of December 31, 2019) (Note 11.1).

## 8. FINANCIAL ASSETS

The composition of financial assets, without considering the debit balances with Public Administrations shown in Note 13, as of December 31 is as follows:

(Euros)	Credits, derivatives and others	
	2020	2019
Long term financial assets		
Loans and receivables	2.780,00	850.930,00
	2.780,00	850.930,00
Short term financial assets		
Loans and receivables	108.941,70	84.165,46
	108.941,70	84.165,46
	<b>111.721,70</b>	<b>935.095,46</b>

These amounts are broken down on the balance sheet as follows:

(Euros)	Credits, derivatives and others	
	2020	2019
Non current financial assets		
Investments in Group companies and associates	--	850.000,00
Long term financial investments	2.780,00	930,00
	2.780,00	850.930,00
Current financial assets		
Investments in Group companies and associates		
Loans to companies	--	13.656,60
Commercial debts and other receivables	45.692,23	5.999,21
Short term financial investments	63.249,47	64.509,65
	108.941,70	84.165,46
	<b>111.721,70</b>	<b>935.095,46</b>

### 8.1 Loans and receivables

The detail of the financial assets included in this category as of December 31 is as follows:



<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Long term financial assets		
Loans to Group companies (Note 14.2)	--	850.000,00
Long term financial investments	2.780,00	930,00
	<b>2.780,00</b>	<b>850.930,00</b>
Short term financial assets		
Loans to Group companies (Note 14.2)	--	13.656,60
Commercial debts and other receivables	45.692,23	5.999,21
Short term financial investments	63.249,47	64.509,65
	<b>108.941,70</b>	<b>84.165,46</b>

#### Commercial debts and other receivables

The composition of this heading in the attached balance sheet as of December 31 is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Clients for sales and provision of services	45.692,23	5.999,21
	<b>45.692,23</b>	<b>5.999,21</b>

#### *Value corrections*

The balance of customers for sales and provision of services is presented net of pairment adjustments. Valuation corrections for impairment have been recorded in 2020 for an amount of 5,558.00 euros (zero euros at December 31, 2019).

## **9. CASH AND OTHER EQUIVALENT LIQUID ASSETS**

The composition of this heading as of December 31 is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Cash	8.152,97	11.348,45
Demand current accounts	68.430,47	1.340.554,26
	<b>76.583,44</b>	<b>1.351.902,71</b>

Current accounts accrue the market interest rate for this type of account.

There are no restrictions on the availability of these balances.

## **10. EQUITY - OWN FUNDS**

### **10.1 Capital deed**

The share capital is represented by 6,894,040 shares with a par value of 1 euro each, fully subscribed and paid up. All the shares have the same political and economic rights, not being admitted to trading at the end of the 2020 and 2019 financial years.

On March 21, 2019, the General Shareholders' Meeting approved a capital increase of 1,325,000.00 euros through the issuance of 1,325,000 shares of 1 euros each numbered consecutively from numbers 5,569,040 to 6,894,040. , both inclusive.

The Company has not acquired its own shares or participations during fiscal year 2020 or 2019.

The detail of the main participants in the capital as of December 31 is as follows:

	2020	2019
Fundoland, S.L.	86,20%	86,20%
Pablo Iglesias Mosquera	6,89%	6,89%
Susana García Cacheiro	6,89%	6,89%
	<b>99,98%</b>	<b>99,98%</b>

All of the Company's shares were admitted to trading on April 6, 2020 on the Euronext Access Paris Market.

## 10.2 Reserves and results from previous years

The detail and movements of the different items that make up the reserves and the results of previous years are as follows:

(Euros)	Initial Balance	Distribution of the result	Final Balance
<b>Fiscal year 2020</b>			
Legal reserve	12.060,68	--	12.060,68
Voluntary reserves	273.863,40	--	273.863,40
Negative results from previous years	--	(19.872,02)	(19.872,02)
	<b>285.924,08</b>	<b>(19.872,02)</b>	<b>266.052,06</b>
<b>Fiscal year 2019</b>			
Legal reserve	--	12.060,68	12.060,68
Voluntary reserves	219.650,38	54.213,02	273.863,40
	<b>219.650,38</b>	<b>66.273,70</b>	<b>285.924,08</b>

### Legal reserve

According to the Capital Companies Law, the legal reserve, as long as it does not exceed the limit of 20% of the share capital, is not distributable to shareholders and can only be used, in the case of no other reserves available, for compensation of losses. This reserve may also be used to increase the capital stock in the part that exceeds 10% of the capital already increased.

