INMOSUPA, SOCIMI, S.A.

Financial Statements and Management Report

Corresponding to the fiscal year ending on

December 31, 2024

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FINANCIAL STATEMENTS

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INMOSUPA, SOCIMI, S.A.

Balance Sheet as of 31 December 31, 2024
(Units in euros)

ASSET	Notes	2024	2023
NOT CURRENT ASSETS		**18.865.560,05**	**15.449.778,65**
Intangible assets	**5**	**2.770,75**	**3.949,20**
IT software		2.770,75	3.949,20
Tangible fixed assets	**6**	**667.639,92**	**688.806,86**
Technical premises and other tangible fixed assets		431.258,48	476.164,92
Fixed assets in progress and advances		236.381,44	212.641,94
Investment property	**7**	**18.127.143,73**	**14.690.487,59**
Land		9.311.899,41	9.095.147,37
Buildings		8.815.244,32	5.595.340,22
Long-term financial investments	**8**	**68.005,65**	**66.535,00**
Other financial assets		68.005,65	66.535,00
CURRENT ASSETS		**5.381.027,80**	**2.613.319,65**
Inventories	**9**	**3.282.815,18**	**2.423.434,60**
Trading inventories		2.656.369,16	1.485.436,68
Advance payments to suppliers		626.446,02	937.997,92
Accounts receivables		**88.601,95**	**94.634,40**
Trade accounts receivables	8	39.069,80	28.822,50
Clients, group companies and associates	8	--	(2.783,00)
Current tax assets	13	5.346,65	10.693,30
Other credits with public administrations	13	44.185,50	57.901,60
Short-term financial investments	**8**	**9.424,01**	**8.140,00**
Other financial assets		9.424,01	8.140,00
Short term accruals		**11.653,01**	**11.228,83**
Cash and other liquid equivalent assets	**10**	**1.988.533,65**	**75.881,82**
Liquid assets		1.988.533,65	75.881,82
TOTAL ASSETS		**24.246.587,85**	**18.063.098,30**

INMOSUPA, SOCIMI, S.A.

Balance Sheet as of 31 December 31, 2024
(Units in euros)

EQUITY AND LIABILITIES	Notes	2.024	2.023
EQUITY		**8.780.908,45**	**9.148.064,96**
SHAREHOLDERS' FUNDS		**8.780.908,45**	**9.148.064,96**
Share capital	**11.1**	**8.094.040,00**	**8.094.040,00**
Issued share capital		8.094.040,00	8.094.040,00
Reserves	**11.2**	**680.360,87**	**365.007,10**
Legal and bylaws		96.744,83	27.843,04
Other reserves		583.616,04	337.164,06
Profit (loss) for the period	**3**	**6.507,58**	**689.017,86**
NOT CURRENT LIABILITIES		**9.942.247,59**	**7.935.254,07**
Long-term payables	**12**	**2.282.247,59**	**1.895.254,07**
Debts with financial institutions		2.077.606,59	1.694.086,07
Other financial liabilities		204.641,00	201.168,00
Long-term payables with group and associated companies	**12**	**7.660.000,00**	**6.040.000,00**
CURRENT LIABILITIES		**5.523.431,81**	**979.779,27**
Short-term payables	**12**	**2.508.630,49**	**532.527,03**
Debts with financial institutions		2.509.087,56	532.984,10
Other financial liabilities		(457,07)	(457,07)
Short-term payables with group and associated companies	**12**	**111.168,39**	**92.324,36**
Accounts payable		**2.903.632,93**	**354.927,88**
Sundry personal creditors	12	524.829,35	314.488,48
Other payables to public authorities	13	135.650,74	39.451,21
Advances from customers	12	2.243.152,84	988,19
TOTAL EQUITY AND LIABILITIES		**24.246.587,85**	**18.063.098,30**

INMOSUPA, SOCIMI, S.A.

Income Statement for the year ended 31 december 2024

(Units in euros)

	Notes	2024	2023
OPERATING ACTIVITIES			
Revenue	**14.1**	**976.546,80**	**889.376,21**
Sales		976.546,80	889.376,21
Provision of services			
Cost of Sales	**14.2**	--	--
Other operating income		**1.713,90**	**4.478,23**
Non-core and other revenues		1.713,90	4.478,23
Personnel Expenses	**14.3**	**(81.856,56)**	**(75.171,97)**
Salaries		(61.697,59)	(57.079,05)
Social charges		(20.158,97)	(18.092,92)
Other operating expenses		**(341.666,71)**	**(383.649,93)**
Outsourced services	**14.4**	(267.835,88)	(307.966,62)
Taxes		(68.576,49)	(75.683,31)
Losses, impairments, and changes in provisions related to commercial operations		(5.254,34)	--
Asset amortization / depreciation	**5, 6 y 7**	**(143.204,21)**	**(141.792,03)**
Impairment and gains and losses from disposals of non-current assets	**7**	--	**640.157,55**
Gains and losses from disposals of assets		--	640.157,55
Other gains (losses)		**16.101,13**	**4.946,93**
OPERATING RESULTS		**427.634,35**	**938.344,99**
Financial income		**15.684,95**	--
From participation in equity instruments		15.684,95	--
From third parties		15.684,95	--
Financial expenses	**14.5**	**(436.811,72)**	**(249.327,13)**
From debts with group and associated companies		(280.930,41)	(184.666,86)
From debts with third parties		(155.881,31)	(64.660,27)
FINANCIAL RESULTS		**(421.126,77)**	**(249.327,13)**
PROFIT BEFORE TAXES		**6.507,58**	**689.017,86**
Corporate Income Tax	**13.1**	--	--
PROFIT FOR THE YEAR	**3**	**6.507,58**	**689.017,86**

INMOSUPA, SOCIMI, S.A.
Statement of changes in equity for the year ended 31 December 2024
(Units in euros)

A) Statement of recognized income and expenses

	Notes	2024	2023
Profit (loss) for the year	3	6507,58	689017,86
Income and expenses taken directly to equity			
Subsidies, gifts and bequests		--	--
Tax effect		--	--
Total income and expense taken directly to equity		0	0
Transfers to the income statement			
Subsidies, gifts and bequests		--	--
Tax effect		--	--
Total transfers to income statement		0	0
TOTAL RECOGNIZED INCOME AND EXPENSES		6507,58	689017,86

INMOSUPA, SOCIMI, S.A.

B) Statement of total changes in equity for the year ended at 31 December 2024

	Registered capital (Note 11,1)	Reserves (Note 11,2)	Earnings from previous years (Note 10,2)	Profit (loss) for the period (Note 3)	TOTAL
ENDING BALANCE 31/12/2021	**6.894.040,00**	**292.317,61**	**(16.899,03)**	**93.888,27**	**7.263.346,85**
Total recognized income and expenses	--	--	--	689.017,86	689.017,86
Transactions with shareholders or owners					
Capital Increases	1.200.000,00	--	--	--	1.200.000,00
Other equity variations					
Profit distribution	--	72.689,49	16.899,03	(93.888,27)	(4.299,75)
ENDING BALANCE 31/12/2022	**8.094.040,00**	**365.007,10**	**--**	**689.017,86**	**9.148.064,96**
Total recognized income and expenses	--	--	--	6.507,58	6.507,58
Other equity variations					
Profit distribution	--	315.353,77	--	(689.017,86)	(373.664,09)
ENDING BALANCE 31/12/2023	**8.094.040,00**	**680.360,87**	**--**	**6.507,58**	**8.780.908,45**

INMOSUPA, SOCIMI, S.A.
Statement of cash flows for the period ended 31 December 2024
(Units in euros)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6.507,58	689.017,86
Adjustments			
Amortization / depreciation expenses	5,6 y 7	143.204,21	141.792,03
Impairment losses		5.254,34	--
Gains and losses from the disposal of non-current assets	7	--	(640.157,55)
Financial income		(15.684,95)	--
Financial expenses	14.5	436.811,72	249.327,13
Changes in working capital			
Inventories		(859.380,58)	(913.963,97)
Debtors and other receivables		(4.568,54)	(88.797,70)
Other current assets		(1.708,19)	(7.354,36)
Creditors and other payables		2.548.705,05	40.589,32
Other non current assets and liabilities		3.473,00	40.476,00
Other cash flows from operating activities			
Interest paid	14.5	(436.811,72)	(249.327,13)
Interest received		15.684,95	--
Profit Tax payment		5.346,65	10.693,30
Cash flows from operating activities		**1.846.833,52**	**-727.705,07**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment payments			
Intangible fixed assets	5	--	(912,50)
Tangible fixed assets	6	(44.699,26)	(43.686,09)
Real estate investments	7	(3.512.815,70)	(1.326.051,63)
Other financial assets		(1.470,65)	(18.937,00)
Proceeds from divestment			
Tangible fixed assets	6	--	5.757,32
Real property investments		--	1.007.243
Cash flows from investing activities		**-3.558.985,61**	**-376.587,22**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds and payments from equity instruments			
Issuance of equity instruments			
Debts with financial institutions		2.892.608,08	416.285,55
Debts with group and associated companies		1.638.844,03	155.858,07
Repayment of			
Debts with financial institutions		(532.984,10)	(646.072,30)
Dividend payments and other receipts from equity instruments			
Dividends	3	(373.664,09)	(4.299,75)
Cash flows from financing activities		**3.624.803,92**	**1.121.771,57**
ADJUSTMENT FOR VARIATION OF EXCHANGE RATES		**0**	**0**
NET INCREASE/ DECREASE IN CASH AND EQUIVALENTS		**1.912.651,83**	**17.479,28**
Cash and equivalents - beginning of the financial year		75.881,82	58.402,54
Cash and equivalents - end of the financial year	10	1.988.533,65	75.881,82

INMOSUPA, SOCIMI, S.A.
Notes to the Financial Statements for the year ended December 31, 2024

1. COMPANY ACTIVITY

The company INMOSUPA, SOCIMI, S.A. (hereinafter "The Company") was incorporated as a limited company in 2015 and was registered in 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 December 10, 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 January 14, 2020.

