



## APODAC A INVERSIONES INMOBILIARIAS SOCIMI, S.A.

Calle Ponzano 76, 2º A, 28003 Madrid (Spain)

[\[https://www.apodacasocimi.com/\]](https://www.apodacasocimi.com/)

### INFORMATION DOCUMENT

October 28, 2022

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*The Articles of Association included in this Information Document have been translated into English from the Spanish version, and their content appears for information purposes. In case of any discrepancies, and for legal purposes, the Spanish version registered in the Commercial Registry shall prevail.*

## RESPONSIBLE OF THE INFORMATION DOCUMENT

The person below assumes the responsibility of the completeness and consistency with the facts of the data and information contained in the Information Document:

Mr. Blas Ignacio Quiralte Abelló  
Chairman  
APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.

### Statement of the Responsibility

*“We declare that, to the best of our knowledge, the information provided in the Information Document is accurate and that, to the best of our knowledge, the Information Document is not subject to any material omissions, and that all relevant information is included in the Information Document”.*

Madrid, 28 October, 2022

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Mr. Blas Ignacio Quiralte Abelló  
APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.

## 1. SUMMARY

The following is a summary of some of the information contained in this Information Document. VGM Advisory Partners, S.L.U. urges to read this entire Information Document carefully, including the risk factors, APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.'s historical financial statements, the notes to those financial statements, and the valuation of both the assets and the Company.

### 1.1. General description of APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.

APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A. (hereinafter "APODACA" or the "Company") is a Spanish real estate investment company incorporated on December 27, 2019 and running under the special tax regime of Sociedad Cotizada de Inversión en el Mercado Inmobiliario ("SOCIMI"), equivalent to a Real Estate Investment Trust ("REIT").

The Company business is focused on investing in different type of real estate assets (residential, commercial, offices) located mainly in Madrid city (Spain) for leasing. The residential properties are mostly leased as short and mid-term accommodation, to attend the urban travellers, students and the business segment.

As of the date of this Information Document, APODACA owns a real estate portfolio made up of 49 flats, 8 commercial spaces, 5 offices and 2 semi-detached houses, distributed among 8 locations in the centre of Madrid city and Alcázar de San Juan city (in Ciudad Real province). The total built area with shared zones of the portfolio is approximately 10,155 sqm.

As described in section 6.4 of this Information Document, no shareholder owns 25% or more of the Company's shares.

### 1.2. Company name, Registered office, and Registration for the special tax regime for SOCIMI

#### 1.2.1. Company name

APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.

#### 1.2.2. Registered office

Calle Ponzano 76, 2º A, 28003 Madrid (Spain).

#### 1.2.3. Data of registration with the Commercial Registry

The Company is registered with the Madrid Commercial Registry at volume 40,056, sheet 160, page M-711704, with tax identification number A88559885 and legal entity identifier number 959800H02KE1VAE0WM91.

#### 1.2.4. Registration for the SOCIMI special tax regime

On February 1, 2021, the Company's Shareholders Meeting agreed on requesting the application of the SOCIMI special tax regime that was notified to the Spanish tax authorities on February 16, 2021.

### 1.3. Company purpose (article 2 of the Articles of Association)

#### **Article TWO.- Corporate purpose.**

1. *The corporate purpose will be:*
  - a) *The acquisition and development of urban real estate for leasing.*
  - b) *The holding of shares in the capital of Real Estate Investment Trusts ("REITs") or in the capital of other entities not resident on Spanish territory which have the same corporate purpose as the former and which are subject to a system similar to that established for REITs with regard to the obligatory legal or statutory policy for the distribution of profits.*
  - c) *The holding of shares in the capital of other entities, whether or not resident on Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing and which are subject to the same system established for the REITs with regard to the compulsory, legal or statutory policy governing the distribution of profits and which meet the investment requirements referred to in Article 3 of the REITs Act.*
  - d) *The holding of shares or Equity units in Undertaking for Collective Investment in Transferable Securities (UCITS) regulated by Law 35/2003, of 4 November, on Undertakings for Collective Investment or the law that replaces it in the future.*
  - e) *Together with the business activity arising from the main corporate purpose, the Company may engage in other non-core activities, i.e. activities whose total revenue represents less than 20% of the Company's revenue for each tax reporting period, or activities that may be considered non-core in accordance with applicable law.*
2. *All other activities for which the law demands requirements that cannot be complied with by the Company are hereby excluded.*
3. *The activities that make up the corporate purpose may be carried out by the Company, in full or in part, indirectly, through the ownership of shares or equity units in companies with identical or similar purpose."*