### Voluntary reserves

They are freely available, as long as there are no negative results pending compensation.

## 11. FINANCIAL LIABILITIES

The composition of financial liabilities as of December 31, without considering the credit balances with Public Administrations shown in Note 12, is as follows:

(Euros)	Debts with credit institutions		Derivatives and others		Total	
	2020	2019	2020	2019	2020	2019
Long-term financial liabilities						
Debits and payables	2.977.571,27	3.491.867,71	4.055.928,00	3.501.930,00	7.033.499,27	6.993.797,71
	2.977.571,27	3.491.867,71	4.055.928,00	3.501.930,00	7.033.499,27	6.993.797,71
Short-term financial liabilities						
Debits and payables	515.172,56	507.907,95	321.878,51	285.893,51	837.051,07	793.801,46
	515.172,56	507.907,95	321.878,51	285.893,51	837.051,07	793.801,46
	<b>3.492.743,83</b>	<b>3.999.775,66</b>	<b>4.377.806,51</b>	<b>3.787.823,51</b>	<b>7.870.550,34</b>	<b>7.787.599,17</b>

These amounts are broken down on the balance sheet as follows:

(Euros)	Debts with credit institutions		Derivatives and others		Total	
	2020	2019	2020	2019	2020	2019
Non-current financial liabilities						
Long term debts						
Long-term debts with group companies and associates	2.977.571,27	3.491.867,71	50.940,00	36.930,00	3.028.511,27	3.528.797,71
	--	--	4.004.988,00	3.465.000,00	4.004.988,00	3.465.000,00
	2.977.571,27	3.491.867,71	4.055.928,00	3.501.930,00	7.033.499,27	6.993.797,71
Current financial liabilities						
Short-term debts with group companies and associates (Note 14.2)						
Short term debts						
	--	--	47.693,62	55.039,54	47.693,62	55.039,54
Various creditors	515.172,56	507.907,95	59.871,93	65.710,00	575.044,49	573.617,95
	--	--	214.312,96	164.951,04	214.312,96	164.951,04
Personal	--	--	--	192,93	--	192,93
	515.172,56	507.907,95	321.878,51	285.893,51	837.051,07	793.801,46
	<b>3.492.743,83</b>	<b>3.999.775,66</b>	<b>4.377.806,51</b>	<b>3.787.823,51</b>	<b>7.870.550,34</b>	<b>7.787.599,17</b>

### 11.1 Debts and payables - Debts with credit institutions

Short-term debts are made up of the credit lines formalized by the Company:

(Euros)	2020	2019
Long-term		
Loans and credits from credit institutions	2.977.571,27	3.491.867,71
	2.977.571,27	3.491.867,71
Short- term		
Loans and credits from credit institutions	515.172,56	507.907,95
	<b>3.492.743,83</b>	<b>3.999.775,66</b>

The detail of the loans and credits of credit institutions is as follows:

(Euros)	Total amount lent	Total amount available	Total amount disposed
<b>Financial year 2020</b>			
Loans	4.500.000,00	1.008.132,29	3.491.867,71
Cards			876,12
	<b>4.500.000,00</b>	<b>1.008.132,29</b>	<b>3.492.743,83</b>
<b>Financial year 2019</b>			
Loans	4.500.000,00	500.224,34	3.999.775,66
	<b>4.500.000,00</b>	<b>500.224,34</b>	<b>3.999.775,66</b>

The detail of the maturities of long-term loans and credits from credit institutions is as follows:

Año	2020	2019
2021	--	514.296,43
2022	520.766,40	520.766,40
2023	527.318,92	527.318,92
2024	533.955,14	533.955,14
2025 (2025 and next year 2019)	384.328,81	1.395.530,82
2026 and next year (year 2020)	1.011.202,00	--
	<b>2.977.571,27</b>	<b>3.491.867,71</b>

On June 12, 2019, Abanca granted a mortgage loan in order to finance the acquisition of several investments with a maturity date of July 1, 2029. To guarantee the repayment of said loan, a mortgage guarantee has been established on the land and construction financed, which had a net book value at December 31, 2020 of 2,842,117.64 euros (2,888,642.98 euros at December 31, 2019) (Note 7.2).