The Company was listed on EURONEXT Access Paris on April 6, 2020.

Its registered office and tax address is located at C/ SOCORRO, 28, BJ, 15003, LA CORUÑA.

The main activity is the rental of housing and industrial premises; as well as real estate promotion.

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. SOCMIs 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 2024.

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.

The Corporate Income Tax rate of the SOCIMI is set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with a participation percentage of more than 5% are exempt or taxed at a rate of less than 10%, the SOCIMI will be subject to a special tax of 19%, which will be considered Corporate Income Tax, on the amount of the dividend distributed to said shareholders. If applicable, this special tax must be paid by the SOCIMI within two months from the date of the dividend distribution.

With effect for the years beginning on or after January 1, 2021, Law 11/2021, of July 9, on measures to prevent and combat tax fraud modifies section 4 of article 9 of Law 11/ 2009, of October 26, which regulates the Public Limited Companies for Investment in the Real Estate Market (SOCIMI). Specifically, a special tax of 15% is introduced on the amount of the profit obtained in the year that is not distributed, in the part that comes from: a) income that has not been taxed at the standard Corporate Income Tax rate and, b) income that does not derive from the transfer of eligible assets, once the three-year holding period has elapsed, which have been covered by the three-year reinvestment period provided for in article 6.1.b) of Law 16/2012, of December 27. This special tax will be considered Corporation Tax and will be accrued on the day of agreement of application of the result of the year by the General Shareholders' Meeting or equivalent body. The self-assessment and payment of the tax must be made within a period of two months from the accrual.

2. BASIS FOR PRESENTATION OF THE ANNUAL ACCOUNTS

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, most recently by Royal Decree 01/2021 of 12 January, as well as with the rest of the commercial legislation in force.

The annual accounts have been prepared by the Board of Directors 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.

The figures included in the annual accounts are in euro, 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 law, it is presented, for comparative purposes, with each of the items in the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows, in addition to the figures for the 2024 financial year, those corresponding to the previous financial year, formulated by the Board of Directors on May 7th, 2024.

2.3 "Going concern" principle

As of December 31, 2024, the Company had a negative working capital amounting to 142.404,01 euros (positive amount of 1.633.540,38 euros as of December 31, 2023). However, it has the necessary equity structure to access new sources of financing, for which reason it has prepared its accounts under the going concern principle.

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.

In preparing the Company's annual accounts, the members of the Board of Directors have made estimates to determine the book value of some of the assets, liabilities, income and expenses and on the breakdown of contingent liabilities. These estimates have been made based on the best information available at the end of the year. However, given the inherent uncertainty, future events could arise that force them to be modified in the coming years, which would be done, where appropriate, prospectively.

At the closing date of the financial year there are no key assumptions about the future, or other relevant data on the estimation of uncertainty that are associated with a material risk of assuming significant changes in the value of the assets or liabilities in the next financial year.

3. DISTRIBUTION OF PROFIT

The proposal for the distribution of the profit for the financial year 2024, formulated by the Board of Directors and expected to be approved by the General Meeting of Shareholders, is as follows:

(Euros)	2024	2023
Income statement balance (profit)	6.507,58	689.017,86
	6.507,58	**689.017,86**
Aplication		
To legal reserve	650,76	68.901,79
To voluntary reserves	--	246.451,98
To dividends	5.856,82	373.664,09
	6.507,58	**689.017,86**

The company has distributed the following dividends:

(Euros)	2024	2023	2022	2021
Distributed dividends	5.856,82	373.664,09	4.299,75	30.784,99

3.1 Limitations for the distribution of dividends

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. REGISTRATION AND VALUATION RULES

The main registration and valuation criteria used by the Company in preparing these annual accounts are as follows:

4.1 Intangible assets

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

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

The Company's intangible assets are amortized systematically on the basis of the estimated useful lives of the assets and their residual values. The amortization 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.

IT software

IT or computer software corresponds to the cost of acquisition. They are amortized 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 capitalization.

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 capitalized 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:

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.

	Años vida útil
Technical premises and machinery	10
Furniture and equipment	10
Information processing equipment	4
Transport equipment	6

4.3 Real estate investments

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 year-end, the Company assesses whether there are signs that any non-current asset or, where appropriate, any cash-generating unit may be impaired and, if there are signs, their recoverable amounts are estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. When the book value is greater than the recoverable amount, an impairment loss occurs. The value in use is the present value of the expected future cash flows, using risk-free market interest rates, adjusted for the specific risks associated with the asset. For those assets that do not generate cash flows, largely independent of those derived from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which said assets belong. Said cash-generating units are the minimum group of elements that generate cash flows, to a large extent, independent of those derived from other assets or groups of assets.

Valuation corrections for impairment and their reversal are recorded in the profit and loss account. Valuation corrections for impairment are reversed when the circumstances that gave rise to them no longer exist, except for those corresponding to goodwill. The reversal of the impairment is limited to the book value of the asset that would appear if the corresponding impairment in value had not been recognized previously.

4.5 Leases

Contracts are classified as finance leases when it is deduced from their economic conditions that substantially all the risks and benefits inherent to ownership of the asset under contract are transferred to the lessee. Otherwise, the contracts are classified as operating leases.

Company as tenant

Assets acquired through finance leases are recorded according to their nature, at the lower of the fair value of the asset and the current value at the beginning of the lease of the agreed minimum payments, including the purchase option, accounting for a financial liability for the same amount. Contingent installments, the cost of services and taxes charged by the lessor are not included in the calculation of the agreed minimum payments. The payments made for the lease are distributed between the financial expenses and the reduction of the liability.

The total financial charge of the contract is charged to the profit and loss account for the year in which it is accrued, applying the effective interest rate method. The same amortization, impairment and retirement criteria are applied to assets as to other assets of their nature.

Payments for operating leases are recorded as expenses in the profit and loss account when accrued.

Company as lessor

Income derived from operating leases is recorded in the profit and loss account when accrued. The direct costs attributable to the contract are included as an increase in the value of the leased asset and are recognized as an expense during the term of the contract, applying the same criteria used for the recognition of lease income.

4.6 Financial assets

Classification and evaluation

At the time of initial recognition, the Company classifies all financial assets in one of the categories listed below, which determines the applicable initial and subsequent valuation method:

- Financial assets at fair value with changes in the profit and loss account
- Financial assets at amortized cost
- Financial assets at fair value with changes in equity
- Financial assets at cost

Financial assets at fair value with changes in the profit and loss account

The Company classifies a financial asset in this category unless it is classified in one of the others.

In any case, financial assets held for trading are included in this category. The Company considers that a financial asset is held for trading when at least one of the following three circumstances is met:

a) It is originated or acquired with the purpose of selling it in the short term.

b) It belongs, at the time of its initial recognition, to a portfolio of financial instruments identified and managed jointly for which there is evidence of recent actions to obtain profits in the short term.

c) It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

In addition to the foregoing, the Company has the possibility, at the time of initial recognition, to irrevocably designate a financial asset as measured at fair value with changes in the profit and loss account, and that otherwise it would have been included in another category (often referred to as a "fair value option"). This option may be chosen if a valuation inconsistency or accounting mismatch that would otherwise arise from measuring the assets or liabilities on different bases is eliminated or significantly reduced.
Financial assets classified in this category are initially valued at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transaction costs are recognized in the profit and loss account for the year (that is, they are not capitalized).

After initial recognition, the Company values the financial assets included in this category at fair value with changes in the profit and loss account (financial result).

Financial assets at amortized cost

The Company classifies a financial asset in this category, even when it is listed on an organized market, if the following conditions are met:

- The Company maintains the investment under a management model whose objective is to receive the cash flows derived from the execution of the contract.

The management of a portfolio of financial assets to obtain their contractual flows does not imply that all the instruments must necessarily be held until maturity; financial assets may be considered to be managed for that purpose even if sales have occurred or are expected to occur in the future. To this end, the Company considers the frequency, amount and timing of sales in prior years, the reasons for those sales and expectations regarding future sales activity.

- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the amount of principal outstanding. That is, the cash flows are inherent to an agreement that has the nature of an ordinary or common loan, notwithstanding that the operation is agreed at a zero interest rate or below the market rate.

