Barcelona, May 18th, 2022

Pursuant to Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, and Article 61004/2 of Euronext Rule Book I, Vandor Real Estate SOCIMI, S.A.U. (the "**Company**") hereby notifies the following

- Audit report and Annual Accounts for the financial year ended December 19th, 2021.

The above documentation is also available on the Company's website (www.vandor.es).

Sincerely,

VANDOR REAL ESTATE SOCIMI, S.A.U.
Pedro Barceló Bou
Chairman of the Board of Directors

Auditor's Report on Vandor Real Estate, SOCIMI, S.A. (Sociedad Unipersonal) (formerly Vandor SPV 2019, S.L.U.)

(Together with the abbreviated annual accounts of Vandor Real Estate, SOCIMI, S.A.U. for the year ended 19 December 2021)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Independent Auditor's Report on the Abbreviated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the sole shareholder of Vandor Real Estate, SOCIMI, S.A. (Sociedad Unipersonal) (formerly Vandor SPV 2019, S.L.U.)

Opinion

We have audited the abbreviated annual accounts of Vandor Real Estate, SOCIMI, S.A.U. (the "Company"), which comprise the abbreviated balance sheet at 19 December 2021, the abbreviated income statement for the year then ended, and abbreviated notes.

In our opinion, the accompanying abbreviated annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 19 December 2021, and of its financial performance for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the abbreviated annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Abbreviated Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the abbreviated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Auditores S.L., a limited liability Spanish company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.
Paseo de la Castellana, 259C 28046 Madrid

On the Spanish Official Register of Auditors ("ROAC") with No. S0702, and the Spanish Institute of Registered Auditors' list of companies with No. 10.
Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those that, in our professional judgement, have been considered as the most significant risks of material misstatement in the audit of the abbreviated annual accounts of the current period. These risks were addressed in the context of our audit of the abbreviated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Valuation of investment property (see notes 2 e), 3 and 6)

The Company holds a significant amount of its assets in investment property corresponding to real estate property that will be earmarked for lease to obtain revenues. The Company initially measures assets classified as investment property at cost of acquisition or production. Subsequent to initial measurement, the Company assesses investment property annually for indications of impairment, for the purpose of determining whether its carrying amount exceeds its recoverable amount. The recoverable amount of real estate property is determined by an appraisal performed by an independent expert. In this regard, this amount is calculated by applying valuation techniques which often require the exercise of judgement by the independent expert and the Directors, as well as the use of assumptions and estimates. Due to the high level of judgement; the uncertainty associated with these estimates; the significant additions of investment property during the year; and the significance of the carrying amount of investment property at the reporting date; the analysis of the additions for the year, as well as the review of their recoverable amount have been considered a relevant aspect of the audit.

Our audit procedures included understanding the process for recognising and measuring investment property, as well as assessing the methodology and assumptions applied in the preparation of the appraisals used in this process, for which purpose we involved our valuation specialists. We also performed tests of detail on a sample of additions for the year and of the costs associated with these additions, so as to determine whether they have been recognised correctly. We also assessed whether the disclosures in the abbreviated annual accounts meet the requirements of the financial reporting framework applicable to the Company.

Directors' Responsibility for the Abbreviated Annual Accounts

The Directors are responsible for the preparation of the accompanying abbreviated annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of abbreviated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the abbreviated annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Abbreviated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the abbreviated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these abbreviated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the abbreviated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

– Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the abbreviated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the abbreviated annual accounts, including the disclosures, and whether the abbreviated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We communicate with the Directors of the entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated to the Directors of Vandor Real Estate, SOCIMI, S.A.U., we determine those that were of most significance in the audit of the abbreviated annual accounts of the current period and which are therefore the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

David Relats Barragán
On the Spanish Official Register of Auditors ("ROAC") with No. 20680

16 May 2022

Vandor Real Estate SOCIMI, S.A.
(Sociedad Unipersonal)

Abbreviated Annual Accounts

19 December 2021

(together with the Audit Report)

Vandor Real Estate SOCIMI, S.A.

(Sociedad Unipersonal)

Abbreviated Balance Sheet

19 December 2021 and 2020

(Expressed in euro)

Assets	*Note*	*19.12.2021*	*19.12.2020*
Intangible assets	**Note 5**	**22,760.55**	-
Computer software		22,760.55	-
Property, plant and equipment	**Note 5**	**1,038,684.61**	**224,046.24**
Technical installations and other items		30,932.35	
Furniture		997,957.39	223,446.82
Computer hardware		9,794.87	599.42
Investment property	**Note 6**	**29,652,952.43**	**14,660,742.37**
Land		16,815,934.51	9,820,572.45
Buildings		12,084,776.52	4,551,395.93
Investment in adaptation and advances		752,241.40	288,773.99
Non-current financial investments		**1,446,455.24**	**1,022,679.15**
Derivatives		22,660.11	
Other financial assets	**Note 8**	1,423,795.13	1,022,679.15
Deferred tax assets	**Note 12**	**136.58**	**136.58**
Total non-current assets		**32,160,989.41**	**15,907,604.34**
Trade and other receivables		**77,510.27**	**130,510.70**
Trade receivables	**Note 8**	28,204.72	1,379.00
Public entities, other	**Note 12**	49,305.55	129,131.70
Current financial investments		**22,095.85**	**19,159.03**
Other financial assets	**Note 8**	22,095.85	19,159.03
Cash and cash equivalents		**3,035,668.94**	**4,641,447.55**
Cash	**Note 9**	3,035,668.94	4,641,447.55
Total current assets		**3,135,275.06**	**4,791,117.28**
Total assets		**35,296,264.47**	**20,698,721.62**

The abbreviated notes attached form an integral part of the abbreviated annual accounts for the fiscal year.

Vandor Real Estate SOCIMI, S.A.

(Sociedad Unipersonal)

Abbreviated Balance Sheet

19 December 2021 and 2020

(Expressed in euro)

Equity and liabilities	*Note*	*19.12.2021*	*19.12.2020*
Capital and reserves without valuation adjustments	**Note 10**	**21,666,737.61**	**3,400,657.27**
Capital			
Registered capital		5,000,000.00	1,063,000.00
Share premium		15,368,147.75	3,180,000.00
Prior periods' profit and loss		(842,342.73)	
Other equity holder contributions		4,185,000.00	(409.75)
Profit/(loss) for the period		(2,044,067.41)	(841,932.98)
Total equity		**21,666,737.61**	**3,400,657.27**
Non-current payables	**Note 11**	**12,050,617.12**	**7,359,698.50**
Debt with financial institutions		12,011,354.46	7,308,462.50
Other financial liabilities		39,262.66	51,236.00
Payable to group companies and associates, non-current	**Note 11**	**-**	**9,418,250.14**
Total non-current liabilities		**12,050,617.12**	**16,777,948.64**
Current payables	**Note 11**	**823,756.35**	**289,945.98**
Debt with financial institutions		268,203.90	248,715.98
Other financial liabilities		555,552.45	41,230.00
Trade and other payables		**755,153.39**	**230,169.73**
Other payables	**Note 11**	732,973.79	222,303.39
Other payables to public entities	**Note 12**	22,179.60	7,866.34
Total current liabilities		**1,578,909.74**	**520,115.71**
Total equity and liabilities		**35,296,264.47**	**20,698,721.62**

The abbreviated notes attached form an integral part of the abbreviated annual accounts for the fiscal year.

Vandor Real Estate SOCIMI, S.A.

(Sociedad Unipersonal)

Abbreviated Profit and Loss Account

for the fiscal year ended on

19 December 2021

(Expressed in euro)

	Note	2021	2020
Revenue	**Note 6 & 13**	**509,063.35**	**275,335.14**
Services rendered		509,063.35	275,335.14
Other operating income	**Note 6 & 13**	**7,640.81**	**5,686.05**
Non-trading and other operating income		7,640.81	5,686.05
Personnel expenses	**Note 13**	**(179,298.43)**	**(68,820.57)**
Salaries and wages		(139,777.76)	(54,578.16)
Employee benefits expense		(39,520.67)	(14,242.41)
Other operating expenses	**Note 13**	**(1,594,425.75)**	**(454,022.05)**
External services		(1,287,697.54)	(355,845.90)
Taxes		(306,728.21)	(90,386.90)
Losses, impairment and changes in trade provisions	**Note 8**	-	(7,789.25)
Amortisation and depreciation	**Notes 5 & 6**	**(195,329.09)**	**(67,600.77)**
Other gains/(losses)		**(75,865.01)**	**(13,087.15)**
Results from operating activities		**(1,528,214.12)**	**(322,509.35)**
Finance expenses	**Note 11**	**(538,513.40)**	**(519,423.63)**
On debts with group companies and associates		(360,782.54)	(468,250.14)
On debts with third parties		(177,730.86)	(51,173.49)
Change in fair value of financial instruments		**22,660.11**	-
With third parties		22,660.11	-
Net finance income/(expense)		**(515,853.29)**	**(519,423.63)**
Profit/(loss) before income tax		**(2,044,067.41)**	**(841,932.98)**
Profit/(loss) for the period		**(2,044,067.41)**	**(841,932.98)**

The abbreviated notes attached are an integral part of the abbreviated annual accounts.

(1) Nature, Activities of the Company and Composition of the Group

Vandor Real Estate SOCIMI, S.A.U. (hereinafter, the "**Company**") was incorporated in Spain, as a single-member limited liability company, for an indefinite period, on 18 July 2019, through a public deed executed by *AD Iberia Management, S.L.U.* (as founding shareholder) before the Notary Public of Madrid, Mr. José Carlos Sánchez González, under number 1.121 of his official records, with the corporate name *Vandor SPV 2019, S.L.U.* and with registered address in 28020 Madrid, at Calle Orense 34, 10th floor.

At 19 December 2019, the company *Patron Mosa, S.à r.l.,* (a company stablished in Luxembourg) acquired 100% of the Company's equity units[1] to the then Sole Shareholder *AD Iberia Management, S.L.U.* through a deed of sale executed before the Notary Public of Barcelona, Mr. Camilo-José Sexto Presas, under number 3.845 of his official records. Therefore, the appropriate deed of change of the Company's Sole Shareholder was executed on the same date, before the Notary Public of Barcelona, Mr. Camilo-José Sexto Presas, under number 3.847 of his official records.

At 19 November 2020, *Patron Mosa, S.à r.l.* (hereinafter, the "**Sole Shareholder**") decided to change the registered address to Calle Beethoven 15, 7th floor, in 08021 Barcelona. And this is currently the business office and tax address of the Company.

On 13 October 2021, the Sole Shareholder of the Company decided, among other things, to transform the business into a joint stock company ("sociedad anónima") and to change the Company's name - *Vandor SPV 2019, S.L.U.*- to *Vandor Real Estate SOCIMI, S.A.U.* These resolutions were executed through a public deed before the Notary Public of Barcelona, Mr. Camilo-José Sexto Presas on 25 October 2021 under numbers 3.214 y 3.215 of his official records, respectively.

The main corporate purpose of the Company is to carry out the following activities, either in the national territory or abroad:

a) the acquisition and promotion of urban real estate for lease, including the activity of rehabilitation of buildings under the terms established in Law 37/1992, of 28 December, on value added tax;

b) the holding of equity units in the capital of public limited investment companies listed on the property market (hereinafter, SOCIMIs[2]) or in the capital of other entities not resident in the Spanish territory which have the same corporate purpose as the former, and which are subject to a regime similar to the one established for such SOCIMIs as regards the mandatory, legal or statutory policy for the distribution of profits;

c) the holding of equity units in the capital of other entities, both resident and non-resident in the Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs as regards the mandatory, legal or statutory policy for the distribution of profits and comply with the investment requirements stipulated for these companies; and

d) the holding of shares or equity units in real estate collective investment institutions governed by Law 35/2003, of 4 November, on Collective Investment Institutions, or any regulation replacing it in the future.