### 1.4. Duration (article 3 of the Articles of Association)

#### **Article THREE.- Term**

*The Company is incorporated for an open-ended period. However, it may be dissolved or liquidated for any of the reasons listed in Title X of Royal Legislative Decree 1/2010, of 2 July, which approves the revised text of the Corporate Enterprises Act.*

## 1.5. Fiscal year (article 5 of the Articles of Association)

### **Article FIVE.- Financial year**

*The financial year will begin on 1 January and end on 31 December of each year, except for the year of its incorporation, which will begin on the date of registration of the deed at the Commercial Registry.*

## 1.6. Distribution of income (articles 43 and 44 of the Articles of Association)

### **Article FORTY-THREE.- Approval of accounts and application of profit**

- 1. The Company's financial statements and the consolidated financial statements, wherever appropriate, shall be subject to the approval of the General Shareholders' Meeting.*
- 2. The General Shareholder's Meeting will decide on the application of profit for the year in accordance with the approved balance sheet.*
- 3. After the reserves stipulated by these Articles of Association or the Law have been covered, dividends may be distributed with a charge to income for the year, or to unrestricted reserves, if the value of net equity per books is not (nor will be as a result of distribution) lower than the share capital. The minimum distributable amount shall be set in accordance with the applicable regulations at any given time for Real Estate Investment Trusts (REITs).*
- 4. If the General Shareholders' Meeting agrees to distribute dividends, it shall determine the moment and way of payment in accordance with that provided for in these Articles of Association. Setting these ends and any others that may be necessary or appropriate for the effectiveness of the resolution may be delegated to the Board of Directors.*
- 5. The General Shareholders' Meeting or the Board of Directors may agree the distribution of amounts through dividends with the limits and complying with the requirements set for in the applicable regulations.*
- 6. The General Shareholders' Meeting can agree for the dividend to be paid totally or partially in kind, provided that the assets or securities being distributed are consistent, admitted to trading on an official secondary market at the time of effectiveness of the resolution or liquidity is fully guaranteed by the Company within a maximum term of one year and they are not distributed for a value that is lower to the one they hold in the Company's balance sheet.*
- 7. The distribution of dividends to shareholders shall take place according to their disbursed share capital.*

### **Article FORTY-FOUR.- Special rules for the distribution of dividends**

- 1. Right to receive dividends. Those included as entitled to receive dividends in the accounting records of the company in charge of the accounting record shall have the right to such on the day or date determined by the General Shareholders' Meeting or, where appropriate, by the Board of Directors agreeing to its distribution.*
- 2. Enforceability of the dividend. Unless otherwise agreed, the dividend due and payable following 30 days of the date of the resolution of the General Meeting or, where appropriate, of the Board*



of Directors, deciding on its distribution.

3. Compensation. In those cases in which the distribution of dividend results in the Company having the obligation of paying the special tax provided for in article 9.2 of the REITs Act, or the rule replacing such (REITs Act), the Board of Directors of the Company may require the shareholders who have caused the accrual of such tax to compensate the Company.

The amount of compensation shall be equivalent to the expense of the Corporate Tax derived from the payment of the dividend that is used as the basis of calculation of the special tax, increased by the amount that, after deducting the corporate tax applicable to the total compensation amount, can compensate the expense derived from the special tax and from the corresponding compensation.

The amount of compensation shall be calculated by the Board of Directors without prejudice to the admissibility of the delegation of such calculation in favour of one or several directors. Unless it is agreed otherwise by the Board of Directors, compensation shall be payable on the day prior to the payment of the dividend.