It is assumed that this condition is met, in the event that a bond or a simple loan with a certain maturity date and for which the Company charges a variable market interest rate, may be subject to a limit. In contrast, this condition is assumed not to be met in the case of instruments convertible into equity instruments of the issuer, loans with inverse variable interest rates (i.e. a rate that has an inverse relationship with interest rates market interest) or those in which the issuer can defer the payment of interest, if said payment would affect its solvency, without the deferred interest accruing additional interest.

In general, credits for commercial operations ("commercial customers") and credits for non-commercial operations ("other debtors") are included in this category.

Financial assets classified in this category are initially valued at their fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, plus the transaction costs that are directly attributable. That is, the inherent transaction costs are capitalized.

However, credits for commercial operations maturing in no more than one year and that do not have an explicit contractual interest rate, as well as credits to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be receive in the short term, they are valued at their nominal value when the effect of not updating the cash flows is not significant.

For subsequent valuation, the amortized cost method is used. Accrued interest is recorded in the profit and loss account (financial income), applying the effective interest rate method.

Loans maturing in no more than one year which, as stated above, are initially valued at their nominal value, will continue to be valued at that amount, unless they have been impaired.

In general, when the contractual cash flows of a financial asset at amortized cost are modified due to the financial difficulties of the issuer, the Company analyzes whether it is appropriate to record a loss due to impairment of value.

Financial assets at fair value with changes in equity

Financial assets that meet the following conditions are included:

- The financial instrument is not held for trading nor should it be classified at amortized cost.

- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are solely collections of principal and interest on the amount of principal outstanding.

In addition, the Company has the option to classify (irrevocably) investments in equity instruments in this category, provided that they are not held for trading, nor should they be valued at cost (see cost category below).

The financial assets included in this category are initially valued at their fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, plus the transaction costs that are directly attributable. That is, the inherent transaction costs are capitalized.

The subsequent valuation is at fair value, without deducting the transaction costs that could be incurred in its sale. The changes that occur in the fair value are recorded directly in equity, until the financial asset is removed from the balance sheet or is impaired, at which time the amount thus recognized is charged to the profit and loss account.

Valuation corrections for value impairment and gains and losses resulting from exchange differences in monetary financial assets in foreign currency are recorded in the profit and loss account and not in equity.

The amount of interest, calculated according to the effective interest rate method, and accrued dividends (financial income) are also recorded in the profit and loss account.

Financial assets at cost

The Company includes in this category, in any case:

a) Investments in the equity of group companies, jointly controlled entities and associates (in the individual financial statements).

b) The remaining investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be estimated reliably, and the derivatives underlying these investments.

c) Hybrid financial assets whose fair value cannot be reliably estimated, unless the requirements for their accounting at amortized cost are met.

d) Contributions made as a result of a participation account contract and the like.

e) Participative loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon, subject to the fulfillment of a milestone in the borrowing company (for example, obtaining profits), or because they are calculated exclusively by reference to the evolution of the activity of the aforementioned company.

f) Any other financial asset that should initially be classified in the fair value portfolio with changes in the profit and loss account when it is not possible to obtain a reliable estimate of its fair value.

The investments included in this category are initially valued at cost, which is equal to the fair value of the consideration given plus the transaction costs that are directly attributable to them. That is, the inherent transaction costs are capitalized.

In the case of investments in group companies, if there was an investment prior to its classification as a group, jointly controlled or associated company, the cost of said investment will be considered to be the book value that it should have immediately before the company changes its classification.

The subsequent valuation is also at cost, less, where appropriate, the accumulated amount of the valuation corrections for impairment.

Contributions made as a result of a participation account contract and the like are valued at cost, increased or decreased by the profit or loss, respectively, corresponding to the company as a non-managing participant, and less, where appropriate, the amount of accumulated valuation corrections due to impairment.

This same criterion is applied to participating loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon, subject to the fulfillment of a condition in the borrowing company (for example, obtaining profits), or because calculated exclusively by reference to the evolution of the activity of the aforementioned company. If, in addition to a contingent interest, an irrevocable fixed interest is agreed, the latter is recorded as financial income based on its accrual. Transaction costs are charged to the profit and loss account on a straight-line basis throughout the life of the participating loan.

Derecognition of financial assets

The Company derecognizes a financial asset from the balance sheet when:

- The contractual rights to the asset's cash flows expire. In this sense, a financial asset is written off when it has matured and the Company has received the corresponding amount.

- The contractual rights over the cash flows of the financial asset have been assigned. In this case, the financial asset is derecognized when the risks and benefits inherent to its ownership have been substantially transferred. In particular, in sales transactions with repurchase agreements, factoring and securitizations, the financial asset is derecognized once the Company's exposure has been compared, before and after the assignment, to the variation in the amounts and it follows from the schedule of net cash flows of the transferred asset, that the risks and rewards have been transferred.

After analyzing the risks and benefits, the Company records the derecognition of financial assets in accordance with the following situations:

a) The risks and rewards inherent to ownership of the asset have been substantially transferred. The transferred asset is removed from the balance sheet and the Company recognizes the result of the operation: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any liability assumed) and the book value of the asset plus any accumulated amount that has been recognized directly in equity.

Impairment of value of financial assets

Debt instruments at amortized cost or fair value with changes in equity

At least at year-end, the Company analyzes whether there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that have occurred after their initial recognition and that cause a reduction or delay in future estimated cash flows, which may be caused by the insolvency of the debtor.

If there is such evidence, the impairment loss is calculated as the difference between the book value and the present value of future cash flows, including, where appropriate, those from the execution of real and personal guarantees, which are estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at a variable interest rate, the effective interest rate corresponding to the closing date of the annual accounts is used in accordance with the contractual conditions. In calculating the impairment losses of a group of financial assets, the Company uses models based on statistical formulas or methods.

Value adjustments for impairment, as well as their reversal when the amount of said loss decreases for reasons related to a subsequent event, are recognized as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the asset that would be recognized on the reversal date if the impairment had not been recorded.

As a substitute for the current value of future cash flows, the Company uses the market value of the instrument, provided that it is reliable enough to be considered representative of the value that the company could recover.

In the case of assets at fair value with changes in equity, the accumulated losses recognized in equity due to a decrease in fair value, provided there is objective evidence of impairment in the value of the asset, are recognized in the income statement.

Equity instruments at fair value with changes in equity

In this type of investment, the Company assumes that the instrument has deteriorated due to a fall of one and a half years or forty percent in its price, without its value having recovered, notwithstanding that it could be necessary to recognize an impairment loss before said period has elapsed or the price has fallen by the aforementioned percentage.

Value corrections due to impairment are recognized as an expense in the profit and loss account.

In the event that the fair value increases, the valuation correction recognized in previous years does not revert with a credit to the profit and loss account and the increase in fair value is recorded directly against equity.

Financial assets at cost

In this case, the amount of the valuation adjustment is the difference between its book value and the recoverable amount, understood as the higher amount between its fair value less selling costs and the present value of the future cash flows derived from the investment, which, in the case of equity instruments, is calculated either by estimating what is expected to be received as a result of the distribution of dividends made by the investee company and the sale or derecognition of the investment therein, or by estimating its participation in the cash flows that are expected to be generated by the investee company, both from its ordinary activities and from its disposal or derecognition. Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated based on the equity of the investee and the tacit capital gains existing at the valuation date, net of the tax effect.

The recognition of valuation corrections for value impairment and, where appropriate, their reversal, are recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the book value of the investment that would be recognized on the reversal date if the impairment had not been recorded.

Interest and dividends received from financial assets

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

If the distributed dividends unequivocally come from results generated prior to the date of acquisition because amounts greater than the profits generated by the investee since the acquisition have been distributed, they will not be recognized as income, and will reduce the book value of the investment. The judgment as to whether profits have been generated by the investee will be made based exclusively on the profits recorded in the individual profit and loss account from the date of acquisition, unless the distribution charged to said profits should undoubtedly be classified as a recovery of the investment from the perspective of the entity receiving the dividend.

4.7 Financial liabilities

Classification and evaluation

At the time of initial recognition, the Company classifies all financial liabilities in one of the categories listed below:

- Financial liabilities at amortized cost
- Financial liabilities at fair value with changes in the profit and loss account

Financial liabilities at amortized cost

The Company classifies all financial liabilities in this category except when they must be valued at fair value with changes in the profit and loss account.

In general, debits for commercial operations ("suppliers") and debits for non-commercial operations ("other creditors") are included in this category.

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the fact that the operation is agreed at a zero interest rate or below the market rate.

The financial liabilities included in this category are initially valued at their fair value, which, unless there is evidence to the contrary, is considered to be the transaction price, which is equivalent to the fair value of the consideration received, adjusted for the transaction costs that are directly attributable. That is, the inherent transaction costs are capitalized.

However, debits for commercial operations with a maturity of no more than one year and that 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 valued at their value. nominal, when the effect of not updating the cash flows is not significant.

For the subsequent valuation, the amortized cost method is used. Interest accrued is recorded in the profit and loss account (financial expense), applying the effective interest rate method.

However, debits maturing in no more than one year which, in accordance with the provisions above, are initially valued at their nominal value, will continue to be valued at said amount.