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[1] *Translator's note: "*Participaciones*" are shares in Spanish private limited companies ("*sociedades limitadas*" or "S.L."). Since the law expressly prohibits "*participaciones*" from being called "shares", the term "equity units" has been used instead.*

[2] *Translator's note: "*SOCIMIs*" are a Spanish legal form meaning "public limited investment companies listed on the property market", and are roughly equivalent to "real estate investment trusts" or "REITs".*

e) Additionally, together with the economic activity resulting from the main corporate purpose, the Company may perform other accessory activities, taking as such those whose income represent, as a whole, less than 20% of the revenue of the Company at each tax period, or those which may be considered secondary, according to the law applicable at each time.

The activities included in the corporate purpose may be carried out indirectly by the Company, in total or in part, through the ownership of shares or equity units in companies pursuing an identical or similar purpose.

The direct and, where applicable, indirect performance of any activities which are reserved under special legislation are excluded. If legal provisions demand a professional qualification, administrative authorisation, entry in a public register or any other requirement in order to carry out any of the activities included in the corporate purpose, then such activities may not be initiated until the professional or administrative requirements have been met.

At 19 December 2021 there is no loan agreement with the Sole Shareholder. At 19 December 2020 the only contract held with the Sole Shareholder was a loan agreement that was capitalised on 30 June 2021, as explained in note 11.

Law 11/2009 on SOCIMIs

At 20 December 2019, the Sole Shareholder decided for the Company to opt for the application of the special tax regime of the Public Limited Investment Companies Listed on the Property Market ("**SOCIMIs**"), governed by Law 11/2009, of 26 October, regulating SOCIMIs, modified by Law 16/2012, of 27 December (hereinafter, the "**SOCIMI Law**"). A communication was sent to the Spanish State Tax Administration Agency on the same date to notify the Company's decision to opt for the aforementioned special tax regime of SOCIMIs, that would apply to tax periods starting as of 20 December 2019.

The corporate purpose of the Company falls within the corporate purposes stipulated by article 2 of the SOCIMI Law.

Likewise, article 3 of the SOCIMI Law establishes the following requirements for investment:

1. SOCIMIs must have at least 80 percent of their assets value invested in urban real estate destined for lease, in land for developing real estate that will be destined for such purpose, provided that the development begins within three years following acquisition, as well as in holdings in the capital or equity of other entities whose business purpose is also the acquisition and promotion of urban real estate for lease.

   This percentage shall be calculated on the consolidated balance sheet, in the case of a group's parent company, pursuant to the criteria established in article 42 of the Spanish Code of Commerce, irrespective of its place of residence and of the obligation to prepare consolidated financial statements. Such group will be exclusively made up by SOCIMIs and the other entities referred to in section 1 of article 2 of the SOCIMI Law (companies whose main corporate purpose is the acquisition and promotion of urban real estate for lease). At 19 December 2021 and 2020 such percentage has been complied with.

2. Likewise, at least 80 percent of the income from the tax period of each fiscal year, excluding any income deriving from the transfer of equity units and real property, both subject to complying with their main corporate purpose, once the maintenance period referred to in the following section has elapsed, must originate from:

   (a) the leasing of real estate in compliance with its main business purpose, to individuals or entities which do not fall into any of the circumstances described in article 42 of the Spanish Code of Commerce, irrespective of their residence, and/or

(Continued)

(b) dividends or profit-sharing from equity units derived from compliance with its main business purpose.

This percentage shall be calculated on the basis of the consolidated profit, if the company is a group's parent company, according to the criteria established in article 42 of the Code of Commerce, irrespective of its place of residence and of the obligation to prepare consolidated annual statements. Such group shall be solely comprised of SOCIMIs and the other entities referred to in section 1 of article 2 of the SOCIMI Law. At 19 December 2021 and 2020 such percentage has been complied with.

3. The properties integrating the Company's assets must remain leased for at least three years. For calculation purposes, the time when the properties have been offered for lease shall be counted, up to a maximum of one year.

   The term shall be calculated as follows:

   (a) In the case of real estate included in the Company's equity prior to joining this regime, since the beginning of the first tax period in which the special tax regime set forth in the SOCIMI Law is applied, provided that on said date the property was leased or offered for lease. Otherwise, the provisions described in the next paragraph shall apply.

   (b) In the case of real estate subsequently developed or acquired by the Company, from the date on which they were leased or offered for lease for the first time.

   In the case of shares or equity units in the capital of entities referred to in section 1 of article 2 of the SOCIMI Law, they must remain in the Company's assets for at least three years since their acquisition or, as appropriate, since the beginning of the first tax period in which the special tax regime described in such Law is applied.

   Likewise, articles 4 and 5 of the SOCIMI Law also establish the following requirements:

   1. Shares in a SOCIMI must be admitted to trading in a regulated market or in a multilateral trading facility in Spain or in any other member state of the European Union or the European Economic Area, or in a regulated market of any country or territory with which there is an effective exchange of tax information, which goes uninterrupted throughout the tax period.

      Shares in a SOCIMI must be of a nominal nature.

      In this sense, all the Company's shares were admitted to trading on 17 December 2021, in the Access segment of Euronext Paris. This requirement has therefore been fulfilled. The quoted market price at 19 December 2021 was 6 euros.

   2. SOCIMIs must have a minimum share capital of 5 million euros. This amount has been met by *Vandor Real Estate SOCIMI, S.A.*, and this requirement has therefore been met.

      Any non-monetary contributions for the incorporation or capital increase that are carried out by way of real property must be assessed at the time of their contribution, in compliance with the provisions of article 38 of the Revised Text of the Spanish Law on Capital Companies. To that end, the independent expert appointed by the Companies Registrar must be one of the appraisal companies described in the legislation for the mortgage market. Likewise, an assessment shall be requested from one of the designated appraisal companies for any non-monetary contribution that is carried out in buildings for the incorporation or capital increase of the entities described in paragraph c) of article 2.1 of said Law.

(Continued)

There may only be one class of shares, and such condition is already met by the Company, since its equity units belong to a single class and series.

Since the Company has opted for the special tax regime of SOCIMIs, its corporate name has included the caption «Sociedad Cotizada de Inversión en el Mercado Inmobiliario, Sociedad Anónima» or its abbreviation, «SOCIMI, S.A.». The Company has therefore complied with this requirement.

3. Furthermore, as described in article 6 of the SOCIMI Law, SOCIMIs and entities resident in the Spanish territory in which the former have interest and who have opted to apply the special tax regime established by such SOCIMI Law, must distribute to their shareholders as dividends -once the relevant mercantile obligations have been fulfilled-, the profit obtained in the fiscal year, and their distribution must be agreed upon within a period of six months since the closure of each fiscal year, as follows:

   - 100% of the profits from dividends or profit-sharing distributed by the entities subject to such regime.

   - 50% of the profits deriving from the transfer of properties and shares or equity units, carried out once the periods established in the investment requirements have elapsed, and the rest of such profits must be reinvested within three years of their transfer; and failing this, they must be entirely distributed.

   - At least 80% of the remaining profits obtained.

   The Company has generated losses during the fiscal year ended on 19 December 2021 and, therefore, will not distribute dividends in fiscal year 2022. Likewise, it is expressly stated that the Company generated losses during the fiscal year ended on 19 December 2020, and for this reason it also did not distribute dividends in fiscal year 2021.

   As described in the first transitional provision of the SOCIMI Law, a choice can be made to apply the special tax regime of SOCIMIs under the terms set forth in article 8 of such Law, even if the conditions required therein are not complied with, as long as those requirements are fulfilled within a period of two years following the date when the choice to apply such regime was made.

   In this sense, at 19 December 2021 all the requirements established by the SOCIMI Law have been complied with.

   Non-compliance of those conditions would mean that the Company would, instead, pay taxes under the general regime of the corporate income tax as of the tax period when such incompliance became apparent, unless it was rectified on the following fiscal year. Besides, the Company would be required to pay, together with the tax liability of such tax period, the difference between the tax liability payable for such tax under the general regime and the tax liability that was paid under the special tax regime in prior tax periods, notwithstanding any interest on arrears, surcharges and penalties that, where relevant, may apply.

   The tax rate of the corporate income tax applicable to SOCIMIs is 0%. However, if dividends distributed by the SOCIMI to shareholders with an ownership percentage of 5% or more are exempt or taxed at an effective rate of less than 10%, the SOCIMI shall be subject to a special levy of 19%, that will have the consideration of corporation tax liability, on the amount of the dividend distributed to said shareholders. If applicable, this special levy must be paid by the SOCIMI within two months from the date of the agreement to distribute dividends.

(Continued)

(2) Basis of presentation

(a) Fair presentation

These annual accounts have been prepared on the basis of the Company's accounting records, according to the current mercantile legislation and to the regulations set forth in the Spanish General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, which has been subject to many amendments since its publicaion. The last changes were incorporated by Royal Decree 1/2021, of 12 January and its implementing rules, in order to offer a true and fair view of the equity and financial position of the Company at 19 December 2021, as well as the results of its operations, the changes in equity and the cash-flows for the fiscal year ended on 19 December 2021.

The Company's board of directors considers that the abbreviated annual accounts for fiscal year 2021, which were prepared on 18 March 2022, shall be approved by the Sole Shareholder without any amendment.

(b) Comparative information

These abbreviated annual accounts submit for comparison, with each item of the abbreviated balance sheet, the abbreviated profit and loss account and the abbreviated notes to the financial statements for fiscal year 2021, the items referred to the previous fiscal year, which were part of the abbreviated annual accounts for fiscal year 2020, approved by the Sole Shareholder on 18 June 2021.

(c) Income recognition

The standard establishes a new model for the recognition of income derived from contracts with customers, where revenues must be recognised based on compliance of the performance obligations towards customers. Ordinary income entails the transfer of committed goods or services to customers for an amount reflecting the consideration which the entity expects to be entitled to receive in return for such goods and services.

The Company has chosen as method to apply for the first time at 20 December 2021, the practical solution of applying the new standard for the new contracts as of such date, and has decided not to restate the comparative information for fiscal year 2020.

The Company has reviewed the internal policies of income recognition for the different types of contracts with customers, identifying the performance obligations, the decision on the schedule to satisfy those obligations, the price of the transaction and its allocation, in order to identify any potential differences with the model for income recognition in the new standard, but has found no significant difference between both of them, nor any obligatory compliance which may give rise to the recognition of liabilities from contracts with customers.

(d) Functional currency and presentation currency

These abbreviated annual accounts are presented in euros with two decimals, which is the functional currency and the presentation currency of the Company.

(e) Critical issues regarding the measurement and estimation of uncertainties and relevant judgments on the implementation of accounting policies

Preparing this abbreviated balance sheet required the use of relevant accounting estimates, as well as making judgments, estimates and assumptions in the process of implementing the Company's accounting policies. In this sense, the aspects involving a higher degree of judgment or complexity are summarised hereinafter:

(Continued)

- Estimations of the useful life of real estate investments imply a high degree of judgment by the management, based on historical experience and the analysis carried out by technicians of the Company.
- The recoverable amount of real estate investments is based on assessments performed by independent experts.
- Estimates of value corrections on receivables due to default or insolvency

Likewise, even though the estimates made by the Company have been calculated according to the best information available at 19 December 2021, it is possible that events that may occur in the future call for their amendment in future fiscal years. The effect of any amendments which, where appropriate, would derive from adjustments to be made in future fiscal years would be recognised prospectively.

(3) Recognition and measurement standards

(a) Transactions, balances and cash flows in foreign currency

Transactions in foreign currency are recognised in the accounts at their countervalue in euros, by using the exchange rates applicable at the time when the operations were carried out.