For illustrative purposes, below is the calculation of the compensation in two different scenarios, evidencing how the effect of the compensation on the profit or loss statement of the company is zero in both cases:

- a) Assuming a gross dividend of 100 and a special tax for Corporate Tax of 19% and a rate of Income Tax Corporate Tax of 0% for income earned by the Company, the calculation of the compensation, would be as follows:

Dividend: 100

Special Tax:  $100 \times 19\% = 19$

Corporate Tax Expense of special tax ("GISge"): 19

Compensation ("I"): 19

Taxable base of Corporate Tax for compensation ("Bli"): 19

Corporate Tax Expense related to compensation ("GISi"): 0

Impact on the Company:  $I - GISge - GISi = 19 - 19 - 0 = 0$

- b) Assuming a gross dividend of 100 and a special tax for Corporate tax of 19% and a rate of Corporate Tax of 10% for income earned by the Company, the calculation of the compensation, rounding to the nearest cent, would be as follows:

Dividend: 100

Special Tax:  $100 \times 19\% = 19$

Corporate Tax Expense of special tax ("GISge"): 19

Compensation ("I"):  $19 + 19 \times 0,1 / (1 - 0,1) = 21,1119$

Taxable base of Corporate Tax for compensation ("Bli"): 21,11

Corporate Tax Expense related to compensation ("GISi"):  $21,11 \times 10\% = 2,11$

Impact on the Company:  $I - GISge - GISi = 21,11 - 19 - 2,11 = 0$

4. Right to compensation. Compensation will be offset by the dividend payable to the shareholder as a result of the obligation to pay the special tax.
5. Right of retention due to non-compliance of the Ancillary Obligation. In those cases in which the payment of the dividend is performed prior to the deadline established to comply with the ancillary

obligation, the Company can withhold payment to shareholders or to the holders of economic rights over those shares of the Company for which the information and documents required in article ten above, of an amount equivalent to the compensation that they eventually will have to pay. Once the ancillary obligation has been met, the Company will repay the withdrawn amounts to the shareholder that has no obligation to compensate the company.

Likewise, if the ancillary obligation is not met within the established deadline, the Company can also withdraw the payment of dividend and offset the withdrawn amount with the amount of compensation, by paying the positive difference to the shareholder, if any.

6. Other rules. In those cases where the total amount of the compensation may cause a loss to the company, the Board of Directors can require an amount lower to the one calculated according to that provided for in paragraph 3 of this article.

## 1.7. Administrative, management and controlling bodies

### 1.7.1. Board of Directors (articles 30, 31, and 35 of the Articles of Association)

#### **Article THIRTY.- Board of Directors**

1. The Company shall be administered by a Board of Directors.
2. The Board of Directors shall be governed by the legal rules that are applicable thereto and by these Articles of Association. The Board of Directors may develop and complete such provisions through the relevant Regulations of the Board of Directors, the approval of which shall be notified to the General Shareholders' Meeting.

#### **Article THIRTY-ONE.- Competences of the Board of Directors**

1. The Board of Directors has the power to adopt the resolutions on all matters that are not attributed by the applicable regulations or these Articles of Association to the General Shareholders' Meeting.
2. The Board of Directors, holding the broadcast powers and duties to manage, lead, administer and represent the Company, as a general rule, will entrust the ordinary management of the Company to the delegated consultative bodies and will focus its activity in the general supervisory function and in addressing those matters that are particular relevant for the Company.

#### **Article THIRTY-FIVE.- Powers of representation.**

1. The power of represent the Company in and out the court is the responsibility of the Board of Directors, which shall act on a collegiate basis.
2. The Secretary and, where appropriate, the Deputy Secretary of the Board of Directors, shall have the necessary representative powers to notarize and request the registration of the resolutions of the General Shareholders' Meeting and of the Board of Directors.
3. The powers of representation of the delegated bodies shall be governed by that provided in the delegation agreement. In the absence of any indication to the contrary, it will be understood that the powers of representation are conferred upon, on an individual basis, the Chief Executive Officer, if any, and should there be an Executive Committee, upon its Chair.

According to the Articles of Association, as of the date hereof, the governance of APODACA is entrusted to a Board of Directors composed of 6 members. The Board of Directors is formed, with regards to its internal structure of appointments and positions, as follows:

Member	Position
Mr. Blas Ignacio Quiralte Abelló	Chairman
Mr. Alvaro Luis Quiralte Abelló	Director and Secretary
Mrs. Silvia Palmira Quiralte Abelló	Director
Mr. Pablo José Quiralte Abelló	Director
Mr. Jorge David Quiralte Abelló	Director
Mr. Rafael Fuentes del Río	Director

The Board of Directors' main characteristics and its members' professional profile are described under section 4.2 of this Information Document.

## 2. HISTORY AND KEY FIGURES

### 2.1. History of the Company

The most relevant events in the history of APODACA are the following:

- **December 17, 2019.** Incorporation in Spain of the Company under the corporate name of APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A. with a total share capital amounting €32,712,120.