## 12. FISCAL SITUATION

The detail of the balances related to tax assets and tax liabilities as of December 31 is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Current tax asset	4.014,07	30.826,37
	<b>4.014,07</b>	<b>30.826,37</b>
Other debts with Public Administrations	(28.403,14)	(40.522,77)
VAT	(6.660,54)	--
Payroll taxes	(20.611,55)	(39.900,21)
Social Security contributions	(1.131,05)	(622,56)
	<b>(28.403,14)</b>	<b>(40.522,77)</b>

According to current legal provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations, currently set at four years, has run. The Company has the last four years open for inspection. In the opinion of the Sole Administrator of the Company, as well as of his tax advisers, there are no tax contingencies of significant amounts that could arise, in the event of an inspection, from possible different interpretations of the tax regulations applicable to the operations carried out by the Company.

(Euros)	Profit and loss account			Income and expenses directly charged to equity		
	Increases	Decreases	Total	Increases	Decreases	Total
<b>Financial year 2020</b>						
Balance of income and expenses for the year						
Continuing operations	--	--	29.729,83	--	--	--
			29.729,83	--	--	--
Corporate tax						
Continuing operations	--	--	--	--	--	--
			--	--	--	--
Balance of income and expenses for the year before taxes			29.729,83			--
Permanent differences	--	--	--	--	--	--
<b>Tax base (tax result)</b>			<b>29.729,83</b>			<b>--</b>
<b>Financial year 2019</b>						
Balance of income and expenses for the year						
Continuing operations	--	--	(19.872,02)	--	--	--
			(19.872,02)	--	--	--
Corporate tax						
Continuing operations	--	--	--	--	--	--
			--	--	--	--
Balance of income and expenses for the year before taxes			(19.872,02)			--
Permanent differences	3.908,92	--	3.908,92	--	--	--
<b>Tax base (tax result)</b>			<b>(15.963,10)</b>			<b>--</b>

## 12.1 Calculation of corporate taxes

The reconciliation between the net amount of income and expenses for the year and the tax base (tax result) of Corporation Tax is as follows:

The permanent differences for the year correspond mainly to fines and penalties.

The reconciliation between the income tax expense / (income) and the result of multiplying the tax rates applicable to the total recognized income and expenses is as follows:

(Euros)	2020		2019	
	Profit and loss account	Income and expenses charged directly to equity	Profit and loss account	Income and expenses charged directly to equity
Balance of income and expenses for the year before taxes	29.729,83	--	(19.872,02)	--
Theoretical tax burden (tax rate 25%)	--	--	--	--
<b>Actual tax expense / (income)</b>	--	--	--	--

The income tax expense / (income) is broken down as follows:

(Euros)	2020		2019	
	Profit and loss account	Directly charged to equity	Profit and loss account	Directly charged to equity
Current tax	--	--	--	--
	--	--	--	--

The calculation of the Corporation Tax to be paid is as follows:

(Euros)	2020	2019
Current tax	--	--
Withholdings	--	(3.203,40)
Payments on account	--	(13.463,19)
<b>Corporation Tax to be paid / (returned)</b>	--	<b>(16.666,59)</b>

## 13. INCOME AND EXPENSES

### 13.1 Net amount of turnover

The net amount of the Company's turnover corresponds entirely to the income obtained from leasing its properties to third parties.

All services are provided in the national territory.