Monetary assets and liabilities denominated in foreign currency are translated to the current exchange rate at the date of the balance sheet. Exchange differences, both positive and negative, stemming from this process, as well as those appearing from cancellation of the balances from transactions in foreign currency, are recognised in the abbreviated profit and loss account, as income or expense, as appropriate, at the time when they are incurred.

(b) Intangible assets

Assets included in intangible assets are recognised at their purchase price. Intangible assets are measured in the consolidated balance sheet at cost value less any accumulated depreciation and value corrections due to impairment.

(i) Subsequent costs

Costs subsequently incurred in the intangible assets are recognised as expenses, unless they increase the future economic benefits expected from the assets.

(ii) Useful life and depreciation

Items of intangible assets are depreciated on a systematic basis by distributing their depreciable amount across their useful life, by applying the following criteria:

	Depreciation method	Estimated years of useful life
Computer software	Straight-line	4

(Continued)

(c) Property, plant and equipment

(i) Initial recognition

Assets included in property, plant and equipment are recognised at their purchase price or at their production cost. Elements of the property, plant and equipment are measured in the balance sheet at cost value less any accumulated depreciation and value corrections due to impairment.

(ii) Depreciation

Items of property, plant and equipment are depreciated on a systematic basis by distributing their depreciable amount across their useful life. In this sense, the ‘depreciable amount’ is taken as the purchase price less its residual value. The Company determines the depreciation expense separately for each component when there is a significant cost with regard to the total cost total of the asset and with a useful life that differs from that of the remainder of the asset.

Depreciation of property, plant and equipment items is determined by applying the criteria described hereinafter:

	Depreciation method	**Estimated years of useful life**
Technical installations and other items	Straight-line	10
Furniture	Straight-line	10
Computer hardware	Straight-line	4

In this sense, the “depreciable amount” is considered to be the purchase price less, where applicable, its residual value.

The Company reviews the residual value, useful life and depreciation method of the property, plant and equipment at each year end. Any modification in the criteria initially established are recognised as a change in estimation.

(iii) Subsequent costs

After the initial recognition of assets, costs incurred are only capitalised to the extent that they imply an increase in capacity, productivity or an extension of useful life, and the book value of items that are replaced must be derecognised. In this sense, costs deriving from daily maintenance of property, plant and equipment are recognised in profit or loss as incurred.

The Company assesses and determines value adjustments for impairment and reversal of impairment losses in property, plant and equipment according to the criteria described in the following section.

(d) Investment property

The Company classifies under this heading the buildings, including those under construction or in development, intended -in total or in part- to obtain income, capital gains or both, instead of using them for the production or supply of goods or services, or else for administrative purposes of the Company or their sale in the ordinary course of business.

Buildings which are under construction or in development for future use as real estate investment, are classified as “Real estate investment - Investment in adaptation and advances” until they have been finished. However, works for extension or improvement of investment property are classified as investment property.

(Continued)

Assets included in investment property are initially recognised at their purchase price or at their production cost. The purchase price includes the amount invoiced by the seller after deducting any discount, rebate or other similar items, as well as the interest added to the nominal amount of payables, plus any additional expenses incurred until the goods are ready for sale and other expenses directly attributable to the acquisition. Subsequently to their initial recognition, assets are depreciated and, where appropriate, are subject to value adjustment for impairment.

Advances on account of investment property are initially recognised at cost. In subsequent fiscal years and provided that the period between payment and reception of the asset exceeds one year, the advances bear interest at the supplier's incremental rate.

Assets acquired, in total or in part, in exchange for a contingent consideration include in the purchase price the best estimation of the current value of said consideration. Changes in the estimation of the contingent consideration are recognised as an adjustment in the value of assets. If changes relate to variables such as interest rates or CPI, they are treated as an adjustment to the effective interest rate.

Real estate investments are depreciated by distributing their depreciable amount systematically across their useful life. In this sense, the 'depreciable amount' is taken as the purchase price less its residual value. The Company determines the depreciation expense separately for each component when there is a significant cost with regard to the total cost of the asset and with a useful life that differs from that of the remainder of the asset.

Depreciation of real estate investments is determined by applying the criteria described hereinafter:

	Depreciation method	Estimated years of useful life
Buildings	Straight-line	50

(e) Impairment of non-financial assets subject to amortisation or depreciation

The Company applies the criterion of evaluating whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation, to verify whether the book value of said assets exceeds their recoverable amount, understood as the higher of the assets' fair value, less costs of sale, and their value in use. Such analysis is mainly performed on the basis of assessments by independent experts.

Impairment losses are recognised, where appropriate, in the abbreviated profit and loss account.

At each year end, the Company measures whether there is any indication that the impairment loss recognised in previous fiscal years no longer exists or has been reduced. Impairment losses on remaining assets are only reversed if there is a change in the estimations applied to determine the recoverable value of the asset.

Reversal of an impairment loss is shown as credit in the abbreviated profit and loss account. However, the reversal of the loss cannot increase the book value of the asset in excess of the book value which would have been obtained, net of depreciation, had no impairment been recorded.

Once the value correction due to impairment or its reversal has been recognised, the depreciations of the following fiscal years are adjusted taking the new book value into account.

(Continued)

Notwithstanding the above, if the specific circumstances of the assets reveal there is an irreversible loss, this is directly recognised as losses on fixed assets in the profit and loss account.

(f) Leases

(i) Lessor accounting records

The Company has transferred the right to use all the properties mentioned in note 6 under lease contracts. Lease contracts whereby the Company transfers substantially the risks and rewards incidental to ownership of assets to third parties are classified as financial leases. Otherwise, they are classified as operating leases.

In view of the nature of the lease contracts entered into by the Company regarding the buildings mentioned in note 6, such contracts must be considered as operating leases.

Operating leases

Assets leased to third parties under operating lease contracts are accounted for according to their nature, by using the accounting principles applied for investment property.

Revenue from operating leases, net of any incentives granted, is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

The book value of the leased asset shall be increased by the initial direct costs of the lease, which are recognised as an expense over the lease term by using the same criteria as for the recognition of lease income.

Contingent lease payments are recognised as income when it is probable that they will be obtained, which generally occurs when the contract's conditions are complied with.

(g) Financial instruments

(i) Classification and separation of financial instruments

Financial instruments are classified at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic substance of the contractual agreement and with the definitions of financial asset, financial liability or equity instrument.

For measurement purposes, financial instruments are classified by the Company in the categories of financial assets and liabilities at fair value through profit or loss, separating those that were initially designated from the ones held for trading and those that were compulsorily measured at fair value through profit or loss; financial assets and liabilities measured at amortised cost; financial assets measured at fair value through equity, separating the equity instruments designated as such from the other financial assets; and financial assets measured at cost. The Company classifies financial assets at amortised cost and at fair value through equity, except the designated equity instruments, according to its business model and the characteristics of the contracted cash flows. The Company classifies financial liabilities at amortised cost, except those designated at fair value through profit or loss and those held for trading.

(ii) Classification of the Company's equity units issued

As explained in note 1 of the notes to the financial statements, according to article 6 of the SOCIMI Law, the SOCIMIs and entities resident in the Spanish territory in which they hold interest which have chosen to apply the special tax regime established by said Law, must distribute by way of dividends to their shareholders, once the appropriate mercantile obligations have been met, the profit obtained for the fiscal year, and its distribution must be decided within six months after each year end.

The mentioned obligation to distribute profits is understood as stemming from a legal -and not a contractual- obligation, and from having voluntarily chosen a special tax regime. It is a self-imposed legal obligation. The definition of financial liability is therefore not met and the equity instruments issued by the parent company are classified as equity instruments. In the same way, the distribution of profits is recognised as a reduction of equity when it is legally enforceable.

(iii) Offsetting principles

A financial asset and a financial liability can only be offset when the Company has a legally enforceable right to set off the recognised amounts and intends to settle them for their net value, or to realise the asset and settle the liability simultaneously.

(iv) Financial derivatives

Financial derivatives held by the Company are recognised as assets or liabilities held for trading, since they have not been designated as hedging instruments.

These financial assets or liabilities are initially measured at fair value which, unless evidence to the contrary, is the price of the transaction equivalent to the fair value of the consideration given or received. Any transaction costs which are directly attributable are taken directly to the profit and loss account.

After their initial recognition they are measured at fair value, without deducting any transaction costs that might be incurred on their disposal. Any changes in fair value are recognised in the profit and loss account for the fiscal year.

(v) Amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus any transaction costs incurred, and are subsequently measured at amortised cost, by using the effective interest rate method. The effective interest rate is the discount rate that matches the book value of a financial instrument with the estimated cash flows over the expected life of the instrument, on the basis of its contractual conditions, and for financial assets without considering future credit losses, except for those that were acquired or originated with losses incurred, for which the effective interest rate is used and adjusted for credit risk. In other words, considering the credit losses incurred at the time of acquisition or origin.

However, those financial assets and liabilities for which there is no interest rate established, the amount falls due or is expected to be collected in the short term and provided that the effect of not discounting the cash flows is not material, are measured at their nominal amount.

(Continued)

(vi) Fair value

The Company recognises financial assets and liabilities at fair value through profit and loss initially at fair value. The transaction costs directly attributable to the purchase or emission are recognised as an expense as they are incurred.

The fair value of a financial instrument on initial recognition is usually the transaction price, unless said price includes elements other than the instrument, in which case the Company determines the fair value thereof. If the Company determines that an instrument's fair value differs from the transaction price, the difference is recognised in results, to the extent that the value has been obtained by reference to a price quoted in an active market for an identical asset or liability or through a valuation technique that has only used observable data. In the remaining cases, the Company recognises the difference in results to the extent that it arises from a change in a factor which the market participants would consider when determining the price of the asset or liability.

After their initial recognition, they are entered at fair value and changes are recorded in results. Any changes in fair value include the component of interest and dividends. Fair value is not reduced by any transaction costs incurred in the sale or disposal of the asset.

(vii) Impairment and uncollectibility of financial assets

A financial asset or group of financial assets is impaired and has generated an impairment loss if there is objective evidence of impairment as a result of one or more events which have occurred after the initial recognition of the asset, and where the event or events causing the loss have an impact on the estimated future cash flows from the asset or group of financial assets, which can be reliably estimated.

For loans and receivables and debts instruments, objective evidence of impairment is considered to exist when there is an event causing a reduction or delay in estimated future cash flows, which could be due to debtor insolvency.

(viii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, plus or minus any transaction costs incurred, and are subsequently measured at amortised cost, by using the effective interest rate method. The effective interest rate is the discount rate that matches the book value of a financial instrument with the estimated cash flows over the expected life of the instrument, on the basis of its contractual conditions, and for financial assets without considering future credit losses, except for those that were acquired or originated with losses incurred, for which the effective interest rate is used and adjusted for credit risk. In other words, considering the credit losses incurred at the time of acquisition or origin.

(ix) Derecognitions and modifications of financial assets and liabilities

The Company derecognises a financial asset, or part of it, when it expires or when the contractual rights over the financial asset's cash flows are transferred, provided that the risks and rewards incidental to ownership have been substantially transferred.

The Company derecognises a financial liability, or part of it, when it discharges the obligation contained in the liability or if it is legally released from the main responsibility contained in the liability, either by a process of law or by the creditor.

(Continued)

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits at sight in credits institutions. This concept also includes other short-term, highly liquid investments as long as they are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(i) Provisions

Provisions are recognised when the Company has a present obligation -be it legal, contractual, implicit or tacit-, arising from past events; when it is probable that an outflow of resources embodying future economic benefits will be required to settle such obligation; and when the amount of the obligation can be reliably estimated.

Provisions are reversed against results when it is not probable that an outflow of resources will be required to settle such obligation. The financial effect of provisions is recognised as finance expenses in the profit and loss account.