APODACA is formed as a separate legal entity following the division of CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L., which distribute all their assets and liabilities among 5 new companies, one of which is APODACA.

Specifically, the main assets and liabilities transferred to APODACA are the properties and bank loans detailed in section 3.2 of this Information Document.

- **February 1, 2021.** The Company's Shareholders Meeting approved a resolution for the SOCIMI special tax regime to be applied to the Company, which was communicated to the Spanish tax authorities on February 16, 2021.

### 2.2. Selected financial data

The Company's key figures are presented below:

#### Financial statements selected data

Selected Data		
Profit and Loss Statement (€)	2020 <sup>(*)</sup>	2021 <sup>(**)</sup>
Turnover	1,202,481	1,636,313
Operating Profit (Loss)	598,659	745,733
Financial Profit (Loss)	(21,722)	(87,655)
EBT	576,937	658,119
Profit (Loss) for the Year	423,423	658,096
Balance Sheet (€)	31-12-2020 <sup>(*)</sup>	31-12-2021 <sup>(**)</sup>
Property, plant and equipment	1,971,669	2,123,901
Investment properties	33,915,129	33,909,898
Cash and cash equivalents	676,998	42,039
Shareholders' Equity	32,775,211	32,758,568
Bank borrowing long-term	2,610,224	2,648,555
Bank borrowing short-term	544,067	206,288

<sup>(\*)</sup> Non audited; <sup>(\*\*)</sup> Audited.

Source: financial statements.

More detailed financial information of the Company is provided in section 8 of this Information Document.

Spanish language version of the financial statements as of December 31, 2021 has been audited by BDO Auditores, S.L.P.

The financial statements (including the audit report when it is available) are attached as Appendix I to this Information Document, and they are also on the Company's website: <https://www.apodacasocimi.com>.

### 3. COMPANY ACTIVITY

#### 3.1. Summary of the business

APODACA is a real estate investment company (SOCIMI) with the purpose of investing in different type of real estate assets (residential, commercial, offices) located mainly in Madrid city (Spain) for leasing. The residential properties are mostly leased as short and mid-term accommodation, to attend the urban travellers, students and the business segment.

#### 3.2. Company investment data

##### Real estate assets portfolio

As of the date of this Information Document, the Company owns a real estate portfolio in Spain made up of 49 flats, 8 commercial premises, 5 offices and 2 semi-detached houses.

The properties are distributed among 8 locations in Madrid city and Alcázar de San Juan city (in Ciudad Real province).

Address	City	Province	Flat	Commercial	Semi-detached house	Office	Market Value (€)
C/ Apodaca 5	Madrid	Madrid	15	3	-	-	6,868,000
C/Alonso Heredia 18	Madrid	Madrid	11	-	-	-	3,130,000
C/ José Ortega y Gasset 67	Madrid	Madrid	12	3	-	1	13,975,000
C/ Ponzano, 76	Madrid	Madrid	11	1	-	1	7,550,000
Pº de la Castellana 103	Madrid	Madrid	-	1	-	1	14,243,000
C/ Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	-	-	-	2	1,650,000
C/ Emilio Castelar 17	Alcázar S. Juan	C. Real	-	-	1	-	850,000
C/Ramón y Cajal 5	Alcázar S. Juan	C. Real	-	-	1	-	728,000
<b>Total</b>			<b>49</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>48,994,000</b>

Source: APODACA.

The Market Value of the assets owned by the Company is €48,994,000 million as of March 31, 2022, according to Valtec, S.A. (hereinafter "VALTECSA") asset's valuation reports.

It should be noted that in terms of value 97% of the assets are located in the centre of Madrid city and 3% in Alcázar de San Juan city.

The Company's portfolio has a total built area (including common elements) of approximately 10,155 sqm. The occupancy in terms of units was 95% as of March 31, 2022.

##### Financial debt

APODACA has 3 loans outstanding with Sabadell bank for a total amount of €2,854,844 million as of December 31, 2021.

As detailed in the table below, these loans are secured with properties (mortgages).