### 13.2 Personnel expenses

The detail of personnel expenses is as follows:



<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Wages, salaries and similar		
Wages and salaries	19.926,05	21.442,48
	19.926,05	21.442,48
Social security	6.282,45	6.947,26
Other social charges	280,99	256,18
	6.563,44	7.203,44
	<b>26.489,49</b>	<b>28.645,92</b>

### 13.3 External services

The detail of the heading "Other operating expenses - External services" of the attached profit and loss account is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Leases	3.811,95	1.200,00
Reparations and conservation	27.146,08	18.929,48
Freelance professional services	108.746,28	137.733,36
Insurance premiums	1.761,21	1.744,75
Banking services	1.097,48	712,63
Advertising and public relations	50,96	600,00
Supplies	1.558,37	1.345,51
Other services	108.534,86	130.889,54
	<b>252.707,19</b>	<b>293.155,27</b>

### 13.4 Financial incomes

The detail of the heading "Financial income" of the accompanying profit and loss account is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Interest on loans to group companies (Note 14.2)	4.487,67	16.959,86
Another financial income	443,85	--
	<b>4.931,52</b>	<b>16.959,86</b>

### 13.5 Financial expenses

The detail of the heading "Financial expenses" of the attached profit and loss account is as follows:

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Interest on debts with group companies (Note 14.2)	101.231,06	119.958,95
Interest on debts to third parties	49.767,84	35.082,22
	<b>150.998,90</b>	<b>155.041,17</b>

## 14. TRANSACTIONS WITH RELATED PARTIES

### 14.1 Administrators and Senior Management

As of December 31, 2020 and 2019, the Sole Administrator has not received any remuneration for his status as administrator, nor does he maintain commitments to supplement pensions and life insurance.

The Company considers senior management personnel to be those persons who perform functions related to the general objectives of the Company, such as the planning, direction and control of activities, carrying out their functions with autonomy and full responsibility, only limited by the criteria and instructions from the legal owners of the Company or the governing and administrative bodies that represent said owners. As of December 31, 2020 and 2019, the Company had no personnel hired in the Senior Management category.

The members of the Board of Directors and the related persons referred to in article 229 of the Capital Companies Act have informed the Company that there are no situations of conflict of interest with the Company's activity.

During financial years 2020 and 2019, the sole administrator's civil liability insurance premiums have not been paid to cover possible damages caused by acts or omissions in the exercise of the position.

### 14.2 Balances and transactions with related parties

The detail of the balances maintained by the Company with related companies is as follows:

(Euros)	Long term credits (Note 8.2)	Short term credits (Note 8.2)	Long term debts (Note 11.2)	Short term debts (Note 11.2)
<b>Financial year 2020</b>				
FRIGORIFICA BOTANA, S.L.	--	--	1.800.000,00	--
FUNDOLAND, S.L.	--	--	439.988,00	4.804,08
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	--	--	1.765.000,00	42.889,54
	--	--	<b>4.004.988,00</b>	<b>47.693,62</b>
<b>Financial year 2019</b>				
FRIGORIFICA BOTANA, S.L.	--	--	1.200.000,00	--
FUNDOLAND, S.L.	850.000,00	13.656,60	--	--
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	--	--	2.265.000,00	55.039,54
	<b>850.000,00</b>	<b>13.656,60</b>	<b>3.465.000,00</b>	<b>55.039,54</b>

The company Fundoland, S.L. is the current majority shareholder of the capital of the Company as indicated in Note 10.1.

The amount recorded in Long-term Credits at December 31, 2019 corresponded to the financial loan contract formalized on June 18, 2019 for an amount of 1,010,000.00 euros with repayment in 5 years with the group company Fundoland, SL, as a borrower, at the legal interest rate of the money in each year the loan is in effect and under the conditions set out in the contract for said loan.

The detail of the transactions carried out by the Company with related companies is as follows:

(Euros)	Services received	Financial expenses (Note 13.6)	Financial Income (Note 13.5)
<b>Financial year 2020</b>			
FRIGORIFICA BOTANA, S.L.	312,44	40.213,11	--
FUNDOLAND, S.L.	4.771,95	5.930,96	4.487,67
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	720,00	55.086,99	--
	<b>5.804,39</b>	<b>101.231,06</b>	<b>4.487,67</b>
<b>Financial year 2019</b>			
FRIGORIFICA BOTANA, S.L.	29.160,00	36.000,00	--
FUNDOLAND, S.L.	6.267,54	--	16.959,86
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	1.089,00	83.958,95	--
	<b>36.516,54</b>	<b>119.958,95</b>	<b>16.959,86</b>

## 15. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS

The credit risk of the Company is attributable to the debit balances for commercial operations and with Public Administrations. Due to the positive experience and tradition of successive previous years and the high solvency of the clients in which the risk is concentrated, it is estimated that credit risk is not relevant.