(j) Revenue from the sale of goods and rendering of services

Revenue from operating leases is recognised in income on a straight-line basis over the lease term, and the initial direct costs incurred in arranging such operating leases are charged to the profit and loss account on a straight-line basis over the minimum term of the lease contract.

The minimum term of a contract is considered to be the time from the starting date of said contract until the first option for its renewal.

(k) Rendering of services

Revenue derived from the provision of services is recognised considering the stage of completion by the end of the fiscal year, when the amount of revenue, the degree of completion, the costs already incurred and those to be incurred, can be reliably measured and it is probable that the economic benefits associated with the service will be received. In this sense, the Company's main services consist of rental income, and they have been described in note 3 above.

(l) Corporate income tax

Corporate income tax expense or revenue includes both current taxes and deferred taxes.

Assets or liabilities relating to current corporate income tax are measured at the amounts that are expected to be paid or received from the fiscal authorities, using the regulations and taxation rates in force or approved and pending publication at the end of the fiscal year.

Current or deferred income tax expense is recognised in profit or loss, unless it arises from a transaction or economic event that is recognised in the same or another fiscal year, against net equity or a business combination.

Tax deductions and other advantages on the corporate income tax granted by Public Administrations as a reduction in the amount of tax payable are recognised as less expense in the income tax for the fiscal year in which they accrue.

(Continued)

As described in note 1, the Company has opted for the regime of SOCIMIs, governed by the SOCIMI Law. In this sense, in order to fulfill certain requirements established by said law, the Company is taxed at a rate of 0 percent in the corporate income tax. Requirements that must be met are described in note 1 of the section “Law 11/2009 on SOCIMIs”. Accordingly, article 10 of said SOCIMI Law also governs the special tax regime of shareholders, and particularly the dividends distributed and charged to profits or reserves in relation to which the special tax regime established in such law have been applied, as well as any revenues obtained from the transfer or repayment of the holding in the capital of companies having chosen to apply said regime.

The Company’s board of directors monitors compliance of the requirements established in the SOCIMI Law, in order to retain its fiscal advantages. The board considers that such requirements shall be met in the established terms and time frames, and the corporate income tax for the fiscal year shall be recognised accordingly.

(i) Recognition of taxable temporary differences

Taxable temporary differences are recognised in all cases, except when they:

- Arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and which at the date of the transaction has not affected the accounting profit or the taxable income.
- Correspond to differences associated with investments in subsidiaries, associates and multigroup companies and joint ventures in which the Company is able to control the reversal timing of the temporary differences and they are not likely to be reversed in the foreseeable future.

(ii) Recognition of deductible temporary differences, tax credits and tax loss carryforwards

The Company recognises the relevant deferred tax assets arising from all deductible temporary differences, unused tax credits and tax loss carryforwards pending offset, to the extent that it is probable that the Company will obtain future tax profits to allow these assets to be applied.

The Company does not recognise any deferred tax asset related to any deductible temporary differences which:

- Arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither the accounting profit nor the taxable income.
- Correspond to temporary differences associated with investments in subsidiaries and joint ventures to the extent that temporary differences will be reversed in the foreseeable future and future taxable profit is expected to be available to offset the differences.

(iii) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal years when the assets are realised or the liabilities are settled, based on the regulations and tax rates in force or approved and pending publication, and reflecting the fiscal consequences that would follow from the manner in which the Company expects to recover the assets or settle the liabilities.

(iv) Offsetting and classification

The Company only offsets assets and liabilities relating to income tax expense if there is a legal right to offset them regarding the tax authorities and intends to settle the amounts arising at their net amount or else realise the assets and settle the liabilities simultaneously.

(Continued)

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, irrespective of the date in which the realisation or settlement is expected to take place.

(m) Classification of assets and liabilities as current and non-current

The Company presents the abbreviated balance sheet classifying assets and liabilities as current and non-current. In this sense, current assets or liabilities are those which meet the following criteria:

- Assets are classified as current when they are expected to be realised, sold or consumed within the current operating cycle of the Company, are mainly held for trading purposes, are expected to be realised within a period of twelve months after the year end or are cash or other liquid equivalent assets, except in those cases where they may not be exchanged or used to settle a liability, at least within the twelve months following the year end.
- In the same way, liabilities are classified as current when they are expected to be settled within the current operating cycle of the Company, are mainly held for trading or have to be settled within a period of twelve months since the year end.
- In this sense, financial liabilities are classified as current when they must be settled within the twelve months following the year end, even if the original maturity exceeded twelve months and a refinancing or restructuring agreement for long-term payments exists which has been executed after the year end and before the annual accounts have been prepared.

(n) Environment

The Company carries out operations with the main objective to prevent, reduce or repair the damage that may be caused to the environment as a result of its activities.

Expenses derived from environmental activities are recognised as "Other operating expenses" in the fiscal year in which they are incurred.

(o) Transactions between group companies and associates

Transactions between group companies and associates, except those related to mergers, spin-offs and non-monetary business contributions, are recognised at fair value of the consideration given or received. The difference between such value and the amount agreed upon is recognised according to the underlying economic substance.

(4) Risk policy and management

(a) Financial risk factors

The Company's activities are exposed to several financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The global risk management programme of the Company focuses on the uncertainty of the financial markets and tries to minimise the potential adverse effects of such risks on the Company's financial profitability. The Company uses derivatives to hedge certain risks.

Risk management is controlled by the Risk Management Unit in accordance with the policies approved by the Sole Shareholder, which identifies, assesses and covers financial risks in close cooperation with the Company's operating units. The Sole Shareholder provides policies for the global risk management, as well as for specific subjects such as: interest rate risk, liquidity risk and investment of surplus liquidity.

(Continued)

(i) Credit risk

The Company does not have significant concentrations of credit risk. Transactions in derivatives and cash transactions are only carried out with financial institutions with high credit ratings. The Company has policies in place to limit the amount of risk with any financial institution.

A high degree of judgment is required for value corrections due to client insolvency, review of individual balances based on customers' credit ratings, current market trends and historical analysis of insolvencies at aggregate level.

(ii) Liquidity risk

The Company applies a prudent management of its liquidity risk, based on maintaining sufficient cash [and] the availability of financing through a sufficient level of committed credit facilities.

The classification of financial assets and liabilities by contractual maturities is shown in Annexes I and II.

(iii) Cash flow and fair value interest rate risks

The Company's interest rate risk arises from external resources. External resources issued at variable rates expose the Company to cash flow interest rate risk. External resources at fixed interest rates expose the Company to fair value interest rate risks.

(5) Intangible assets and property, plant and equipment

The composition and movements of the accounts included in Intangible Assets were as follows:

	Euros	
	19.12.2021	
Description	**Computer software**	**Total**
Cost at 20 December 2020	-	-
Additions	26,104.00	**26,104.00**
Cost at 19 December 2021	**26,104.00**	**26,104.00**
Accumulated depreciation at 20 December 2020	-	-
Additions	(3,343.45)	**(3,343.45)**
Accumulated depreciation at 19 December 2021	**(3,343.45)**	**(3,343.45)**
Net book value at 19 December 2021	**22,760.55**	**22,760.55**

Additions in fiscal year 2021 relate to the acquisition of SAP software licensing for the accounting and financial management.

The Company did not have intangible assets in fiscal year 2020.

The composition and movements of the accounts included in Property, Plant and Equipment were as follows:

(Continued)

Description	Euros 19.12.2021 Technical installations and other items	Furniture	Computer hardware	Total
Cost at 20 December 2020	-	223,446.82	639.15	**224,085.97**
Additions	32,530.86	807,617.65	9,952.75	**850,101.26**
Cost at 19 December 2021	**32,530.86**	**1,031,064.47**	**10,591.90**	**1,074,187.23**
Accumulated depreciation at 20 December 2020	-	-	(39.73)	**(39.73)**
Additions	(1,598.51)	(33,107.08)	(757.30)	**(35,462.89)**
Accumulated depreciation at 19 December 2021	**(1,598.51)**	**(2,611.15)**	**(797.03)**	**(35,502.62)**
Net book value at 19 December 2021	**30,932.35**	**997,957.39**	**9,794.87**	**1,038,684.61**

Description	Euros 19.12.2020 Furniture	Computer hardware	Total
Cost at 20 December 2019	-	-	**-**
Additions	223,446.82	639.15	224,085.97
Cost at 20 December 2020	**223,446.82**	**639.15**	**224,085.97**
Accumulated depreciation at 20 December 2019	-	-	**-**
Additions	-	(39.73)	(39.73)
Accumulated depreciation at 20 December 2020	**-**	**(39.73)**	**(39.73)**
Net book value at 19 December 2020	**223,446.82**	**599.42**	**224,046.24**

Additions in fiscal year 2021 relate to furniture in the investment properties, to furniture and installations in the offices leased by the Company and to the acquisition of laptop computers and monitors.

Additions in fiscal year 2020 related to furniture in the investment properties and to the acquisition of a laptop computer.

(a) Fully-depreciated assets

At 19 December 2021 and 2020 there were no elements in intangible assets and in property, plant and equipment that were in use and fully depreciated.

(b) Insurance

The Company has taken out several insurance policies to cover the risks which may affect the items under property, plant and equipment and intangible assets. Such policies are considered to offer sufficient coverage.

(Continued)

(6) Investment property

The composition and movements of the accounts included in investment property were as follows:

	Euros			
	19.12.2021			
Description	**Land**	**Buildings**	**Investment in adaptation and advances**	**Total**
Cost at 20 December 2020	9,820,572.45	4,618,956.97	288,773.99	**14,728,303.41**
Additions	6,995,362.06	7,401,129.35	752,241.40	**15,148,732.81**
Transfers	-	288,773.99	(288,773.99)	**-**
Cost at 19 December 2021	**16,815,934.51**	**12,308,860.31**	**752,241.40**	**29,877,036.22**
Accumulated depreciation at 20 December 2020	-	(67,561.04)	-	(67,561.04)
Additions	-	(156,522.75)	-	(156,522.75)
Accumulated depreciation at 19 December 2021	**-**	**(224,083.79)**	**-**	**(224,083.79)**
Net book value at 19 December 2021	**16,815,934.51**	**12,084,776.52**	**752,241.40**	**29,652,952.43**

	Euros			
	19.12.2020			
Description	**Land**	**Buildings**	**Investment in adaptation and advances**	**Total**
Cost at 20 December 2019				
Additions	9,820,572.45	4,618,956.97	288,773.99	**14,728,303.41**
Cost at 19 December 2020	**9,820,572.45**	**4,618,956.97**	**288,773.99**	**14,728,303.41**
Accumulated depreciation at 20 December 2019				
Additions	-	(67,561.04)	-	**(67,561.04)**
Accumulated depreciation at 19 December 2020	**-**	**(67,561.04)**	**-**	**(67,561.04)**
Net book value at 19 December 2020	**9,820,572.45**	**4,551,395.93**	**288,773.99**	**14,660,742.37**

(Continued)

Additions in property investments in fiscal year 2021 mainly include the acquisition of the following buildings, together with the additional costs related to such purchases, and to renovate the buildings:

- Acquisition on 2 February 2021 of an estate located in Barcelona, at calle Rocafort 219, consisting of two business premises in the ground floor and six floors, with two homes in each of them, intended for lease, for an amount of 3,371,946.04 euros, including all the associated costs.

  Said asset, recorded as property investment, is subject to a mortgage with a financial institution, as explained in note 11.

- Acquisition on 14 April 2021 of twenty-eight homes in a residential building located in Valencia, at calle Rodríguez Cepeda 44, intended for lease, for an amount of 4,499,575.00 euros, including all the associated costs.

  Said asset, recorded as property investment, is subject to a mortgage with a financial institution, as explained in note 11.

- Acquisition on 15 September 2021 of an estate located in Valencia, at calle Salamanca 46, consisting of sixteen homes intended for lease, for an amount of 2,961,240.00 euros, including all the associated costs.