Lender	Outstanding ( <sup>(1)</sup> ) amount (€)	Interest rate	Maturity date	Mortgage
Sabadell	1,566,733	Eur 12m + 1,04% (min. 2,5% y max. 12%)	December 31, 2036	Building in Madrid (Paseo de la Castellana 103)
Sabadell	734,570	2,25%	June 30, 2032	Building in Madrid (Calle Alonso Heredia 18)
Sabadell	553,541	2,25%	May 31, 2033	Property in Madrid (Calle Félix Boix 9, Esc 1 1º)
<b>Total</b>	<b>2,854,844</b>			

(<sup>1</sup>) as of December 31, 2021.

Source: APODACA.

In addition, the Company has a credit facility with Sabadell bank for a total amount granted of €750,000, and no amount has been drawn down at the end of 2021.

### 3.3. Future investments

The Company's strategy is to continue investing in new properties in the centre of Madrid city. Nevertheless, as of the date of this Information Document, the Company does not have any future investment committed.

The flats owned by the Company only require periodic maintenance (from time to time, mainly painting and minor repairs). Only in the case of the 5 flats with indefinite duration and rent controlled as long as the tenant lives, which are located at C/ José Ortega y Gasset 67 and in C/ Ponzano 76 in Madrid (described in sections 3.5.3 and 3.5.4 of this Information Document), the Company will need to refurbish them completely when the current leases expire.

In relation to the 2 properties located in Alcázar de San Juand (described in sections 3.5.7 and 3.5.8 of this Information Document), which are currently not rented, the Company's objective in the future is not invest in their refurbishment them but to try to divest in them.

### 3.4. Business model, investment strategy and competitive advantages

The Company has implemented a business model based on investing in different type of real estate assets (residential, commercial, offices) located mainly in Madrid city centre (Spain) for leasing. The residential properties are mostly leased as short and mid-term accommodation, to attend the urban travellers, students and the business segment.

Since its inception APODACA has been conceived as a long term REIT with the purpose to maximize shareholders' return, based on:

- Recurring cash-flow generation from (i) a strong and well-diversified rental income stream of its portfolio and (ii) a strong policy of operating cost containment.
- Maintaining low levels of funding with financial institutions. For example, as of 31 December 2021, the total outstanding debt of the Company with banks as a percentage of the Market Value of

assets provided by VALTECSA is 5.83%.

As of the date of this Information Document, APODACA owns a real estate portfolio made up of 49 flats, 8 commercial premises, 5 offices and 2 semi-detached houses, distributed among 8 locations in the centre of Madrid city (97% of the assets' Market Value) and Alcázar de San Juan city (3% of the asset's Market Value). The properties' occupancy in terms of units was 95% as of March 31, 2022.

The highest and sovereign governing body of the Company is the General Meeting of Shareholders, which supervises the management body, appointed by it, and takes the decisions which under the Law and the Articles of Association are incumbent upon it.

The Board of Directors resolved delegating part of its powers for the day-to-day management of the Company to Mr. Blas Ignacio Quiralte Abelló (Chairman of the Board) and Mr. Alvaro Luis Quiralte Abelló (Director and Secretary of the Board).

As of the date of this Information Document, APODACA has 3 employees, 2 with administrative and control functions and 1 with maintenance tasks, and as explained in section 3.5 has outsourced the services to lease some of the flats in Madrid to new tenants with providers such as Spain Select Property Management, S.L. and Aluni Madrid, S.L.

In the future, the Company's strategy is to continue investing in new properties in Madrid city centre.

Additionally, the Company has the intention to reform, as soon as the leases expire, the 5 flats detailed in section 3.5, which have leases governed by the rules relating to the tenancy contract of the revised text of the 1964 Urban Leases Act ("1964 LAU"). These contracts are very favourable for the tenants, as they have an indefinite duration and rent controlled as long as the tenants are alive, without prejudice to any additional subrogation to which they may be entitled. Furthermore, those contracts have a rent that is far below market conditions at present.

Among the Company's competitive advantages, the following ones stand out:

- Good location of the current real estate portfolio mainly in the centre of Madrid city.
- Assets' and type of tenant's diversification.
- High level of occupancy of the properties.
- The volatility of the asset prices in urban areas where the Company has its portfolio is lower than in other areas.
- The quality of the assets (located in urban areas) makes them more liquid, and when the Company is interested easier to sell them.
- Increasing demand in urban areas, where the Company has its portfolio, for short and mid-term accommodation as an alternative to the hotel stays and conventional PRS (residential private rented sector).
- Controlled low leverage.