Contributions received as a result of a joint venture account agreement and the like are valued at cost, increased or decreased by the profit or loss, respectively, that must be attributed to the non-managing participants.

This same criterion is applied to participating loans whose interests are contingent, either because a fixed or variable interest rate is agreed upon, subject to the fulfillment of a milestone in the borrowing company (for example, obtaining profits), or because calculated exclusively by reference to the evolution of the activity of the aforementioned company. Financial expenses are recognized in the profit and loss account in accordance with the accrual principle, and transaction costs will be charged to the profit and loss account in accordance with a financial criterion or, if not applicable, on a straight-line basis throughout the life of the participating loan.

Financial liabilities at fair value with changes in the profit and loss account

In this category, the Company includes financial liabilities that meet any of the following conditions:

- They are liabilities held for trading. A financial liability is considered to be held for trading when it meets one of the following conditions:

    • It is issued or assumed primarily for the purpose of repurchasing it in the short term (for example, bonds and other marketable securities issued and listed that the company can buy in the short term based on changes in value).

    • It is an obligation that a short seller has to deliver financial assets that have been loaned to him ("short sale").

    • At the time of its initial recognition, it forms part of a portfolio of financial instruments identified and managed jointly for which there is evidence of recent actions to obtain profits in the short term.

    • It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

- From the moment of initial recognition, it has been irrevocably designated to be accounted for at fair value with changes in the profit and loss account ("fair value option"), because:

    • An inconsistency or "accounting mismatch" with other instruments at fair value through profit or loss is eliminated or significantly reduced; or either

    • A group of financial liabilities or financial assets and liabilities that is managed and its performance is assessed on the basis of its fair value in accordance with a documented risk management or investment strategy and group information is also provided on the basis of fair value to key management personnel.

- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be included in their entirety in this category.

Financial liabilities included in this category are initially valued at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration received. The transaction costs that are directly attributable to them are recognized directly in the profit and loss account for the year.

After initial recognition, the company values the financial liabilities included in this category at fair value with changes in the profit and loss account.

Derecognition of financial liabilities

The Company derecognizes a previously recognized financial liability from the balance sheet when any of the following circumstances occur:

• The obligation has been extinguished because payment has been made to the creditor to settle the debt (through cash payments or other goods or services), or because the debtor is legally released from any liability on the liability.

• Own financial liabilities are acquired, even with the intention of reselling them in the future.

• An exchange of debt instruments occurs between a lender and a borrower, provided they have substantially different conditions, recognizing the new financial liability that arises; in the same way, a substantial modification of the current conditions of a financial liability is recorded, as indicated for debt restructuring.

• The accounting for the derecognition of a financial liability is carried out as follows: the difference between the book value of the financial liability (or the part of it that has been derecognized) and the consideration paid, including the costs of attributable transaction, and in which any assigned asset other than cash or assumed liability must also be included, is recognized in the profit and loss account for the year in which it takes place.

4.8 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the valuation date. The fair value will be determined without making any deduction for transaction costs that may be incurred due to sale or disposal by other means. In no case does it have the character of fair value if it is the result of a forced or urgent transaction or as a consequence of an involuntary liquidation situation.

The fair value is estimated for a given date and, since market conditions may vary over time, that value may be inappropriate for another date. In addition, when estimating fair value, the company takes into account the conditions of the asset or liability that market participants would take into account when pricing the asset or liability on the valuation date.

In general, the fair value is calculated by reference to a reliable market value. For those items for which there is an active market, the fair value is obtained, where appropriate, through the application of valuation models and techniques. Valuation models and techniques include the use of references to recent arm's-length transactions between duly informed and interested parties, if available, as well as references to the fair value of other assets that are substantially the same, discount methods of estimated future cash flows and models generally used to value options.

In any case, the valuation techniques used are consistent with the methodologies accepted and used by the market for setting prices, using, if it exists, the one that has been shown to obtain more realistic estimates of prices. Likewise, they take into account the use of observable market data and other factors that their participants would consider when setting the price, limiting as much as possible the use of subjective considerations and non-observable or verifiable data.

The Company periodically evaluates the effectiveness of the valuation techniques it uses, using as a reference the observable prices of recent transactions in the same asset being valued or using prices based on data or observable market indices that are available and applicable.

In this way, a hierarchy is deduced in the variables used in determining the fair value and a fair value hierarchy is established that allows the estimates to be classified into three levels:

- Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities, which the company can access on the valuation date.

- Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methodologies in which all significant variables are based on directly or indirectly observable market data.

- Level 3: estimates in which some significant variable is not based on observable market data.

An estimate of fair value is classified at the same level of the fair value hierarchy as the lowest level input that is significant to the valuation result. For these purposes, a significant variable is one that has a decisive influence on the estimation result. In assessing the importance of a specific variable for the estimate, the specific conditions of the asset or liability being valued are taken into account.

4.9 Cash and other equivalent liquid assets

This heading includes cash on hand, bank checking accounts and temporary deposits and acquisitions of assets that meet all of the following requirements:

- They are convertible into cash.

- At the time of its acquisition, its maturity was not greater than three months.

- They are not subject to a significant risk of changes in value.

- They form part of the Company's normal treasury management policy.

For the purposes of the statement of cash flows, occasional overdrafts that form part of the Company's cash management are included as less cash and other equivalent liquid assets.

4.10 Provisions and contingencies

Liabilities that are undetermined with respect to their amount or the date on which they will be canceled are recognized in the balance sheet as provisions when the Company has a current obligation (whether due to a legal, contractual provision or an implicit or tacit obligation), arising as a result of past events, which is considered likely to involve an outflow of resources for its settlement and which is quantifiable.

Provisions are valued at the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party, registering the adjustments that arise from updating the provision as a financial expense as they accrue. When it comes to provisions with a maturity of less than or equal to one year, and the financial effect is not significant, no type of discount is applied. Provisions are reviewed at the closing date of each balance sheet and are adjusted in order to reflect the best current estimate of the corresponding liability at any given time.

Compensation to be received from a third party at the time the provisions are settled are recognized as an asset, without reducing the amount of the provision, provided there are no doubts that said reimbursement will be received, and without exceeding the amount of the registered obligation. When there is a legal or contractual link to externalize the risk, by virtue of which the Company is not obliged to respond for it, the amount of said compensation is deducted from the amount of the provision.

On the other hand, contingent liabilities are considered those possible obligations, arising as a result of past events, whose materialization is conditioned to the occurrence of future events that are not entirely under the control of the Company and those present obligations, arising as a result of past events, for which it is unlikely that there will be an outflow of resources for their liquidation or that cannot be valued with sufficient reliability. These liabilities are not subject to accounting records, detailing them in the report, except when the outflow of resources is remote.

4.11 Commitments to staff

The Company does not have a retirement pension plan for its employees, and the obligations in this regard are covered by Social Security.

The indemnities to be paid to employees for dismissals that may occur as a result of readjustments in the workforce or other reasons not attributable to them are calculated based on years of service. Any expense for this item is recorded in the profit and loss account for the year in which there is a valid expectation against the affected third parties.

4.12 Income tax

SOCIMI tax regime

The Company is subject to the regime established in Law 11/2009, of October 26, which regulates Listed Real Estate Investment Companies (SOCIMI), which in practice means that, subject to compliance with certain requirements, the Company is subject to a Corporate Income Tax rate of 0% (Note 1).

The members of the Board of Directors monitor compliance with the requirements established in the legislation in order to apply the tax advantages established therein. In this sense, the estimation of the members of the Board of Directors is that these requirements will be fulfilled in the terms and deadlines established, not proceeding to register any type of result derived from the Corporate Income Tax.

Notwithstanding that the estimation criteria are based on rational assessments and based on objective elements of analysis, it is possible that events that could take place in the future force them to be modified (up or down) in the coming periods; what would be done, if necessary, prospectively.

General scheme

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 recognized. It is recognized in the income statement, except when it relates to transactions that are recognized directly in equity, in which case the related tax is also recognized in equity.

Deferred taxes are recognized 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 recognizes a deferred tax liability for all taxable temporary differences, except, where applicable, for the exceptions provided for in current legislation.

The Company recognizes 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 utilized, except, where applicable, for the exceptions provided for in current regulations.

At the end of each reporting period, the Company assesses recognized and previously unrecognized deferred tax assets. Based on this assessment, the Company derecognizes a previously recognized asset if it is no longer probable that it will be recovered, or recognizes any previously unrecognized 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 realization or settlement.

4.13 Classification of assets and liabilities between current and non-current

Assets and liabilities are presented in the balance sheet classified as current and 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, realized or settled during the same. On the other hand, their expiration, disposal or realization is expected to occur within a maximum period of one year; they are held for trading purposes or are cash and other equivalent liquid assets whose use is not restricted for a period exceeding one year. Otherwise, they are classified as non-current assets and liabilities.

The normal operating cycle is less than a year.

4.14 Income and expenses

Revenue is recognized when the service is provided and it is probable that the Company will receive the benefits or economic returns derived from the transaction and the amount of revenue and costs incurred or to be incurred can be measured reliably.

The Company recognizes income for the ordinary development of its activity when the transfer of control of the goods or services committed to customers occurs.