  Said asset, recorded as property investment, is subject to a mortgage with a financial institution, as explained in note 11.

- Acquisition on 25 November 2021 of an estate located in Valencia, at calle Nave 14, consisting of a business premise and four homes intended for lease, for an amount of 905,017.50 euros, including all the associated costs.

  Additions in fiscal year 2020 related mainly to the purchase of two buildings located in Barcelona, at calle Nápoles and calle Balmes, intended for the lease of business premises, residential homes and rooms for students (shared flats). Also, there are additions for an amount of 3,410,951.26 euros, derived from renovation works carried out to adapt the flats during fiscal year 2021.

Work in progress at 19 December 2021 and 2020 relates to improvements that were under way in several buildings and homes owned by the Company at the close of said fiscal years.

At 19 December 2021 a deposit for an amount of 455,000 euros was recorded under investment advances by way of down payment (*Arras*) for the acquisition of a building which was finally purchased on 30 December 2021 (see note 19).

(a) Fully-depreciated assets

At 19 December 2021 and 2020, there were no elements of fixed assets still in use which were fully depreciated.

(b) Insurance

The Company has taken out several insurance policies to cover the risks which may affect the assets under investment property. Such policies are considered to offer sufficient coverage.

(c) Mortgaged assets

Buildings included in investment property are mortgaged with the loans mentioned in note 11.

(d) Revenue and expenses deriving from investment property

The breakdown of items in investment property that do not generate revenue at 19 December 2021 and 2020 is as follows:

(Continued)

		Euros			
		19.12.2021			
Description	**% unoccupied**	**Cost**	**Accumulated depreciation**	**Value corrections**	**Net**
Balmes Building	4.00%	516,060.75	(6,789.35)	-	509,271.40
Nápoles Building	3.00%	120,640.77	(799.41)	-	119,841.36
Rocafort Building	36.00%	1,498,649.12	(6,013.36)	-	1,492,635.76
Cepeda Building	55.17%	2,871,045.54	(20,364.36)	-	2,850,681.18
Salamanca Blg.	43.75%	1,329,737.33	(1,862.40)	-	1,327,874.93
Nave Building	100.00%	982,191.50	(342.36)	-	981,849.14
		7,318,325.01	**(36,171.24)**	**-**	**7,282,153.77**

		Euros			
		19.12.2020			
Description	**% unoccupied**	**Cost**	**Accumulated depreciation**	**Value corrections**	**Net**
Balmes Building	39.40%	4,373,400.00	(24,846.99)	-	4,348,553.01
Nápoles Building	50.00%	1,350,000.00	(2,248.80)	-	1,347,751.20
		5,723,400.00	**(27,095.79)**	**-**	**5,696,304.21**

The breakdown of revenues and expenses generated by items in investment property, is as follows:

	Euros	
	Fiscal year 2021	**Fiscal year 2020**
Rental income and other operating revenues	509,063.35	275,335.14
Other management revenues	7,640.81	5,686.05
Operating expenses		
From investments generating income	(615,113.96)	(251,074.19)
From investments not generating income	(919,311.79)	(202,947.86)
Net	**(1,017,721.59)**	**(173,000.86)**

(7) Operating leases - Lessor

At 19 December 2021 the Company has leased to third parties, under operating leases, 40% of the total surface available (55% at 19 December 2020), and the most significant contracts are long-term ones.

(Continued)

Future minimum collections under non-cancellable operating leases are as follows:

	Euros	
	2021	**2020**
Up to one year	613,317.74	115,889.21
Between 1 and 5 years	235,155.36	10,200.00
More than 5 years	1,067,656.80	-
	1,916,129.90	**116,089.21**

Minimum collections consist of revenues received from customers that have and will have a lease contract in force as of 20 December 2021 and 2020.

(8) Financial assets

The composition of financial assets is as follows:

	Euros			
	19.12.2021			
	Non-current		Current	
	Book value	**Total**	**Book value**	**Total**
Other assets at fair value through profit and loss				
Derivative financial instruments	22,660.11	**22,660.11**	-	**-**
Financial asset at amortised cost				
Loans				
Deposits and guarantees	58,673.56	**58,673.56**	-	**-**
Other financial assets	1,365,121.57	**1,365,121.57**	22,095.85	**22,095.85**
Trade receivables	-	**-**	28,204.72	**28,204.72**
Total financial assets	1,446,455.24	**1,446,455.24**	50,300.57	**50,300.57**

	Euros			
	19.12.2020			
	Non-current		Current	
19.12.2020	**Book value**	**Total**	**Book value**	**Total**
Financial assets at amortised cost				
Loans				
Deposits and guarantees	22,679.15	**22,679.15**	**-**	**-**
Other financial assets	1,000,000.00	**1,000,000.00**	19,159.03	**19,159.03**
Trade receivables	-	**-**	1,379.00	**1,379.00**
Total financial assets	1,022,679.15	**1,022,679.15**	20,538.03	**20,538.03**

At 19 December 2021 and 2020, the value at which financial assets were recognised did not differ significantly from their fair value.

(Continued)

(a) Derivative financial instruments

On 29 July 2020 the Company concluded with *Caixabank, S.A*. a loan agreement, which includes an interest rates swap to manage its exposure to fluctuations in the interest rate of the loan. The interest rate of said swap is an annual fixed rate of 0.16% and a variable rate based on the 12-month Euribor, payable monthly.

Type of transaction	Start date	Due date	Initial nominal value
Interest rates swap	01/08/2020	01/08/2030	1,650,000.00

The fair value of swaps is based on market values of derivative financial instruments that are equivalent at the balance sheet date. The Group does not apply hedge accounting for those instruments, and their change is recognised at fair value as revenue or expense in the profit and loss account for the fiscal year (profits for an amount of 22,660.11 euros in fiscal year 2021, with no results in fiscal year 2020).

At 19 December 2021 the value of such derivative amounts to 22,660.11 euros, recognised as a non-current asset.

(b) Other financial assets

The non-current financial assets held by the Company at 19 December 2021 relate to guarantees received from customers for the renting of space for an amount of 58,673.56 euros (22,679.15 euros at 19 December 2020) and the Company must deposit said amount in the appropriate body, in this case *Institut Català del Sòl (Incasol)* and the Valencian Tax Agency (*Agencia Tributaria Valenciana - ATV*), by way of the relevant percentage of the guarantees received from leases of the Company's buildings. The amounts deposited by the Company in *Incasol* and the Valencian Tax Agency (*ATV)* are recognised under the heading 'Financial investments, long-term' in the assets of the balance sheet. And, in contrast, the amounts collected by the Company from customers by way of guarantees are recognised under the heading 'Other financial liabilities, long-term' in the liabilities of the balance sheet (see note 11).

Additionally, at 19 December 2021 the Company has two deposits with the entity *BBVA* and a deposit with the entity *Bankinter* for a total amount of 1,365,121.57 euros, related to the financing of the Balmes, Rodríguez Cepeda and Salamanca Buildings, with the following breakdown:

(i) At 19 December 2021 and 2020, the amount pertaining to the Balmes Building amounts to 1,000,000.00 euros with the entity *Bankinter*. This amount is unavailable for the Company until two of the following three conditions are met, cumulatively:

- That the RCSD [debt service coverage ratio] is higher than 1,3x (without taking account of the amount of this deposit for measurement purposes);
- That the LTV [loan-to-value] ratio is lower than thirty percent (30%); and
- That the total amount of capital and reserves without valuation adjustments of the borrower is higher than 30,000,000.00 euros.

(ii) At 19 December 2021, the sum pertaining to the Rodríguez de Cepeda Building amounts to 214,119.19 euros with the entity *BBVA*. This amount is unavailable for the Company and is intended to cover the repayment installment and unpaid interest.

(Continued)

(iii) At 19 December 2021, the sum pertaining to the Salamanca Building amounts to 151,002.38 euros with the entity *BBVA*. This amount is unavailable for the Company and is intended to cover the repayment installment and unpaid interest.

At 19 December 2021, the other current financial assets for an amount of 22,095.85 euros (19,159.03 euros at 19 December 2020) relate to advances to suppliers for the registration expenses of the different mortgages (note 11).

(c) Trade and other receivables

The breakdown of trade and other receivables is as follows:

	Euros	
	19.12.2021	**19.12.2020**
	Current	**Current**
Trade and other receivables, short-term		
Trade receivables	28,205.20	9,168.25
Impairment	-	(7,789.25)
Other receivables from Public Administrations	49,305.55	129,131.70
Total	**77,510.75**	**130,510.70**

Trade receivables not yet due are not considered to be impaired. These receivables relate mainly to a number of independent customers with no recent history of default.

Movements in the provision for impairment losses of trade receivables were as follows:

	Euros	
	19.12.2021	**19.12.2020**
	Current	**Current**
Initial balance	(7,789.25)	-
Additions	-	(7,789.25)
Amounts used	7,789.25	-
Final balance	**-**	**(7,789.25)**

(d) Classification by maturity

Classification of the financial assets by maturity is shown in Annex I.

(9) Cash and cash equivalents

The composition in the cash balance and other equivalent assets at 19 December 2021 and 2020 is as follows:

(Continued)

	Euros	
	19.12.2021	**19.12.2020**
Cash and banks	3,035,668.94	4,641,447.55
	3,035,668.94	**4,641,447.55**

(10) Capital and reserves without valuation adjustments

(a) Capital

At 19 December 2019 the Company's share capital consisted of 3,000 equity units with a nominal value of 1.00 euro each, which were fully subscribed and paid, accumulable and indivisible.

On 23 December 2019, the Company's Sole Shareholder, decided to increase the share capital for a nominal amount of 1,060,000.00 euros, through the issuance of 1,060,000 new equity units, with a nominal value of 1.00 euro each, fully subscribed and paid by the Company's Sole Shareholder, and with a total share premium of 3,180,000.00 euros, at 3.00 euros per equity unit.

After such capital increase, at 19 December 2020 the share capital consisted of 1,063,000 equity units, of a single class, with a nominal value of 1.00 euro each, fully subscribed and paid, and with a total share premium of 3,180,000.00 euros.

On 30 June 2021, the Company's Sole Shareholder decided to increase the share capital for a nominal amount of 3,937,000.00 euros, through the issuance of 3,937,000 new equity units, with a nominal value of 1.00 euro each, and with a total share premium of 12,188,147.75 euros, at 3.09579572009144 euros per equity unit, fully subscribed and paid by the Company's Sole Shareholder through credit compensation, with those credits being of a fixed amount, totally due and payable.

Therefore, at 19 December 2021 the share capital consisted of 5,000,000 equity units, of a single class, with a nominal value of 1.00 euro each, fully subscribed and paid.

Those companies having a direct or indirect holding in the Company's share capital with a percentage of 10% or more, are the following:

	19 December 2021		19 December 20120	
Company	**Number of equity units**	**Percentage of ownership**	**Number of equity units**	**Percentage of ownership**
Patron Mosa, S.à.r.l.	5,000,000	100.00%	1,063,000	100.00%

(b) Share premium

This reserve is freely available for distribution.

(c) Reserves

(i) Legal reserve

The legal reserve is provisioned according to article 274 of the Revised Text of the Spanish Law on Capital Companies, which establishes that, in any case, an amount equivalent to 10 percent of the profit for the fiscal year must be transferred to the legal reserve until it reaches, at least, 20 percent of the share capital.

(Continued)

The legal reserve is not available for distribution, and if it is used to offset losses -in the event that there are no other reserves available and sufficient for such purpose-, it must be reappropriated with future profits.

At 19 December 2021 and 2020 the legal reserve is not provisioned.

(d) Equity holder contributions

On 22 November 2021, the Company's Sole Shareholder made a monetary contribution for an amount of 1,185,000.00 euros, in order to increase the soundness of the Company's assets and financial position so that it could meet different payment commitments.