- A scalable business model without increasing the existing structure costs.
- A long-term investment strategy by the Company's shareholders.
- Relevant track record and experience of the Company Board of Directors.

### 3.5. Description of real estate assets

As mentioned in section 2.1 of this Information Document, since its inception the Company has all its real estate assets in Spain.

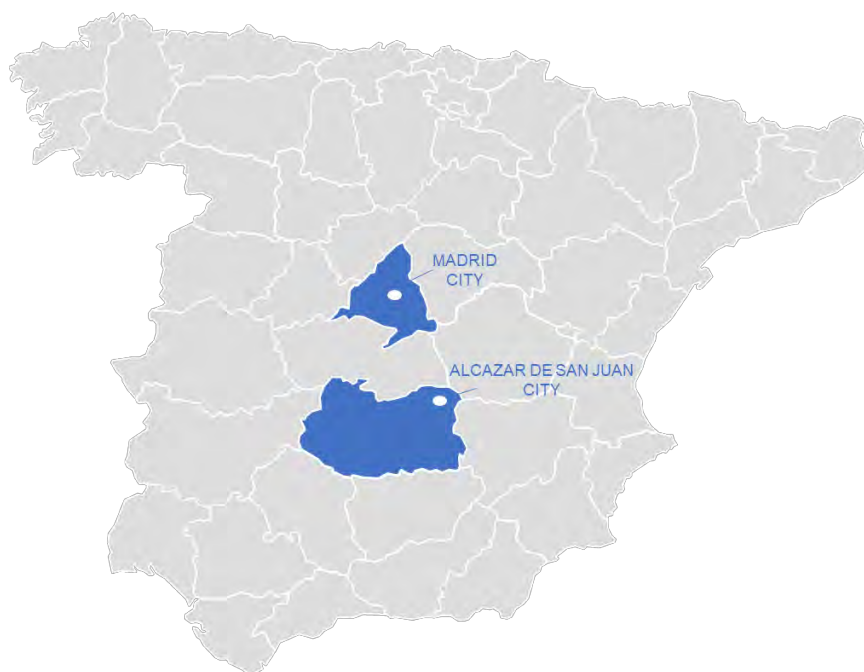
On the date of this Information Document, the Company's asset portfolio comprises the following properties:

Address	City	Province	Flat	Commercial	Semi-detached house	Office	Surface (sqm)	Units occupancy
C/ Apodaca 5	Madrid	Madrid	15	3	-	-	1,494	94%
C/ Alonso Heredia 18	Madrid	Madrid	11	-	-	-	711	100%
C/ José Ortega y Gasset 67	Madrid	Madrid	12	3	-	1	1,938	100%
C/ Ponzano, 76	Madrid	Madrid	11	1	-	1	1,228	100%
Pº de la Castellana 103	Madrid	Madrid	-	1	-	1	1,458	100%
C/ Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	-	-	-	2	416	100%
C/ Emilio Castelar 17	Alcázar S. Juan	C. Real	-	-	-	1	1,430	0%
C/ Ramón y Cajal 5	Alcázar S. Juan	C. Real	-	-	-	1	1,480	0%
<b>Total</b>			<b>49</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>10,155</b>	<b>95%</b>

Source: APODACA.

The properties are located in Madrid city and Alcázar de San Juan city (Ciudad Real province).

#### Geographic location in Spain of APODACA' asset portfolio



### 3.5.1. Calle Apodaca 5, in Madrid (Spain)

The building is located at the intersection of Churruca and Apodaca streets, in the Justicia neighbourhood of Madrid's Centro district.

It is a residential and commercial neighbourhood with some of the most popular streets in the capital, such as Fuencarral, Gran Vía and Barquillo, and is also known for its wide range of leisure and restaurant options.



The building dates back to 1900, although it was completely refurbished in 2006, and has a partial cataloguing. The total built area (including common elements) is 1,454 sqm, with the ground floor divided into 3 commercial premises, the first to fourth floors into 3 flats each, and the fifth floor into 2 flats.



The 15 flats and 1 commercial premise are rented to Madrid Central Suites, S.L. until November 1, 2029. However, from 1 November, 2018, the tenant is entitled to terminate the lease by giving 6 months' written notice to the landlord. The tenant subleases the flats to the end user for short and medium-term stays mainly for tourists.

In 2017 the tenant applied for the municipal licence to change the use of the building from residential to lodging. The City Council and the Court of Justice of Madrid refused the application. The appeal against that decision is awaiting judgement.