In order to apply this fundamental criterion of income accounting records, the Company will follow a complete process consisting of the following successive stages:

a) Identify the contract (or contracts) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.

b) Identify the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a client.

c) Determine the price of the transaction, or consideration of the contract to which the company expects to be entitled in exchange for the transfer of goods or the provision of services committed to the client.

d) Assign the price of the transaction to the obligations to be fulfilled, which must be carried out based on the individual sale prices of each different good or service that have been committed to in the contract, or, where appropriate, following an estimate of the sale price when it is not observable independently.

e) Recognize income from ordinary activities when the company fulfills a committed obligation through the transfer of an asset or the provision of a service; fulfillment that takes place when the customer obtains control of that good or service, so that the amount of revenue recognized from ordinary activities will be the amount assigned to the satisfied contractual obligation.

Recognition

The Company recognizes the income derived from a contract when the transfer to the client of the control over the committed goods or services occurs (that is, the obligation or obligations to be fulfilled).

For each obligation to be fulfilled that is identified, the Company determines at the beginning of the contract whether the commitment assumed is fulfilled over time or at a specific moment.

In the case of contractual obligations that are fulfilled at a certain time, the income derived from their execution is recognized on that date. The costs incurred in the production or manufacture of the product are recorded as inventories.

Assessment

Ordinary income from the sale of goods and the provision of services is valued at the monetary amount or, where appropriate, at the fair value of the consideration received or expected to be received. The consideration is the agreed price for the assets to be transferred to the client, deducting the amount of any discount, reduction in price or other similar items that the company may grant, as well as the interest included in the nominal value of the loans.

4.15 Transactions in foreign currency

The Company's functional and presentation currency is the euro.

Transactions in foreign currency are valued in euros at the exchange rates prevailing at the time of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the spot exchange rate prevailing on the balance sheet date. The exchange differences, both positive and negative, that originate in this process, as well as those that occur when liquidating said equity elements, are recognized in the profit and loss account of the year in which they arise.

Non-monetary items valued at historical cost are valued applying the exchange rate on the date of the transaction.

4.16 Assets of an environmental nature

Expenses related to decontamination and restoration activities of contaminated sites, waste disposal and other expenses derived from compliance with environmental legislation are recorded as expenses for the year in which they occur, unless they correspond to the cost of purchasing elements that are incorporated to the Company's assets in order to be used on a long-term basis, in which case they are accounted for in the corresponding items under the heading "Property, plant and equipment", being amortized using the same criteria.

4.17 Transactions with related parties

In the event that they exist, transactions between companies in the same group, regardless of the degree of relationship, are accounted for in accordance with the general rules. The elements that are the object of the transactions that are carried out will be accounted for at the initial moment at their fair value. The subsequent valuation is carried out in accordance with the provisions of the particular regulations for the corresponding accounts.

This valuation standard affects the related parties that are specified in the 13th Annual Accounts Preparation Standard of the General Accounting Plan. In this sense:

a) It will be understood that a company is part of the group when both are linked by a control relationship, direct or indirect, analogous to that provided for in article 42 of the Commercial Code, or when the companies are controlled by any means by one or several legal entities that act jointly or are under a single management by agreements or statutory clauses.

b) It will be understood that a company is associated when, without being a group company in the sense indicated, the company or the dominant natural persons, exercise significant influence over that associated company, as is carefully developed in the aforementioned 13th Annual Accounts Preparation Standard.

c) A party is considered linked to another when one of them exercises or has the possibility of exercising, directly or indirectly or by virtue of pacts or agreements between shareholders or unit-holders, control over another or significant influence in making financial decisions and of exploitation of the other, as detailed in the 15th Annual Accounts Preparation Standard.

Parties related to the Company, in addition to the group companies, associated companies and jointly controlled entities, are considered to be natural persons who directly or indirectly hold some share in the voting rights of the Company, or in its parent company, in a way that allows them to exercise a significant influence on one or the other, as well as their close relatives, the key personnel of the Company or its parent (individuals with authority and responsibility over the planning, direction and control of the company's activities, either directly or indirectly), which includes the members of the

Board of Directors and the Directors, together with their close relatives, as well as the entities over which the aforementioned persons may exercise significant influence. Likewise, companies that share a director or manager with the Company are considered related parties, except when the latter does not exercise significant influence on the financial and operating policies of both, and, where appropriate, the close relatives of the individual representative. of the members of the Board of Directors, legal person, of the Company.

4.18 Termination benefits

In accordance with current employment legislation, the Company is obliged to pay compensation to those employees with whom, under certain conditions, it terminates their labor relations. Termination benefits that can be reasonably quantified are recorded as an expense for the year in which there is a valid expectation, created by the Company against affected third parties.

4.19 Inventories

Included under inventories are land to be developed and developed land, ongoing developments, constructed dwellings, commercial premises and garages, and other properties that, in principle, are intended for sale.

Inventories are measured at the lower of acquisition cost, production cost, or net realizable value. These costs include direct expenses contracted with third parties attributable to each development (land or plots, fees for drafting technical and project management documents, administrative licenses, construction work, quality control, notarial and registration fees, taxes, financial expenses, etc.), excluding indirect costs that are not directly attributable to the assets but are necessary for their production.

Trade discounts, rebates received, similar items, and interest included in the nominal value of liabilities are deducted in determining the acquisition cost.

For those inventories that require a period longer than one year to be ready for sale, the cost includes financial expenses charged by the supplier or related to loans or other external financing, whether specific or general, directly attributable to the construction. Capitalization of these financial expenses generally begins when physical adaptation work on the land starts and ends when the construction is completed. Likewise, if during the adaptation or construction phase there is an interruption of the works, the associated financial expenses will not be capitalized during that period.

The Company makes the necessary valuation adjustments, recognizing them as an expense in the income statement when the net realizable value of inventories is lower than their carrying amount.

These adjustments are reversed if the circumstances that led to the inventory write-down no longer exist, and the reversal is recognized as income in the income statement.

In this regard, the Company assesses potential valuation adjustments of its inventories annually, using appraisals carried out by independent specialized experts and/or internal technical staff, based on:

- References to recent transactions
- Market comparables for properties of a similar nature to those owned by the Company
- The discounted cash flow method based on estimated future cash flows.

If a property recorded as inventory is reclassified due to its change in use to operating lease, it is then classified as an investment property.

5. INTANGIBLE ASSETS

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

(Euros)	Initial Balance	Additions and provisions	Final balance
Financial year 2024			
Cost			
IT software	6.015,00	--	6.015,00
	6.015,00	--	6.015,00
Accumulated amortization			
IT software	(2.065,80)	(1.178,45)	(3.244,25)
	(2.065,80)	(1.178,45)	(3.244,25)
Net book value	**3.949,20**		**2.770,75**
Financial year 2023			
Cost			
IT software	5.102,50	912,50	6.015,00
	5.102,50	912,50	6.015,00
Accumulated amortization			
IT software	(870,30)	(1.195,50)	(2.065,80)
	(870,30)	(1.195,50)	(2.065,80)
Net book value	**4.232,20**		**3.949,20**

As of December 31, 2024 and 2023, there are intangible fixed assets in use and fully amortized according to the following detail:

(Euros)	2024	2023
IT Software	140,00	--
	140,00	**--**

The Company has not made valuation adjustments to the 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	Additions and provisions	Derecognitions	Transfers	Final Balance
Financial year 2024					
Cost					
Technical premises and other tangible fixed assets	661.066,99	20.959,76	--	--	682.026,75
Assets under construction	212.641,94	23.739,50	--	--	236.381,44

	873.708,93	44.699,26	--	--	918.408,19
Accumulated amortization					
Technical premises and other tangible fixed assets	(184.902,07)	(65.866,20)	--	--	(250.768,27)
	(184.902,07)	(65.866,20)	--	--	(250.768,27)
Net book value	**688.806,86**				**667.639,92**

Financial year 2023

Cost					
Technical premises and other tangible fixed assets	644.840,20	24.386,09	(8.159,30)	--	661.066,99
Assets under construction	215.356,99	19.300,00	--	(22.015,05)	212.641,94
	860.197,19	43.686,09	(8.159,30)	(22.015,05)	873.708,93
Accumulated amortization					
Technical premises and other tangible fixed assets	(122.666,84)	(64.637,21)	2.401,98	--	(184.902,07)
	(122.666,84)	(64.637,21)	2.401,98	--	(184.902,07)
Net book value	**737.530,35**				**688.806,86**

6.1 Description of the main entries

As in the previous year, the additions for the year are mainly due to reforms in the Company's investments.

6.2 Other information

As of December 31, 2024 and 2023, there are no property, plant and equipment in use and fully depreciated.

(Euros)	2024	2023
Furniture	776,40	--
Information processing equipment	2.147,72	1.965,17
	2.924,12	**1.965,17**

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

As of December 31, 2024 and 2023, no significant impairment valuation adjustments have been recognized or reversed for any individual property, plant and equipment.

As of December 31, 2024 and 2023, the Company does not have investments located abroad.