On 14 September 2021 the Company's Sole Shareholder made a monetary contribution for an amount of 3,000,000.00 euros, in order to increase the soundness of the Company's assets and financial position so that it could meet different payment commitments.

(e) Proposal for the distribution of profit/application of losses

The application of losses for the fiscal year ended on 19 December 2020, prepared by the then sole director and approved by the Sole Shareholder on 18 June 2021, was as follows:

	Euros
Basis of distribution	
Loss for the fiscal year	(841,932.98)
Application	
Prior periods' losses	(841,932.98)

The Company's proposed application of losses for 2021, prepared by the board of directors to be submitted to the Sole Shareholder, is as follows:

	Euros
Basis of distribution	
Loss for the fiscal year	(2,044,067.41)
Application	
Prior periods' losses	(2,044,067.41)

(11) Financial liabilities

Classification of financial liabilities by class and category at 19 December 2021 and 2020 is as follows:

(Continued)

19.12.2021	Euros			
	Non-current		Current	
	Book value	Total	Book value	Total
Financial liabilities at cost or amortised cost				
Debt with financial institutions				
Debts	12,494,239.35	12,494,239.35	298,679.58	298,679.58
Commissions reducing the loan debt	(482,884.89)	(482,884.89)	(56,614.54)	(56,614.54)
Interests	-	-	26,138.86	26,138.86
Suppliers of fixed assets	-	-	467,922.45	467,922.45
Other financial liabilities	39,262.66	39,262.66	87,630.00	87,630.00
Trade and other payables				
Other payables	-	-	732,973.79	732,973.79
Total financial liabilities	**12,050,617.12**	**12,050,617.12**	**1,556,730.14**	**1,556,730.14**

19.12.2020	Euros			
	Non-current		Current	
	Book value	Total	Book value	Total
Financial liabilities at cost or amortised cost				
Debt with group and associated companies				
Debts	9,418,250.14	9,418,250.14	-	-
Debt with financial institutions				
Debts	7,506,253.15	7,506,253.15	230,541.05	230,541.05
Commissions reducing the loan debt	(197,790.65)	(197,790.65)	-	-
Interests	-	-	18,174.93	18,174.93
Suppliers of fixed assets	-	-	21,300.00	21,300.00
Other financial liabilities	51,236.00	51,236.00	19,930.00	19,930.00
Trade and other payables				
Other payables	-	-	222,303.39	222,303.39
Total financial liabilities	**16,777,948.64**	**16,777,948.64**	**512,249.37**	**512,249.37**

At 19 December 2021 and 2020, the book value of financial liabilities is not significantly different from its fair value.

a) Debts with group and associated companies

At 19 December 2020 the amount of debt with group companies in the non-current liability relates to the loan agreement formalised on 16 March 2020 with the Sole Shareholder for a total amount of 13,500,000.00 euros, which accrues an annual interest of 6%, with maturity initially fixed at 16 March 2026. At 19 December 2020 an amount of 8,950,000.00 euros had been drawn down and 468,250.14 euros of interest had accrued. Both the capital and the accrued interest due were payable and claimable at the end of the credit agreement. However, as explained in note 10, the loan was capitalised on 30 June 2021 by decision of the Sole Shareholder.

(Continued)

b) Debt with financial institutions

I. A non-extinguishing modifying subrogation and novation agreement of a mortgage loan was formalised on 29 July 2020 with the entity *CaixaBank, S.A.*, for the opportunity to acquire a building located in Barcelona, at calle Nápoles 206 (hereinafter, the “Building”), due for repayment on 1 October 2040 and for a maximum amount of 1,650,000.00 euros.

The loan agreement has a grace period up to 31 October 2020, with a repayment schedule of consecutive mixed instalments for the amortisation of capital and interests, on a monthly basis. The first payment became effective on 1 November 2020 and the last one will be on 1 November 2040. The amount of the mixed payments including capital and interests arises from applying the French system, with constant instalments.

At 19 December 2021, the Company has drawn down 1,573,603.07 euros (1,639,377.15 euros a 19 December 2020).

The interest rate of such loan is 12-month Euribor plus 2.5%. The costs of formalising the loan amounted to 22,275.00 euros and were recognised in the profit and loss account according to the amortised cost criteria. In fiscal year 2021 said loan has accrued interest for a total amount of 38,065.59 euros (16,259.12 euros in fiscal year 2020), out of which there are no amounts pending payment at the close of such year (2,181.13 euros outstanding at the end of fiscal year 2020).

Likewise, the main guarantees of the loan are:

- A first and second ranking real estate mortgage on the building.
- A first ranking pledge over 92.71% of the credit claims which may arise at any time in favour of the Company from the Project’s contracts.
- A first ranking pledge over 92.71% of the credit claims represented by the balance existing at any time in favour of the borrower in the current accounts of the Project.

On the other hand, according to the finance agreement, the loan is subject to compliance of certain financial ratios (LTV [loan-to-value] and RCSD [debt service coverage ratio]) as of 29 July 2022.

II. A mortgage loan contract formalised on 23 October 2020 with the entity *Bankinter, S.A.*, due for repayment on 23 October 2032 and for a maximum amount of 6,115,000.00 euros, divided into two tranches: tranche A for an amount of 5,282,600 euros to partially refinance the purchase price of the Balmes Building previously acquired on 23 December 2019 by the borrower, with its own resources; and tranche B for an amount of 832,400.00 euros in order to provision the CAPEX account.

The loan agreement establishes a half-yearly repayment schedule and accrues interest from day to day, which are payable and claimable on a semi-annual basis.

At 19 December 2021, the Company has drawn down 5,914,224.17 euros (6,115,000.00 euros at 19 December 2020).

The interest rate of such loan is 6-month Euribor plus 1.7%. The loan’s costs of formalisation amounted to 207,910 euros and were recognised in the profit and loss account, according to the amortised cost method. Said loan has accrued interest during fiscal year 2021 for a total amount of 105,948.34 euros (15,993.80 euros in fiscal year 2020), out of which 18,766.78 euros are pending payment at the year-end (15,993.80 outstanding at the end of 2020).

(Continued)

Likewise, the main guarantees of the loan are:

- A first ranking real estate mortgage on the building.
- A first ranking pledge over present and future credit claims deriving from any lease agreements subscribed with regard to the asset and, among other credit claims, the rents agreed under said contracts;
- A first ranking pledge over the credit claims deriving from the purchase agreement;
- A first ranking pledge over present and future credit claims deriving from the insurance policies taken on with regard to the asset; and
- A first ranking pledge over the bank accounts of the borrower opened with the lending institution.

On the other hand, according to the finance contract, the loan is subject to compliance of certain financial ratios (LTV and RCSD) as of fiscal year 2021. Said financial ratios were met by 19 December 2021.

III. A mortgage loan contract formalised on 30 July 2021 with the entity *Banco Santander, S.A.*, due for repayment on 30 July 2028 and for a maximum amount of 2,834,023.00 euros, divided into two tranches: tranche A for an amount of 1,887,577.00 euros intended for: i) payment of taxes, costs, commissions and expenses stemming from the formalisation of the financing documents, ii) initial provision of the reserve account to service debt, under the contract's terms; and iii) funding of other acquisitions by the Company and of certain needs of working capital and transactions thereof; and tranche B for an amount of 946,446.00 euros intended to finance the expenses associated with the adaptation, renovation and fine tuning of the residential building located in Barcelona, at calle Rocafort 219, owned by the Company (at 19 December 2021, 648,092.85 euros of tranche B had been drawn down).

The loan agreement establishes a grace period between the date of signature of the contract and 30 July 2023, as well as a quarterly repayment schedule and accrues interest from day to day, which is payable and claimable on a quarterly basis.

At 19 December 2021, the Company has drawn down 2,535,669.85 euros.

The interest rate of such loan is 12-month Euribor plus 2% from the contract expiration date until 30 July 2023 and 1,75% from 30 July 2023 until the contract expiration date. The costs of formalisation of the loan amounted to 113,360.92 euros and were recognised in the profit and loss account, according to the amortised cost criteria. Said loan has accrued interest for a total amount of 16,809.97 euros during fiscal year 2021, out of which 7,372.08 euros are pending payment at the end of the fiscal year.

Likewise, the main guarantees of the loan are:

- A first ranking real estate mortgage on the building.
- A first ranking pledge over present and future credit claims deriving from any lease agreements subscribed with regard to the asset and, among other credit claims, the rents agreed under such contracts;
- A first ranking pledge over present and future credit claims deriving from the insurance policies taken on with regard to the asset; and

(Continued)

- A first ranking pledge over the bank accounts of the borrower opened with the lending institution.
- A first ranking pledge over any other agreement related to the Project for the adaptation, renovation and fine tuning of the asset which the Company may subscribe after the date of formalising the financing for an amount of over 500,000.00 euros, including, without limitation, any collateral and guarantees related therewith.

On the other hand, according to the finance contract, the loan is subject to compliance of certain financial ratios (LTV and RCSD) as of fiscal year 2023.

IV. A mortgage loan contract formalised on 10 December 2021 with the entity *Banco Bilbao Vizcaya Argentaria, S.A.,* for a term of 10 years as of 1 January 2022, due for repayment on 31 December 2031 and for a maximum amount of 3,615,601.00 euros, divided into two tranches: tranche A for an amount of 1,732,227.00 euros intended for: i) financing or partially refinancing the acquisition of homes in the residential building located in Valencia, at calle Rodríguez Cepeda 44 (hereinafter, the "Asset"), which were previously acquired by the Company; as well as (ii) financing all the renovation works of the Asset according to the Project, under an unexpired license and according to its terms and the urban planning, as well as to comply with the requirements of the urban-planning legislation; and tranche B for an amount of 1,883,374,00 euros that will be kept by the Bank and may not be withdrawn from the Special Account under any circumstance if the Company is not current on its obligations with the Bank and as long as it does not submit work certifications that reach such amount.

The loan agreement establishes a grace period until 30 June 2023, a quarterly repayment schedule and accrues interest from day to day, which is payable and claimable on a quarterly basis.

At 19 December 2021, the Company has drawn down 1,732,227.00 euros.

The annual interest rate of such loan is a nominal rate of 1.95% for the first three months of the loan term and 3-month Euribor plus 1.95% for the remainder of the contract term, until its expiration date. The costs of formalisation of the loan amounted to 131,969.44 euros and were recognised in the profit and loss account, according to the amortised cost criteria. At 19 December 2021 said loan has not accrued interest, since its term is considered to begin on 1 January 2022.

Likewise, the main guarantees of the loan are:

- A first ranking real estate mortgage on the Asset.
- A first ranking pledge over present and future credit claims deriving from any lease agreements subscribed with regard to the Asset and, among other credit claims, the rents agreed under said contracts;
- A first ranking pledge over present and future credit claims on the Project Account; and
- A first ranking pledge over the bank accounts of the borrower opened with the lending institution.

On the other hand, according to the finance contract, the loan is subject to compliance of certain financial ratios as of fiscal year 2023 (LTV and LTV Global) and to compliance of certain financial ratios as of fiscal year 2025 (RCSD and RCSD Global).

(Continued)

V. A mortgage loan contract formalised on 10 December 2021 with the entity *Banco Bilbao Vizcaya Argentaria, S.A.,* for a term of 10 years as of 1 January 2022, due for repayment on 31 December 2031 and for a maximum amount of 2,550,574.00 euros, divided into two tranches: tranche A for an amount of 1,018,769.00 euros intended for: i) financing or partially refinancing the acquisition of the residential building located in Valencia, at calle Salamanca 46 (hereinafter, the "Asset"), which was previously acquired by the Company; as well as (ii) financing all the renovation works of the Asset according to the Project, under an unexpired license and according to its terms and the urban planning, as well as to comply with the requirements of the urban-planning legislation; and tranche B for an amount of 1,531,805.00 euros that will be kept by the Bank and may not be withdrawn from the Special Account under any circumstance if the Company is not current on its obligations with the Bank and as long as it does not submit work certifications that reach such amount.