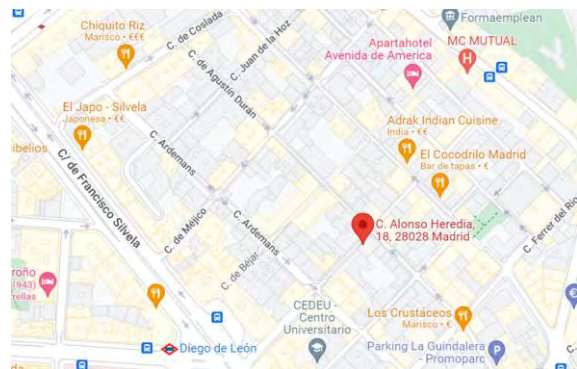
As for the other 2 commercial premises, one is empty and the other has a lease for a florist's shop with indefinite duration and rent controlled as long as the tenant lives, which is regulated by the revised text of the 1964 LAU.

### 3.5.2. Calle Alonso Heredia 18, in Madrid (Spain)

The building is located at Alonso Heredia street, in the Guindalera neighbourhood of Madrid's Salamanca district.

It is a residential neighbourhood, consolidated, of medium-high density, with all basic facilities and services, and a good level of public transport.

The building dates back to 1925, although it was





completely refurbished in 2017, and has a partial cataloguing. The total built area (including common elements) is 711 sqm, distributed between basement, ground floor and three upper floors, each with 2 flats, and an attic.

The rooms of 10 flats are rented to students for medium-term use. For the rental of the rooms, APODACA has signed a service agreement with Aluni Madrid, S.L., which can be broken at any time by either party upon written notice to the other.

The other flat is rented for residential use with a standard lease agreement.

### 3.5.3. Calle José Ortega y Gasset 67, in Madrid (Spain)

The building is located on the corner of José Ortega y Gasset and Alcántara streets, in the Lista neighbourhood of Madrid's Salamanca district.

It is bordered to the south by the neighbourhood of Goya one of the most luxurious in the city.

The building has structural protection and was completely refurbished in 2011. The total built area (including common elements) is 1,938 sqm, distributed between semi-basement, ground floor and first floor divided into 3 commercial premises and 1 office, second floor with 4 flats, third floor with 3 flats, fourth floor with 3 flats all of them with terraces, and fifth floor with 2 additional flats, also with terrace. Most of the flats have been recently renovated.



11 flats in this building are rented for short or medium term use. For the rental of these flats, APODACA has signed a service agreement with Spain Select Property Management, S.L., which runs for periods of 1 year each, unless either party gives the other 30 days' notice in writing.

The other flat has a lease with indefinite duration and rent controlled as long as the tenant lives, which is regulated by the revised text of the 1964 LAU.

As for the commercial premises, 2 of them are rented as restaurants and the other is rented to a hat's shop. The office is currently empty.

### 3.5.4. Calle Ponzano 76, in Madrid (Spain)

The main entrance to the building is at Ponzano street, in the Río Rosas neighbourhood of Madrid's Chamberí district.

It is a residential area located to the north of the capital and forms part of the so-called central core of the city.

The building dates back to 1926, although it was refurbished in 2001. The total built area (including common elements) is 1,228 sqm, consists of four retail units on the ground floor (currently joined together) and four upper floors with 3 flats per floor, except for the second floor where APOCA's office is located.



As for the flats, 4 of them are rented for short or medium term use. For the rental of these flats, APODACA has signed a service agreement with Spain Select Property Management, S.L., which runs for periods of 1 year each, unless either party gives the other 30 days' notice in writing.

In other 2 flats, the rooms are rented to students for medium-term use. For the rental of the rooms, APODACA has signed a service agreement with

Aluni Madrid, S.L., which can be broken at any time by either party upon written notice to the other.

In addition, 4 flats have leases for residential use with indefinite duration and rent controlled as long as the tenant lives, which is regulated by the revised text of the 1964 LAU, and 1 flat is rented for residential use with a standard lease agreement.

The commercial premise is rented to a restaurant.

### 3.5.5. Paseo de la Castellana 103, in Madrid (Spain)

The building is located at Paseo de la Castellana, in the Cuatro Caminos neighbourhood of Madrid's Tetúan district.