The Company does not have significant liquidity risk since its clients and the institutions in which it maintains its treasury are generally highly solvent entities in which the counterparty risk is not significant.

The main financial assets of the Company are concentrated in short-term financial instruments, which are recorded in books at cost.

## 16. OTHER INFORMATION

### 16.1 Staff structure

The people employed by the Company distributed by categories are the following:

	Number of people employed at the end of the year		
	Men	Women	Total
<b>Financial year 2020</b>			
Administrative	0,16	0,86	1,02
	<b>0,16</b>	<b>0,86</b>	<b>1,02</b>
<b>Financial year 2019</b>			
Administrative	--	1,00	1,00
Maintenance operator	0,34	--	0,34
	<b>0,34</b>	<b>1,00</b>	<b>1,34</b>

The Company does not have staff with a disability greater than or equal to 33% as of December 31, 2020 and 2019.

#### 16.2 Audit fees

The fees paid during the year for the services provided by the auditor have been the following:

(Euros)	2020	2019
Fees for auditing the annual accounts	3.200,00	3.200,00
	<b>3.200,00</b>	<b>3.200,00</b>

#### 16.3 Environmental information

The Sole Administrator of the Company estimates that there are no significant contingencies related to the protection and improvement of the environment, and does not consider it necessary to record any provision in this regard.

No investments have been made in assets intended to protect the environment and no expenses of this nature have been incurred in this year or in the previous one.

#### 16.4 Greenhouse gas emission rights

The Company does not emit greenhouse gases in accordance with the activities it actually carries out in accordance with its corporate purpose. In this sense, there are no expenses for the year for this concept, nor provisions for emission rights for the aforementioned gases.

Likewise, the Company does not receive subsidies for emission rights nor does it foresee the execution of future contracts.

No sanctions for this concept or provisional measures have been imposed on the Company in the terms provided in Law 1/2005.

#### 16.5 Information on deferral of payment to suppliers. Third additional provision "Duty of information" of Law 15/2011, of July 5

The information regarding the average period of payment to suppliers is as follows:

	2020	2019
<b>(Days)</b>		
Average period of payment to suppliers	186	118
Ratio of paid operations	79	87
Ratio of operations pending payment	107	31
<b>(Thousand of euros)</b>		
Total payments made	208,10	317,00
Total pending payments	214,31	112,00

#### 16.6 Regulatory requirements derived from the status of SOCIMI, Law 11/2009

In compliance with the information obligations established in article 11 of Law 11/2009, of October 26, which regulates Real Estate Investment Trust Companies, the following aspects are indicated:

1. Reserves from years prior to the application of the tax regime established in this Law: Reserves at December 31, 2018 amounted to 219,650.38 euros.
2. Reserves from years in which the tax regime established in this Law has been applied, differentiating the part that comes from income subject to the zero percent tax rate, or 19 percent, with respect to those that, if any, have been taxed at the general tax rate: At the close of fiscal year 2020, the reserves amounted to the amount of 46,401.68 euros (66,273.70 euros at the end of fiscal year 2019), with 12,060.68 euros corresponding to the Legal Reserve (same amount as of December 31, 2019) and 34,341.00 euros to Voluntary Reserves (54,213.02 euros as of December 31, 2019).
3. Dividends distributed with a charge to profits of each year in which the tax regime established in this Law has been applicable, differentiating the part that comes from income subject to the tax rate of zero percent or 19 percent, with respect to those that, if applicable, have been taxed at the general tax rate: Dividends distributed with a charge to the 2018 profits in which the tax regime established in Law 11/2009 has been applicable, amount to the amount of 54,333.14 euros. In fiscal year 2020, no dividends have been distributed since in fiscal year 2019 the Company incurred losses.
4. In the case of distribution of dividends charged to reserves, designation of the year from which the applied reserve comes and if they have been taxed at the zero percent, 19 percent or general rate: Not applicable.
5. Date of the agreement to distribute the dividends referred to in points 3 and 4 above: June 30, 2019. For the dividends corresponding to the result of 2020, the date of the minutes is pending.
6. Date of acquisition of the properties intended for leasing and of the shares in the capital of entities referred to in section 1 of article 2 of this Law: See Annex I.
7. Identification of the asset that counts within the 80 percent referred to in section 1 of article 3 of this Law: See Annex I.
8. Reserves from years in which the special tax regime established in this Law has been applicable, which have been arranged in the tax period, other than for their distribution or to offset losses, identifying the year from which said reserves come: Not applicable.