All the property, plant and equipment of the Company are free of mortgage or liens, nor is there any type of lien or reservation of ownership over the 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	Derecognitions	Transfers	Final balance
Financial year 2024					
Cost					
Lands	9.095.147,37	216.752,04	--	--	9.311.899,41
Buildings	6.071.039,36	3.296.063,66	--	--	9.367.103,02
	15.166.186,73	3.512.815,70	--	--	18.679.002,43
Accumulated amortization					
Land and buildings	(475.699,14)	(76.159,56)	--	--	(551.858,70)
	(475.699,14)	(76.159,56)	--	--	(551.858,70)
Net book value	**14.690.487,59**				**18.127.143,73**
Financial year 2023					
Cost					
Land and buildings	9.671.732,94	358.683,50	(116.670,59)	(818.598,48)	9.095.147,37
Buildings	6.029.278,84	967.368,13	(280.784,46)	(644.823,15)	6.071.039,36
	15.701.011,78	1.326.051,63	(397.455,05)	(1.463.421,63)	15.166.186,73
Accumulated amortization					
Land and buildings	(430.109,74)	(75.959,32)	30.369,92	--	(475.699,14)
	(430.109,74)	(75.959,32)	30.369,92	--	(475.699,14)
Net book value	**15.270.902,04**				**14.690.487,59**

7.1 Description of the main entries

The various properties that the Company has leased to third parties are recorded under real estate investments.

The main additions for the 2024 financial year correspond to the renovation of the Hotel Artola, while those for the previous financial year also corresponded to the renovation of the Hotel Artola, the purchase of the property in Miño, and the renovation of the property located at C/Orzan 132, which was subsequently transferred to inventory.

7.2 Other information

There are no fully amortized real estate investments in use as of December 31, 2024 and 2023.

The Company has contracted 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, 2024 of 2.165.238,32 euros (2.460.403,49 euros as of December 31, 2023) that were mortgaged as collateral for a mortgage loan for various investments for amount of 1.791.838,42 euros as of that date (1.417.448,73 euros as of December 31, 2023) (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 2024	2023
Long-term financial assets		
Loans and receivables	68.005,65	66.535,00
	68.005,65	66.535,00
Short-term financial assets		
Loans and receivables	48.493,81	34.179,50
	48.493,81	34.179,50
	116.499,46	**100.714,50**

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

(Euros)	Credits, derivatives and others 2024	2023
Non-current financial assets		
Long-term financial investments	68.005,65	66.535,00
	68.005,65	66.535,00
Current financial assets		
Commercial debts and other receivables	39.069,80	26.039,50
Short-term financial investments	9.424,01	8.140,00
	48.493,81	34.179,50
	116.499,46	**100.714,50**

8.1 Assets measured at amortized cost

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

(Euros)	2024	2023
Long-term financial assets		
Long-term financial investments	68.005,65	66.535,00
	68.005,65	**66.535,00**
Short-term financial assets		
Commercial debts and other receivables	39.069,80	26.039,50
Short-term financial investments	9.424,01	8.140,00
	48.493,81	**34.179,50**

Commercial debts and other receivables

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

(Euros)	2024	2023
Receivables for sales and provision of services	39.069,80	28.822,50
Clients, group companies and associates(Note 15.2)	--	(2.783,00)
	39.069,80	26.039,50

Value corrections

The balance due from sales and services is presented net of impairment losses. As of December 31, 2024, and 2023, no impairment losses were recorded.

8.2 Compensation of financial assets

For presentation purposes, financial assets have not been offset against other liabilities of the Company.

9. EXISTENCIAS

The details and movements of the different items that make up the stock are as follows:

(Euros)	Opening balance	Additions	Disposals	Trasfers (Note 7)	Final balance
Financial year 2024					
Commercial inventories	1.485.436,68	1.170.932,48	--	--	2.656.369,16
Advances to suppliers	937.997,92	102.633,05	(414.184,95)	--	626.446,02
	2.423.434,60	1.273.565,53	(414.184,95)	--	3.282.815,18
Financial year 2023					
Commercial inventories	--	--	--	1.485.436,68	1.485.436,68
Advances to suppliers	24.033,95	913.963,97	--	--	937.997,92
	24.033,95	913.963,97	--	1.485.436,68	2.423.434,60

The company records the property located at 132 Orzán Street as commercial inventory. Since the previous year, a substantial investment plan has been underway for its subsequent sale. As of December 31, 2024, there is a sales commitment for this property.

The advances to suppliers are related to the renovation carried out at the Hotel Artola.

There have been no movements due to valuation adjustments in the current year, and no amount for this item is recorded in the attached balance sheet.

10. CASH AND OTHER EQUIVALENT LIQUID ASSETS

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

(Euros)	2024	2023
Cash	506,15	1.775,49
On-demand current accounts	1.988.027,50	74.106,33
	1.988.533,65	75.881,82

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

There are no restrictions on the availability of these balances.

11. EQUITY - OWN FUNDS

11.1 Underwritten capital

The share capital is represented by 6,894,040 shares with a nominal value of 1 euro each, fully subscribed and paid up. All shares have the same political and economic rights.

On February 27, 2023, a capital increase in the amount of 840.000,00 euros was approved through the issuance of 840.000 new shares of 1 euro nominal value each, charged to the compensation of credits.

Likewise, on that day a capital increase was also approved for the amount of 360.000,00 euros through the creation of the new shares of 1 euro nominal value each, charged to monetary contributions.

On March 8, 2023, these resolutions were made public, and the Company's share capital was fully subscribed and paid up.

Therefore, the Company's share capital as of December 31, 2024, and 2023, is represented by 8.094.040 shares with a par value of €1 each, fully subscribed and paid up. All shares have the same voting and economic rights.

The Company has not acquired its own shares or holdings during the 2024 or 2023 financial years.

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

	2024	2023
Fundoland, S.L.	88,25%	88,25%
Pablo Iglesias Mosquera	5,88%	5,88%
Susana García Cacheiro	5,88%	5,88%
	100,00%	100,00%

All the Company's shares were listed on April 6, 2020 on the EURONEXT ACCESS PARIS Market.

11.2 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	Application	Final balance
Fiscal year 2024			
Legal reserve	27.843,04	68.901,79	96.744,83
Voluntary reserves	337.164,06	246.451,98	583.616,04
Negative results from previous years	--	--	--
	365.007,10	315.353,77	680.360,87
Fiscal year 2023			
Legal reserve	18.454,21	9.388,83	27.843,04
Voluntary reserves	273.863,40	63.300,66	337.164,06
Negative results from previous years	(16.899,03)	16.899,03	--
	275.418,58	89.588,52	365.007,10

Legal reserve

In accordance with 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 the shareholders and may only be used, in the event that no other reserves are available, for compensation. of losses. This reserve may also be used to increase the share capital in the part that exceeds 10% of the capital already increased.

Voluntary reserves

They are freely distributable, to the extent that there are no negative results pending compensation.

12. FINANCIAL LIABILITIES

The composition of financial liabilities as of December 31, without considering the credit balances with Public Administrations that are shown in Note 13, is as follows:

	Debts with financial institutions		Derivatives and others		Total	
(Euros)	2024	2023	2024	2023	2024	2023
Long-term financial liabilities						
Debits and payables	2.077.606,59	1.694.086,07	7.864.641,00	6.241.168,00	9.942.247,59	7.935.254,07
	2.077.606,59	1.694.086,07	7.864.641,00	6.241.168,00	9.942.247,59	7.935.254,07
Short-term financial liabilities						
Debits and payables	2.509.087,56	532.984,10	2.878.693,51	407.343,96	5.387.781,07	940.328,06
	2.509.087,56	532.984,10	2.878.693,51	407.343,96	5.387.781,07	940.328,06
	4.586.694,15	2.227.070,17	10.743.334,51	6.648.511,96	15.330.028,66	8.875.582,13

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

	Debts with financial institutions		Derivatives and others		Total	
(Euros)	2024	2023	2024	2023	2024	2023
Non-current financial liabilities						
Long-term debts	2.077.606,59	1.694.086,07	204.641,00	201.168,00	2.282.247,59	1.895.254,07
Long-term debts with group companies and associates (Note 15.2)	--	--	7.660.000,00	6.040.000,00	7.660.000,00	6.040.000,00
	2.077.606,59	1.694.086,07	7.864.641,00	6.241.168,00	9.942.247,59	7.935.254,07
Current financial liabilities						
Short-term debts with Group companies and associates (Note 15.2)	--	--	111.168,39	92.324,36	111.168,39	92.324,36
Short-term debts	2.509.087,56	532.984,10	(457,07)	(457,07)	2.508.630,49	532.527,03
Various creditors	--	--	524.829,35	314.488,48	524.829,35	314.488,48
Advances to clients	--	--	2.243.152,84	988,19	2.243.152,84	988,19
	2.509.087,56	532.984,10	2.878.693,51	407.343,96	5.387.781,07	940.328,06
	4.586.694,15	2.227.070,17	10.743.334,51	6.648.511,96	15.330.028,66	8.875.582,13

Within "various creditors" there are balances with related parties for a total of 1.994.26 euros (30.887,59 euros in 2023).