The loan agreement establishes a grace period until 30 June 2023, a quarterly repayment schedule and accrues interest from day to day, which is payable and claimable on a quarterly basis.

At 19 December 2021, the Company has drawn down 1,018,769.00 euros.

The annual interest rate of such loan is a nominal rate of 1.95% for the first three months of the loan term and 3-month Euribor plus 1.95% for the remainder of the contract term, until its expiration date. The costs of formalisation of the loan amounted to 93,095.95 euros and were recognised in the profit and loss account, according to the amortised cost criteria. At 19 December 2021 said loan has not accrued interest, since its term is considered to begin on 1 January 2022.

Likewise, the main guarantees of the loan are:

- A first ranking real estate mortgage on the Asset.
- A first ranking pledge over present and future credit claims deriving from any lease agreements subscribed with regard to the Asset and, among other credit claims, the rents agreed under said contracts;
- A first ranking pledge over present and future credit claims on the Project Account; and
- A first ranking pledge over the bank accounts of the borrower opened with the lending institution.

On the other hand, according to the finance contract, the loan is subject to compliance of certain financial ratios as of fiscal year 2023 (LTV and LTV Global) and to compliance of certain financial ratios as of fiscal year 2025 (RCSD and RCSD Global).

Suppliers of fixed assets at 19 December 2021 relate to the balances pending payment to the suppliers that are carrying out the renovation and adaptation works of the various buildings owned by the Company and at 19 December 2020 related to the balance pending payment to the seller of the Balmes Building, under the purchase agreement.

Other financial liabilities at 19 December 2021 and 2020 relate to the amount of the guarantees received from tenants of the Company's properties (note 8).

c) Classification by maturity

Classification of financial liabilities by maturity is shown in Annex II.

(Continued)

(12) Fiscal position

The breakdown of balances with Public Administrations is as follows:

	Euros			
	19.12.2021		**19.12.2020**	
	Non-current	**Current**	**Non-current**	**Current**
Assets				
Deferred tax assets	136.58	-	136.58	-
Value added tax and similar	-	49,305.55	-	129,131.70
	136.58	**49,305.55**	**136.58**	**129,131.70**
Liabilities				
Value added tax and similar	-	16,872.40	-	4,966.97
Personal income tax	-	5,307.20	-	2,899.37
	-	**22,179.60**	**-**	**7,866.34**

The main taxes applicable to the Company are open for review by the tax authorities for the following fiscal years:

Tax	**Fiscal years open for review**
Corporate income tax	2019 - 2020
Value added tax	2019 - 2021
Personal income tax	2019 - 2021
Economic activities tax	2019 - 2021

As a consequence, among others, of the possible different interpretations of current tax legislation, additional liabilities may arise as a result of an inspection. In any case, the Company's board of directors considers that such liabilities, if they ever occur, would not have a significant effect on the abbreviated annual accounts.

(a) Corporate income tax

The reconciliation between the accounting profit for the fiscal year and the taxable income in the corporate income tax for the fiscal year ended on 19 December 2021 and 2020 is as follows:

(Continued)

	Euros			
	Profit and loss account			
2021	**Increases**	**Decreases**	**Net**	**Total**
Balance between revenue and expenditure for the fiscal year	-	-	(2,044,067.41)	(2,044,067.41)
Corporate income tax	-	-	-	-
Profit/(loss) before income tax	-	-	(2,044,067.41)	(2,044,067.41)
Temporary differences				
Arising in the fiscal year	-	-	-	-
Taxable base (Tax result)			**(2,044,067.41)**	**(2,044,067.41)**

	Euros			
	Profit and loss account			
2020	**Increases**	**Decreases**	**Net**	**Total**
Balance between revenue and expenditure for the fiscal year	-	-	(841,932.98)	(841,932.98)
Corporate income tax	-	-	-	-
Profit/(loss) before income tax	-	-	(841,932.98)	(841,932.98)
Temporary differences				
Arising in the fiscal year	7,789.25	-	7,789.25	7,789.25
Taxable base (Tax result)	7,789.25	-	**(834,143.73)**	**(834,143.73)**

The relationship between corporate income tax expense / (revenue) and the profit / (loss) for the fiscal year ended on 19 December 2021 and 2020 is as follows:

	Euros	
2021	**Profit and loss**	**Total**
Balance between income and expenditure before taxes for the year	(2,044,067.41)	(2,044,067.41)
Corporate income tax (0%)	-	-
Corporate income tax expense / (revenue)	**-**	**-**

	Euros	
2020	**Profit and loss**	**Total**
Balance between income and expenditure before taxes for the year	(841,932.98)	(841,932.98)
Corporate income tax (0%)	-	-
Corporate income tax expense / (revenue)	**-**	**-**

(Continued)

There is no corporate income tax expense since the levy rate applicable to the Company is 0%.

Since the tax rate applicable is 0%, the Company has not recognised deferred tax assets derived from tax loss carryforwards pending offset, whose amounts and reversal periods are as follows:

Año	Euros		Last year
	31.12.2021	31.12.2020	
2020	(834,143.73)	(834,143.73)	Indefinite
2021 (provisional)	(2,044,067.41)	-	Indefinite
	(2,878,211.14)	**(834,143.73)**	

(13) Revenue and expenses

(a) Net revenues

The breakdown of net revenues by category of activities is as follows:

	Euros	
	National	
	2021	2020
Revenue from lease of business premises	74,449.73	50,831.00
Revenue from lease of homes	169,466.35	192,686.44
Revenue from lease of rooms	265,052.27	31,817.70
Revenue from lease of parking lot	95.00	-
	509,063.35	**275,335.14**

(b) Personnel expenses

	Euros	
	National	
	2021	2020
Salaries and wages	139,777.76	53,213.86
Indemnities	-	1,364.30
Social Security payable by the Company	39,421.67	13,474.60
Other social expenses	99.00	767.81
	179,298.43	**68,820.57**

The Company's average number of employees during fiscal years 2021 and 2020, broken down by categories, is as follows:

(Continued)

	Average number of employees	
	2021	**2020**
Director	-	1.00
Administrative staff	3.58	2.00
Total	**3.58**	**3.00**

Breakdown by sex of the personnel and members of the board of directors at the end of the fiscal year is as follows:

	Number			
	2021		**2020**	
	Women	**Men**	**Women**	**Men**
Director	-	-	-	1
Administrative staff	4	2	2	-
Total	**4**	**2**	**2**	**1**

During fiscal years 2021 and 2020 the Company did not have any employees with a disability higher than 33%.

(c) Other operating expenses

	Euros	
	2021	**2020**
External services		
Leases and royalties	46,435.90	18,535.54
Repairs and maintenance	69,051.92	16,923.79
Independent professional services	945,701.04	284,154.71
Insurance premium	12,775.81	9,585.73
Banking and similar services	4,821.54	759.64
Advertising, publicity and public relations	43,174.88	1,500.00
Utilities	48,873.97	12,936.61
Other services	56,862.48	11,449.88
Taxes		
Other taxes	306,728.21	90,386.90
Losses, impairment and changes in trade provisions (note 8)	-	7,789.25
Total	**1,534,425.75**	**454,022.05**

(14) Remuneration to members of the governing body and senior management

(a) Information regarding members of the governing body and senior management of the Company

Remuneration has not been accrued by members of the Company's governing body during the fiscal years ended on 19 December 2021 and 2020.

The Company did not undertake any type of obligation on pensions or life insurance regarding the members of the governing body. Likewise, they have not been granted any advances or loans.

The Company is managed by a board of directors, and for this reason there is no senior management personnel.

(b) Transactions other than ordinary business or at non-market conditions conducted by the Company's governing body

During fiscal years 2021 and 2020, the members of the Company's governing body have not carried out with the Company or with companies of the Group any operations other than ordinary business or at non-market conditions.

(c) Conflict of interest situations of members of the governing body

In order to avoid conflict situations with the interests of the Company, in fiscal year ended on 19 December 2021, the members of the Company's governing body have complied with the obligations set forth in article 228 of the Revised Text of the Law on Capital Companies. Likewise, both he and those associated with him have abstained from incurring in the conflict of interests scenarios described in article 229 of said law.

(15) Information on the environment

At 19 December 2021 and 2020 there were no significant assets set out for the protection and improvement of the environment, and no relevant expenses of this nature were incurred in any of those fiscal years.

The Company's board of directors considers there are no significant contingencies related to the protection and improvement of the environment, and therefore it was not necessary to recognise any provision for environmental risks and expenses at 19 December 2021 or 19 December 2020.

In view of the Company's activity, it does not have any emission rights.

(16) Balances and transactions with related parties

(a) Balances with the Sole Shareholder and related parties

Balances with related parties are included in note 11.

(b) Transactions of the Company with the Sole Shareholder and related parties

The amounts of the Company's transactions with related parties are as follows:

(Continued)

	Euros	
	2021	
	Sole Shareholder	Total
Expenses		
Finance expenses	360,782.54	**360,782.54**
Total expenses	**360,782.54**	**360,782.54**

	Euros	
	2020	
	Sole Shareholder	Total
Expenses		
Finance expenses	468,250.14	**468,250.14**
Total expenses	**468,250.14**	**468,250.14**

The financial expenses accrued at 19 December 2021 and 2020 relate to the loans with the Sole Shareholder which were capitalised on 30 June 2021, as explained in note 11.

(17) Audit fees

KPMG Auditores, S.L., auditors of the abbreviated annual accounts of the Company, and other related individuals and entities, have accrued fees for professional services, according to the following breakdown:

	Euros	
	National	
	2021	2020
For audit services	22,000.00	11,800.00
	22,000.00	**11,800.00**

The amount mentioned in the table above includes the total fees regarding the services rendered during fiscal years 2021 and 2020, irrespective of their invoice date.

(18) Regulatory requirements resulting from the SOCIMI status, the SOCIMI Law

In compliance with the reporting duties established in article 11 of the SOCIMI Law, the following aspects are detailed:

(Continued)

Mandatory requirements	Information on fiscal year 2021
a) Reserves from fiscal years prior to the application of the tax regime established in this SOCIMI Law.	The Company was incorporated on 18 July 2019, and has shown losses ever since. There are therefore no reserves from fiscal years prior to the application of the tax regime set forth in said SOCIMI Law.
b) Reserves from fiscal years in which the tax regime established in the SOCIMI Law was applied, making a distinction between the part that comes from income subject to a tax rate of zero percent or 19 percent, and the part which, where appropriate, has been taxed at the general rate.	No reserves were generated by the Company pursuant to the SOCIMI Law.
c) Dividends distributed with a charge to profits of each fiscal year where the tax regime established in the SOCIMI Law was applicable, making a distinction between the part that comes from income subject to a tax rate of zero percent or 19 percent, and the part which, where appropriate, has been taxed at the general rate.	In fiscal year 2020 the Company has shown losses. It is therefore unnecessary to provide the information required as regards the distribution of dividends, set forth in article 11 of the SOCIMI Law, since no dividends were distributed.
d) In the case of distribution of dividends against reserves, a mention of the fiscal year from which the reserve applied is obtained and whether those reserves have been taxed at a rate of zero percent, 19 percent or at the general rate.	
e) Date of the agreement to distribute the dividends referred to in sections c) and d) above.	In fiscal year 2021 the Company has shown losses. It is therefore unnecessary to provide the information required as regards the distribution of dividends, set forth in article 11 of the SOCIMI Law, since no dividends were distributed.
f) Date of acquisition of the properties intended for lease and of the holdings in the capital of those entities referred to in section 1 of article 2 of the SOCIMI Law.	The buildings owned by the Company were acquired on 23 December 2019 (Balmes Building), 29 July 2020 (Nápoles Building), 2 February 2021 (Rocafort Building), 14 April 2021 (Rodríguez Cepeda Building), 15 September 2021 (Salamanca Building) and 25 November 2021 (Nave Building).