## **17. EVENTS SUBSEQUENT TO THE CLOSURE**

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, which include: isolation, confinement, quarantine and restriction of the free movement of people, closure of public and private premises, except those of first necessity and health, border closure and reduction drastic air, sea, rail and land transport. In Spain, the Government adopted Royal Decree 463/2020, of March 14, declaring a state of alarm for the management of the health crisis caused by COVID-19.

This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease of long-term interest rates.

To mitigate the economic impacts of this crisis, the Government is publishing various regulations with extraordinary urgent measures to deal with the economic and social impact of COVID-19, and the consequences derived from COVID-19 are considered a subsequent event that does not require adjustment in the annual accounts for the year 2020, without prejudice to the fact that they must be recognized in the annual accounts for the year 2021.

As of the date of preparation of the annual accounts for the 2020 financial year, it is not possible to make a reliable estimate of the present and future impacts derived from this crisis on the Company, and for this reason it will evaluate during the 2021 financial year the impact of the aforementioned events and of those that may occur in the future on the equity and financial situation as of December 31, 2021 and on the results of its operations and the cash flows corresponding to the year ended on that date.

## ANNEX I

ADDRESS	TOWN	ASSET TYPE	NO. HOMES	ACQUISITION DATE
c/ Calvo Sotelo, nº 1	A Coruña	Business premises	Ground floor and mezzanine	12/01/2016
c/ Juan Flórez, nº 49	A Coruña	Business premises	Business premises	06/11/2015
c/ Bailén, nº2	A Coruña	Building	Business premises y 3 Homes	04/03/2016
c/ Emilia Pardo Bazán	A Coruña	Home	Flat	31/08/2020
c/ Fernando Rey, nº10	A Coruña	Business premises	Business premises	21/08/2019
c/ Mondoñedo, nº 17	A Coruña	Building	Ground floor and three floors	01/04/2019
c/ Orzán, nº 132	A Coruña	Building	Ground floor and three floors	22/05/2020
c/ Pastor Díaz	A Coruña	Office and storage room	Office and storage room	04/03/2016
c/ Vereda del Polvorín, nº 37	A Coruña	Business premises	Local	30/08/2019
Lugar de San Pedro De Visma, Penamoa	A Coruña	Cultivated land		30/08/2019
Finca A Riveira	Cambre	Land		19/01/2017
Avda. Reina Victoria, nº 13-10º F	Madrid	Home	Flat	13/08/2020
Avda. Reina Victoria, nº 13-2º B	Madrid	Home	Flat	13/08/2020
c/ Don Ramón de la Cruz, 93-5º izda	Madrid	Home	1	04/03/2016
c/ Mártires Concepcionistas	Madrid	Home	Flat	13/08/2020
c/ Núñez de Balboa, nº 125	Madrid	Business premises	Business premises	30/01/2015
c/ Ortega y Gasset, nº 42	Madrid	Business premises	Business premises	13/07/2015
c/ Palos de la Frontera, nº 38	Madrid	Home	Flat	13/08/2020
Parking spot	Marbella	Parking spot	24/12/2020	24/12/2020
Plza. Antonio Alarcón, nº 1 apto. 206	Marbella	Holiday apartment	Apartment 206	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 501	Marbella	Holiday apartment	Apartment 501	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 706	Marbella	Holiday apartment	Apartment 706	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 804	Marbella	Holiday apartment	Apartment 804	17/01/2019
Plza. Antonio Alarcón, nº 1 apto. 1005	Marbella	Holiday apartment	Apartment 1005	30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 101	Marbella	Holiday apartment	Apartment 101	07/11/2018
Apartment 1114				30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 1114A	Marbella	Holiday apartment	Apartment 1114 A	
Plza. Antonio Alarcón, nº 1 apto. 1114B	Marbella	Holiday apartment	Apartment 1114 B	
Apartment 1211				30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 1211B	Marbella	Holiday apartment	Apartment 1211B	