12.1 Debts and payables - Debts with financial institutions

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

(Euros)	2024	2023
Long-term		
Loans and credits with financial institutions	2.077.606,59	1.694.086,07
	2.077.606,59	1.694.086,07
Short-term		
Loans and credits with financial institutions	2.509.087,56	533.850,20
Short term interest on debts with credit institutions	--	(866,10)
	2.509.087,56	532.984,10
	4.586.694,15	**2.227.070,17**

The breakdown of the loan and credits with financial institutions is as follows:

(Euros)	Amount granted	Available	Disposed of
Financial year 2024			
Loans	7.800.000,00	3.511.565,06	4.288.434,94
Confirming	375.000,00	79.004,81	295.995,19
Cards	12.000,00	9.735,98	2.264,02
	7.812.000,00	**3.521.301,04**	**4.586.694,15**
Financial year 2023			
Loans	5.500.000,00	1.522.428,72	2.227.936,27
Cards	12.000,00	12.000,00	--
	5.512.000,00	**1.534.428,72**	**2.227.936,27**

The breakdown of the maturities of long-term loans and credits with financial institutions is as follows:

Year	2024	Year	2023
2026	610.857,27	2025	506.321,86
2027	562.982,57	2026	407.005,00
2028	417.733,49	2027	419.266,38
2029	326.698,48	2028	361.492,83
2030 and later years	159.334,78		
	2.077.606,59		**1.694.086,07**

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. As guarantee for the repayment of said loan, a mortgage guarantee has been established on the land and financed construction, which had a net book value as of December 31, 2024 of 2.165.238,32 euros (2.460.403,49 euros as of December 31, 2023) (Note 7.2).

12.2 Compensation of financial liabilities

For presentation purposes, financial liabilities have not been offset against other assets of the Company.

13. FISCAL SITUATION

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

(Euros)	2024	2023
Current tax liability	5.346,65	10.693,30
Other debts with Public Administrations	44.185,50	57.901,60
VAT	44.185,50	47.234,92
IBI	--	10.666,68
	49.532,15	**68.594,90**
Other debts with Public Administrations	(135.650,74)	(39.451,21)
VAT	(0,02)	--
Payroll taxes	(133.653,06)	(37.511,55)
Social Security charges	(1.997,66)	(1.939,66)
	(135.650,74)	**(39.451,21)**

According to current legal provisions, tax settlements cannot be considered final until they have been audited by the tax authorities or the statute of limitations period, currently set at four years, has elapsed. The Company has the last four years open for potential audits. In the opinion of the members of the Board of Directors of the Company, as well as of its tax advisors, there are no tax contingencies of significant amounts that could arise, in the event of an audit, from possible different interpretations of the tax regulations applicable to the operations carried out by the society.

13.1 Calculation of corporate taxes

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

	Profit and loss account			Income and expenses directly charged to equity		
(Euros)	Increases	Decreases	Total	Increases	Decreases	Total
Financial year 2024						
Balance of income and expenses for the year						
Continuing operations			6.507,58	--	--	--
			6.507,58	--		--
Corporate Income Tax						
Continuing operations			--	--	--	--
			--	--		--
Balance of income and expenses for the year before taxes			6.507,58			--

0% TAX base	--	--	--	--
Tax base (taxable income)	**6.507,58**			**--**
Financial year 2023				
Balance of income and expenses for the year				
Continuing operations	689.017,86	--	--	
	689.017,86	--		--
Corporate Income Tax				
Continuing operations	--	--	--	
	--	--		--
Balance of income and expenses for the year before taxes	689.017,86			--
0% TAX base	--	--	--	--
Tax base (taxable income)	**689.017,86**			**--**

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

	2024		2023	
(Euros)	Profit and loss account	Directly charged to equity	Profit and loss account	Directly charged to equity
Balance of income and expenses for the year before taxes	6.507,58	--	689.017,86	--
Theoretical tax burden (tax rate 25%)	--	--	--	--
Effective tax expense (income)	**--**	**--**	**--**	**--**

No **Corporate Income tax** expense is recorded in fiscal year 2024 since the sales correspond to Socimi properties that are exempt from taxation.

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

	2024		2023	
(Euros)	Profit and loss account	Directly charged to equity	Profit and loss account	Directly charged to equity
Current tax	--	--	--	--
	--	--	--	--

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

(Euros)	2024	2023
Current tax	--	--
Payments on account	(5.346,65)	(10.693,30)
Corporation Tax to be paid (returned)	**(5.346,65)**	**(10.693,30)**

14. INCOME AND EXPENSES

14.1 Net Business Turnover

The distribution of the net amount of the Company's turnover corresponding to its continuing operations by activity category is as follows:

(Euros)	2024	2023
Segmentation by activity		
Property leasing	976.546,80	889.376,21
	976.546,80	889.376,21

All services are provided within the national territory.

The balances of contracts with customers correspond mainly to accounts receivable classified under the heading "Receivables for sales and short-term services" which includes the rights to receive cash, as well as contractual liabilities classified as "Advances from Customers" that mainly includes the commitments to sell the company's services.

14.2 Consumption of raw materials and other consumable materials

The detail of the consumption of raw materials and other consumable materials in the attached profit and loss account is as follows:

(Euros)	2024	2023
Consumption of merchandise		
Purchases of merchandise	1.170.932,48	--
Change in merchandise inventories	(1.170.932,48)	--
	--	--

14.3 Personnel expenses

The detail of personnel expenses is as follows:

(Euros)	2024	2023
Wages, salaries and similar		
Wages and salaries	61.697,59	57.079,05
	61.697,59	57.079,05
Social security charges	19.383,59	17.800,73
Other social charges	775,38	292,19
	20.158,97	18.092,92
	81.856,56	75.171,97

14.4 Outsourced services

The detail of the heading “Other operating expenses- Outsourced services” of the attached profit and loss account is as follows:

(Euros)	2024	2023
Leases	3.720,00	3.600,00
Repairs and maintenance	16.676,24	12.745,61
Freelance profesional services	107.738,33	142.509,54
Insurance premiums	10.666,73	9.480,46
Banking services	6.182,71	3.287,95
Advertising and public relations	1.659,33	2.037,54
Supplies	9.058,24	12.158,98
Other services	112.134,30	122.146,54
	267.835,88	**307.966,62**

14.5 Financial expenses

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

(Euros)	2024	2023
Interest on debts with group companies (Note 15.2)	280.930,41	184.666,86
Interest on debts to third parties	155.881,31	64.660,27
	436.811,72	**249.327,13**

15. OPERATIONS WITH RELATED PARTIES

15.1 Board of Directors and Senior Management

As of December 31, 2024 and 2023, the Board of Directors has not received any remuneration for its status as administrator, nor does it have commitments for pension supplements 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, limited only 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, 2024 and 2023, the Company had no personnel hired with the category of Senior Management.

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 activity of the Company.

During the 2024 and 2023 financial years, no civil liability insurance premiums have been paid for the members of the Board of Directors to cover possible damages caused by acts or omissions in the exercise of the position.

15.2 Balances and transactions with related parties

The related parties with which the company has carried out transactions during the years 2024 and 2023, as well as the nature of said relationship, is as follows:

		Relationship
FUNDOLAND, S.L.	Shareholder	Group member
INMOSUPA, S.L.		Group member
ANMIRA GALAICA INMOBILIARIA S.L		Group member
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.		Group member

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

(Euros)	Group suppliers (Note 12)	Clients (Note 8.1)	Long term debts (Note 11.2)	Short-term debts (Note 12)
Financial year 2024				
FRIGORIFICA BOTANA, S.L.	--	--	4.150.000,00	17.546,59
FUNDOLAND, S.L.	1.776,46	--	270.000,00	7.209,67
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	218	--	3.240.000,00	86.412,13
	1.994,26	**--**	**7.660.000,00**	**111.168,39**
Financial year 2023				
ANMIRA GALAICA INMOBILIARIA S.L	16.835,12	(2.783,00)	--	--
FRIGORIFICA BOTANA, S.L.	--	--	3.400.000,00	75.166,89
FUNDOLAND, S.L.	14.052,47	--	--	--
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	--	--	2.640.000,00	17.157,47
	30.887,59	**(2.783,00)**	**6.040.000,00**	**92.324,36**

The company Fundoland, S.L. is the current majority shareholder of the Company's capital as indicated in Note 11.1.

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

(Euros)	Services received	Sales	Financial expenses (Nnote 13.6)	Charge to Real State Investment	Charge to inventories
Financial year 2024					
ANMIRA GALAICA INMOBILIARIA S.L	4.820,00	28.317,60	--	12.944,40	1.105.339,22
FRIGORIFICA BOTANA, S.L.	110,79	--	174.248,77	--	--
FUNDOLAND, S.L.	7.057,84	--	8.900,82	--	--
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	900,00	--	106.681,64	--	--
	12.888,63	**28.317,60**	**289.831,23**	**12.944,40**	**1.105.339,22**

Financial year 2023

ANMIRA GALAICA INMOBILIARIA S.L	3.600,00	27.839,20	--	326.608,78	-
FRIGORIFICA BOTANA, S.L.	12,99	--	92.798,63	--	--
FUNDOLAND, S.L.	13.593,61	--	3.814,52	--	--
PABLO IGLESIAS PESCADOS Y MARISCOS, S.L.	540,00	--	88.053,71	--	--
	17.746,60	**27.839,20**	**184.666,86**	**326.608,78**	**--**

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

The credit risk of the Company is attributable to 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 the 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 appear on the books at their cost.