(Continued)

Mandatory requirements	Information on fiscal year 2021
g) Identification of the assets qualifying for the 80 percent referred to in section 1 of article 3 of the SOCIMI Law.	The assets qualifying for the 80% described in article 3 of the SOCIMI Law relate to all properties acquired by the Company which are intended for lease, as well as the guarantees received for those leases. The assets qualifying for the 80% referred to in article 3.1 of the SOCIMI Law relate to the property investments at 19 December 2021, for a net book value of 29,652,952.43 euros, and a value of 29,877,036.22 euros (excluding depreciation), (with a net book value of 14,660,742.37 euros, and a value of 14,728,303.41 euros (excluding depreciation), at 19 December 2020), as well as the guarantees deposited for an amount of 58,673.56 euros at such date (22,679.15 euros at 19 December 2020).
h) Reserves from fiscal years in which the special tax regime established in the SOCIMI Law was applicable, that were drawn down during the tax period, but not for distribution or to offset losses, showing the fiscal year from which said reserves were obtained.	The Company was set up on 18 July 2019. There are therefore no reserves from fiscal years prior to the application of the tax regime established in the SOCIMI Law.

(19) Subsequent events

On 30 December 2021 the Company acquired a property located in Barcelona, at calle Entença 69, consisting of two business premises on the ground floor and five floors with two homes in each of them, intended for lease, for an amount of 4,550,000.00 euros, including all the associated costs.

As regards said property, on 12 January 2022 the Company has taken out a mortgage loan with the entity *Banco Santander, S.A.*, due for repayment on 12 January 2029 and for a maximum amount of 3,939,635.00 euros, divided into two tranches: tranche A for an amount of 2,463,505.00 euros intended for: i) partial financing of payment of the deferred price agreed upon under the purchase deed, ii) payment of the taxes, costs, commissions and expenses stemming from the formalisation of the financing documents, iii) initial provision of the reserve account to service debt, in the terms set forth in the contract, and iv) funding of other acquisitions by the Company and of certain needs of working capital and transactions thereof; and tranche B for an amount of 1,467,130.00 euros intended for the financing of expenses associated with the adaptation, renovation and fine tuning of the residential building located in Barcelona, at calle Entença 69, owned by the Company. At the time of formalising this contract, the Company has drawn down 100% of tranche A.

The loan agreement establishes a grace period between the date of signature of the contract and 12 January 2024, as well as a quarterly repayment schedule, and accrues interest from day to day, which is payable and claimable on a quarterly basis.

(Continued)

The interest rate of such loan is 12-month Euribor plus 2% from the date of signature of the contract until 12 January 2024 and 1.75% from 12 January 2024 until the contract expiration date. The costs of formalisation of the loan amounted to 167,051.97 euros and are recognised in the profit and loss account, according to the amortised cost criteria.

Likewise, the main guarantees of the loan are:

- A first and second ranking real estate mortgage on the building.

- A first ranking pledge over 92.71% of the credit claims which may arise at any time in favour of the Company from the Project's contracts.

- A first ranking pledge over 92.71% of the credit claims represented by the balance existing at any time in favour of the borrower in the current accounts of the Project.

On the other hand, according to the finance agreement, the loan is subject to compliance of certain financial ratios (LTV [loan-to-value], RCSD [debt service coverage ratio]) and SOCIMI LTV) as of the fiscal year ending on 19 December 2023.

At 1 February 2022 the Sole Shareholder decided to carry out monetary contributions to equity under the heading 'other equity holder contributions', for an amount of 2,600,000.00 euros which are disbursed by bank transfer, with the main purpose of allowing the Company to meet different payment commitments.

(Continued)

Classification of the Financial Liabilities by Maturity
for the fiscal year ended on 19 December 2021 and 2020

	Euros							
19.12.2021	**2022**	**2023**	**2024**	**2025**	**2026**	**Years after 2026**	**Minus current part**	**Total non-current**
Derivative financial instruments	-	-	-	-	-	22,660.11	-	22,660.11
Financial investments								
Other financial assets	22,095.85	-	-	-	58,673.56	1,365,121.57	(22,095.85)	1,423,795.13
Trade and other receivables								
Trade receivables	28,204.72	-	-	-	-	-	(28,204.72)	-
Total	**50,300.57**	**-**	**-**	**-**	**58,673.56**	**1,387,781.68**	**(50,300.57)**	**1,446,455.24**

	Euros							
19.12.2020	**2021**	**2022**	**2023**	**2024**	**2025**	**Years after 2025**	**Minus current part**	**Total non-current**
Financial investments								
Other financial assets	19,159.03	-	-	-	-	1,022,679.15	(19,159.03)	1,022,679.15
Trade and other receivables								
Trade receivables	1,379.00	-	-	-	-	-	(1,379.00)	-
Total	**20,538.03**	**-**	**-**	**-**	**-**	**1,022,679.15**	**(20,538.03)**	**1,022,679.15**

This annex forms an integral part of note 8 to the abbreviated annual accounts, in conjunction with which it should be read.

(Continued)

Classification of the Financial Liabilities by Maturity
for the fiscal year ended on 19 December 2021 and 2020

	Euros							
19.12.2021	**2022**	**2023**	**2024**	**2025**	**2026**	**Years after 2026**	**Minus current part**	**Total non-current**
Debts								
Debt with financial institutions - Nominal value	298,679.58	400,309.55	545,752.61	557,115.89	566,559.63	10,424,501.65	298,679.58	12,494,239.33
Commissions reducing the loan debt	(56,614.54)	(56,614.54)	(56,614.54)	(56,614.54)	(56,614.54)	(256,426.71)	(56,614.54)	(482,884.89)
Interest	26,138.86	-	-	-	-	-	(26,138.86)	-
Suppliers of fixed assets	467,922.45	-	-	-	-	-	(467,922.45)	-
Other financial liabilities	87,630.00	-	-	-	-	39,262.66	(87,630.00)	39,262.66
Trade and other payables								
Other payables	732,973.79	-	-	-	-	-	(732,973.79)	-
Total financial liabilities	**1,556,730.14**	**343,695.01**	**489,138.07**	**500,501.35**	**509,945.09**	**10,207,337.60**	**(1,556,730.14)**	**12,050,617.12**

	Euros							
19.12.2020	**2021**	**2022**	**2023**	**2024**	**2025**	**Years after 2025**	**Minus current part**	**Total non-current**
Debts								
Debt with financial institutions - Nominal value	230,541.05	298,679.58	300,356.46	308,191.73	316,068.47	6,282,956.89	(230,541.05)	7,506,253.15
Commissions reducing the loan debt	-	(7,911.63)	(7,911.63)	(7,911.63)	(7,911.63)	(166,144.15)	-	(197,790.65)
Interest	18,174.93	-	-	-	-	-	(18,174.93)	-
Suppliers of fixed assets	21,300.00	-	-	-	-	-	(21,300.00)	-
Other financial liabilities	19,930.00	14,036.00	-	-	-	37,200.00	(19,930.00)	51,236.00
Debt with group and associated companies	-	-	-	-	-	9,418,250.14	-	9,418,250.14
Trade and other payables								
Other payables	222,303.39	-	-	-	-	-	(222,303.39)	-
Total financial liabilities	**512,249.37**	**304,803.96**	**292,444.84**	**300,280.11**	**308,156.85**	**15,572,262.89**	**(512,249.37)**	**16,777,948.64**

This annex forms an integral part of note 8 to the abbreviated annual accounts, in conjunction with which it should be read.

(Continued)

VANDOR Real Estate SOCIMI, S.A.
(Sociedad Unipersonal)

Classification of the Financial Liabilities by Maturity
for the fiscal year ended on 19 December 2021 and 2020

19.12.2021					**Euros**		
						Book value	
Type	**Currency**	**Nominal rate**	**Effective interest rate**	**Expiry year**	**Nominal value**	**Current**	**Non-current**
<u>**Unrelated – Credit institutions**</u>							
BALMES BUILDING - *BANKINTER*							
Credit with credit institutions	Euros	6-month Euribor + 1.7%	1.87%	2032	5,931,550.00	232,370.00	5,699,180.00
Commissions with credit institutions	Euros				-	(17,534.78)	(162,363.65)
Interest	Euros				-	18,766.78	-
NAPOLES BUILDING - *CAIXABANK*							
Credit with credit institutions	Euros	12-month Euribor + 2.5%	2.43%	2040	1,574,703.07	66,309.58	1,508,393.49
Commissions with credit institutions	Euros				-	(1,100.30)	(20,074.40)
Interest	Euros				-	-	-
ROCAFORT BUILDING – *B. SANTANDER*							
Credit with credit institutions	Euros	12-month Euribor + 2%	0,92%	2028	2,535,669.87	-	2,535,669.87
Commissions with credit institutions	Euros				-	(15,613.86)	(97,747.07)
Interest	Euros				-	7,372.08	-

This annex forms an integral part of note 11 to the abbreviated annual accounts, in conjunction with which it should be read.

(Continued)

SALAMANCA BUILDING - *BBVA*							
Credit with credit institutions	Euros	3-month Euribor + 1.95%	0.05%	2031	1,018,769.00	-	1,018,769.00
Commissions with credit institutions	Euros				-	(9,251.30)	(83,844.65)
Interest	Euros				-	-	-
RODRIGUEZ CEPEDA BUILDING - *BBVA*							
Credit with credit institutions	Euros	3-month Euribor + 1.95%	0.05%	2031	1,732,227.00	-	1,732,227.00
Commissions with credit institutions	Euros				-	(13,114.30)	(118,855.13)
Interest	Euros				-	-	-
Total					**12,792,918.94**	**268,203.90**	**12,011,354.46**

This annex forms an integral part of note 11 to the abbreviated annual accounts, in conjunction with which it should be read.

(Continued)

**Classification of the Financial Liabilities by Maturity
for the fiscal year ended on 19 December 2021 and 2020**

19.12.2020

Type	Currency	Nominal rate	Effective interest rate	Expiry year	Euros		
						Book value	
					Nominal value	Current	Non-current
Unrelated – Credit institutions							
BALMES BUILDING - *BANKINTER*							
Credit with credit institutions	Euros	6-month Euribor + 1.7%	0.26%	2032	6,115,000.00	183,450.00	5,931,550.00
Commissions with credit institutions	Euros				-	(1,156.98)	(175,947.91)
Interest	Euros				-	-	-
NAPOLES BUILDING - *CAIXABANK*							
Credit with credit institutions	Euros	12-month Euribor + 2.5%	1.01%	2040	1,639,377.24	64,674.09	1,574,703.15
Commissions with credit institutions	Euros				-	(432.26)	(21,842.74)
Interest	Euros				-	2,181.13	-
Total					**7,754,377.24**	**248,715.98**	**7,308,462.50**

This annex forms an integral part of note 11 to the abbreviated annual accounts, in conjunction with which it should be read.

(Continued)

VANDOR Real Estate SOCIMI, S.A.
(Sociedad Unipersonal)

Preparation of the Abbreviated Annual Accounts at 31 December 2021

On 18 March 2022 the members of the board of directors of the Company *Vandor Real Estate SOCIMI, S.A.U.,* have prepared the abbreviated annual accounts for the period between 20 December 2020 and 19 December 2021. The abbreviated annual accounts consist of the attached documents preceding this statement.

Signatories:

Mr. Pedro Barceló Bou

Mr. Xavier Robert Fernández

Mr. Shane Edward Law