Plza. Antonio Alarcón, nº 1 apto. 1211A	Marbella	Holiday apartment	Apartment 1211 A	
Plza. Antonio Alarcón, nº 1 apto. 305	Marbella	Holiday apartment	Apartment 305	30/04/2018
Apartment 314				07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 314 A	Marbella	Holiday apartment	Apartment 314 A	
Plza. Antonio Alarcón, nº 1 apto. 314 B	Marbella	Holiday apartment	Apartment 314 B	
Apartment 510				07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 510A	Marbella	Holiday apartment	Apartment 510 A	
Plza. Antonio Alarcón, nº 1 apto. 510B	Marbella	Holiday apartment	Apartment 510 B	
Urbanización Artola	Marbella	Hotel	Hotel	18/01/2018
Monterroso- Saviñao	Monterroso	Rustic land		04/03/2016
Avda. das Mariñas, nº 296	Oleiros	Land		24/01/2018
Avda. das Mariñas, nº 298	Oleiros	Land		25/02/2019
Avda. de Ramón Núñez Montero, nº 18	Oleiros	Land		24/05/2019
c/ Cormorán, nº 5	Oleiros	Holiday apartments and Parking spots	82 Apartments, 52 Parking spots	31/01/2017

It does not hold shares in the capital of entities referred to in section 1 of article 2 of Law 11/2009.



**Inmosupa, SOCIMI, S.A.**  
**Management report**  
**Financial year 2020**

The main indicators of the activity of the activity and of the financial situation of the Company are the following (data in euros):

<b>(Euros)</b>	<b>2020</b>	<b>2019</b>
Net amount of turnover	671.695,09	662.933,02
Operation profit	175.797,21	118.209,29
Profit before tax	29.729,83	(19.872,02)
Equity	7.189.821,89	7.160.092,06

The average number of employees in financial year 2020 is 1.02 people, practically unchanged compared to the previous year, which amounted to 1.34 people.

The Company has not carried out operations with its own shares during the financial years 2020 or 2019.

In compliance with current legislation, we must inform that no Research and Development actions have been carried out during the year.

Given the structure of the Company's activity, dedicated to the rental of real estate, there is no price risk in the Company's business.

The average collection period for the Company is around 25 days, with no significant differences in fiscal year 2020 between the cash flow generated and the accounting result recorded. Given that this situation is expected to continue in the future, the Sole Administrator does not appreciate the existence of cash flow risk in these Annual Accounts.

The average payment period to suppliers was 186 days in fiscal year 2020 (118 days in 2019). The Company will take the necessary financial rationalization measures in 2021 to comply with the provisions of Law 15/2010.

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, which include: isolation, confinement, quarantine and restriction of the free movement of people, closure of public and private premises, except those of first necessity and health, border closure and reduction drastic air, sea, rail and land transport. In Spain, the Government adopted Royal Decree 463/2020, of March 14, declaring a state of alarm for the management of the health crisis caused by COVID-19.

This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease of long-term interest rates.

To mitigate the economic impacts of this crisis, the Government is publishing various regulations with extraordinary urgent measures to deal with the economic and social impact of COVID-19, and the consequences derived from COVID-19 are considered a subsequent event that does not require adjustment. in the annual accounts for the year 2020, without prejudice to the fact that they must be recognized in the annual accounts for the year 2021.

As of the date of preparation of the annual accounts for the 2020 financial year, it is not possible to make a reliable estimate of the present and future impacts derived from this crisis on the

Company, and for this reason, the impact of the aforementioned events and of those that may occur in the future on the equity and financial situation as of December 31, 2021 and on the results of its operations and the cash flows corresponding to the year ended on that date.

Apart from the above, there are no events or events intrinsic to the company that occurred after the closing date that substantially affect the annual accounts that have not been described in the report.

**INMOSUPA, SOCIMI, S.A.**  
**Annual Accounts and Management Report**  
**Year ended December 31, 2020**

In A Coruña, on March 31, 2021, the Sole Administrator formulates these annual accounts of Inmosupa, SOCIMI, S.A. for the year 2020 made up of the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the annual report. Likewise, he formulates the management report for the financial year.

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Mr. Pablo Iglesias Mosquera  
Sole administrator