17. OTHER INFORMATION

17.1 Staff structure

The people employed by the Company, distributed by category, are as follows:

	Number of people employed at the end of the year		
	Men	Women	Total
Financial year 2024			
Administrative	2,00	1,00	3,00
	2,00	**1,00**	**3,00**
Financial year 2023			
Administrative	2,00	1,00	3,00
	2,00	**1,00**	**3,00**

The Company does not have staff with a disability greater than or equal to 33% as of December 31, 2024 and 2023.

17.2 Audit fees

The fees paid in the year for the services provided by the accounts auditor were as follows:

(Euros)	2024	2023
Fees for auditing the financial statements	7.600,00	6.900,00
	7.600,00	**6.900,00**

17.3 Environmental information

The members of the Board of Directors of the Company consider that there are no significant contingencies related to the protection and improvement of the environment, not considering it necessary to record any provision in this regard.

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

17.4 Greenhouse gas emission rights

The Company does not emit greenhouse gases in accordance with the activities that 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 of the aforementioned gases.

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

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

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

The information regarding the average supplier payment period is as follows:

	2024	2023
(Days)		
Average period of payment to suppliers	5	12
Ratio of paid operations	3	2
Ratio of operations pending payment	2	10
(Thousand of euros)		
Total payments made	982,52	69,16
Total pending payments	524,83	314,49

Monetary volume and Nº invoices paid in a period less than the maximum established in the late payment regulations	2024		2023	
	Amount	%	Amount	%
Monetary volume	4.232.379,37	99,98%	1.729.799,91	99,32%
Nº invoices	540,00	94,08%	435,00	96,67%

17.6 Regulatory requirements derived from SOCIMI status, Law 11/2009 modified by Law 16/2021

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

1. Reserves from years prior to the application of the tax regime established in this Law: Reserves as of 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 tax rate of zero percent, or 19 percent, with respect to those that, in their case, have been taxed at the general tax rate: At the end of the

2024 financial year, the reserves amounted to 460.710,57 euros (145.356,72 euros at the end of the 2023 financial year), corresponding to 96.744,83 euros to the Legal Reserve (27.843,04 as of December 31, 2023), 363.965,74 euros to Voluntary Reserves (117.513,68 euros as of December 31, 2023)

3. Dividends distributed with a charge to profits for 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: The dividends distributed with a charge to the profits of the 2018 financial year in which the tax regime established in Law 11/2009 has been applicable, amount to 54,333.14 euros. In the 2020 financial year, no dividends have been distributed since in the 2019 financial year the Company incurred losses. In the 2021 financial year, dividends have been distributed for an amount of 23,783.86 euros. In the 2022 financial year, dividends have been distributed for an amount of 30.784,99 euros. In the 2023 financial year, dividends have been distributed for an amount of 4.299,75 euros. In the 2024 financial year, dividends have been distributed for an amount of 373.664,09 euros.

4. In the case of distribution of dividends charged to reserves, designation of the fiscal year from which the applied reserve originates and if they have been taxed at the tax rate of zero percent, 19 percent or the general rate: Not applicable.

5. Date of the resolution to distribute the dividends referred to in points 3 and 4 above: For the dividends corresponding to the result for the financial year 2023, the date of the minutes is May 7 2024. For dividends corresponding to the result of 2021, the date of the minutes is June 30 2022. For dividends corresponding to the result of 2020, the date of the minutes is May 17 2021.

6. Date of acquisition of the properties intended for lease 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 computes 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 drawn down in the tax period, other than for distribution or to offset losses, identifying the year from which said reserves come: Not applicable.

17. Post-closing events

No noteworthy events have occurred after December 31, 2024.

ANNEX I

ASSETS				
Address	**Town**	**Asset type**	**No. Homes**	**Adquisition Date**
c/ Núñez de Balboa, nº 125	Madrid	Business premises	Business premises	30/01/2015
c/ Juan Flórez, nº 49	A Coruña	Business premises	Business premises	06/11/2015
c/ Ortega y Gasset, nº 42	Madrid	Business premises	Business premises	13/07/2015
c/ Calvo Sotelo, nº 1	A Coruña	Business premises	Business premises	12/01/2016
c/ Pastor Díaz	A Coruña	Office and storage room	Office and storage room	04/03/2016
c/ Bailén, nº2	A Coruña	Building	Ground floor and three floors	04/03/2016
c/ Don Ramón de la Cruz, 93-5º izda	Madrid	Home	Flat	04/03/2016
Monterroso- Saviñao	Monterroso	Cultivated land	Land	04/03/2016
Finca A Riveira	Cambre	Cultivated land	Land	19/01/2017
c/ Cormorán, nº 5	Oleiros	Home	75 apartaments, 45 parkings	31/01/2017
Urbanización Artola	Marbella	Hotel	Hotel	18/01/2018
Avda. das Mariñas, nº 296	Oleiros	Land	Land	24/01/2018
Plza. Antonio Alarcón, nº 1 apto. 1211.	Marbella	Home	Apartament 1211(1A)	30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 1005	Marbella	Home	Apartament 1005 (7F)	30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 1114	Marbella	Home	Apartament 1114 (12 B)	30/04/2018
Plza. Antonio Alarcón, nº 1 apto. 305	Marbella	Home	Apartament 305	30/04/2018

Plza. Antonio Alarcón, nº 1 apto. 510	Marbella	Home	Apartament 510 (2B)	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 101	Marbella	Home	Apartament 101	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 314 A	Marbella	Home	Apartament 314 A	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 314 B	Marbella	Home	Apartament 314 B	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 501	Marbella	Home	Apartament 501	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 206	Marbella	Home	Apartament 206	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 706	Marbella	Home	Apartament 706	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 501	Marbella	Home	Apartament 501	07/11/2018
Plza. Antonio Alarcón, nº 1 apto. 804	Marbella	Home	Apartament 804	17/01/2019
Avda. das Mariñas, nº 298	Oleiros	Land	Land	25/02/2019
Avda. de Ramón Núñez Montero, nº 18	Oleiros	Land	Land	24/05/2019
Lugar de San Pedro De Visma, Penamoa	A Coruña	Land	Land	30/08/2019
c/ Vereda del Polvorín, nº 37	A Coruña	Business premises	Business premises	30/08/2019
c/ Orzán, nº 132	A Coruña	Building	Ground floor and three floors	22/05/2020
c/ Emilia Pardo Bazán	A Coruña	Home	Home	31/08/2020
c/ Palos de la Frontera, nº 38	Madrid	Home	Home	13/08/2020
Avda. Reina Victoria, nº 13-2º B	Madrid	Home	Home	13/08/2020
Avda. Reina Victoria, nº 13-10º F	Madrid	Home	Home	13/08/2020
c/ Mártires Concepcionistas	Madrid	Home	Home	13/08/2020
Plaza de Garaje	Marbella	Parking	Parking	24/12/2020
Urbanización Playa Paraíso, nº 219	Manilva	Land	Land	27/05/2021

B- fase 2				
Fincas Miño y Perbes	Miño	Land	Land	08/07/2021
Carretera Armuño a Sada, nº 25 portal 2- Bajo	Sada	Business premises	Business premises	14/10/2021
II Travesía de Pose, nº 12	Sada	Loft - office	Loft - office	14/10/2021
II Travesía de Pose, nº 12	Sada	Parking	Parking	14/10/2021
Carretera de Armuño a Sada, nº 25, portal 2-1º A	Sada	Home	Home	14/10/2021
c/ Orzán, nº 127	A Coruña	Building	Building	21/02/2022
Plaza de Garaje, nº 17 (Jardines de Artola)	Marbella	Parking	Parking	18/04/2022
Plaza de Garaje, nº 10,11 y 13 (Jardines de Artola)	Marbella	Parking	Parking	30/11/2022

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

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

(Euros)	2024	2023
Net amount of turnover	976.546,80	889.376,21
Operation profit	427.634,35	938.344,99
Profit before tax	6.507,58	689.017,86
Equity	8.780.908,45	9.148.064,96

The average number of employees in financial year 2024 is 3 people, unchanged compared to the previous year.

The company has not carried out operations with its own shares during the financial year 2024 or 2023.

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

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

The Company's average collection period is around 25 days, with no significant differences in 2024 between the cash flow generated and the recorded accounting result. Given that this situation is expected to continue in the future, the members of the Board of Directors do not appreciate the existence of cash flow risk in these Annual Accounts.

The average supplier payment period was 5 days in 2024 (12 days in 2023).

Apart from what has been indicated, there are no facts 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.

In A Coruña, on March 31, 2024, the Board of Directors prepares these financial statements of Inmosupa, SOCIMI, S.A. for the year 2024 made up of the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the financial statements. Likewise, it prepares the management report for the year.

BOARD OF DIRECTORS

Mr. Pablo Iglesias Mosquera
President

Mr. Pablo Iglesias García
Secretary

Mrs. Susana García Cacheiro

Ms. Maria de la O Iglesias García