It is in the north-west of the city, close to AZCA, one of the most important economic centres of the capital, and to the Real Madrid stadium.

The retail building dates back to 1970, although the interior of the premises had been refurbished



in 2018. The total built area (including common elements) is 1,458 sqm, currently divided into 2 functional units with independent access from Paseo de la Castellana (i) bank branch, located on part of the ground floor, and (ii) bank central services offices, located in the rest of ground floor and the first floor.



The property is 100% let to Banco Santander, S.A., one of Spain's leading financial institutions, until December 31, 2024. Once the initial term has expired, the lease will be extended for 4 periods of 5 years each, unless the tenant notifies the landlord in writing 6 months in advance.

The tenant has an option to purchase the property that can be exercised between December 31, 2022 and December 31, 2023. In addition, the tenant has a right of first refusal in case the landlord wants to sell the property to a third party.

### 3.5.6. Calle Felix Boix 9, Esc 1 º 1, in Madrid (Spain)

The property consists of 2 offices on the first floor of a building with 11 floors above ground level (commercial premises on the ground floor, offices on the first floor and the rest for residential use) and 2 floors below ground level for parking.

It is located at Félix Boix street, in the Nueva España neighbourhood of Madrid's Charrmatín



district, a consolidated residential area in coexistence with offices in the north of the capital.

The build dates back to 1968 and the total built area (including common elements) of the 2 offices owned by the Company is 416 sqm.

Both offices currently are rented.

### 3.5.7. Calle Emilio Castelar 17, in Alcázar de San Juan (Ciudad Real, Spain)

The property is a residential semi-detached house located in Emilio Castelar street, a prime area of the Alcázar de San Juan municipality (Ciudad Real province).

The building, currently in a state of ruin, consists of 2 floors above ground, with courtyard and warehouse at the bottom of the plot, which has an area of 988 sqm. The property has a buildable area

capacity as the most likely development for commercial and residential use of approximately 1,430 sqm.



### 3.5.8. Calle Ramón y Cajal 5, in Alcázar de San Juan (Ciudad Real, Spain)

The property is a singular building located in Ramón y Cajal street, a centre area of the Alcázar de San Juan municipality (Ciudad Real province).



The building is an early twentieth century mansion built in 1930, originally intended for housing, with integral protection. It has a total built area of 1,480 sqm with 2 floors above ground, organized around a central courtyard, with a service courtyard and a large back garden. The



property also has a main entrance and a passage for carriages that leads to an auxiliary building used as stables, which communicates with the rest of the building through the back garden.

Currently, the building is in a poor state of preservation, and it is necessary to carry out a complete restoration in order to make it fully functional again.

### 3.6. The Market

It is considered relevant for the investor to provide current information on the market in which the Company operates.

The main variables and factors to be considered are presented to properly understand the macroeconomic environment and the business itself more specifically.

In this section, the information about the Spanish macroeconomic environment has been taken from

the quarterly report on the Spanish Economy (Economic Bulletin 2/2022) published by Banco de España (Spanish national central bank) on June 2022, and the content about the Spanish residential, commercial and office real estate markets has been taken from VALTECSA's asset valuation reports.

### 3.7.1. Spanish macroeconomic environment

In 2022 Q1 global economic activity decelerated primarily owing to the spread of the COVID-19 Omicron variant, the end of some stimulus programmes, the persistence of inflationary pressures and the incipient effects of the war in Ukraine. Among the advanced economies, the pace of output growth declined between 2021 Q4 and 2022 Q1 in the United States (from +1.7% to -0.4%), the United Kingdom (from +1.3% to +0.8%), Japan (from +0.9% to -0.2%) and the euro area, excluding Ireland (from +0.5% to +0.3%).

Global growth, which was hampered in early 2022 by the resurgence of the pandemic, has continued slowing in recent months mainly as a result of the war in Ukraine, leading to significantly higher commodity prices and to a slight worsening of the bottlenecks. These developments have triggered a downward revision of growth projections and an upward revision of inflation projections for 2022 and 2023.

#### Main Spanish macroeconomic aggregates <sup>(1)</sup>

(%)	2021	2021				2022	
		Q1	Q2	Q3	Q4	Q1	Q2
Gross domestic product (GDP) <sup>(2)</sup>	5.1	-0.5	1.1	2.6	2.2	0.3	0.4
Contribution of domestic demand	4.7	-0.7	2.5	0.8	1.2	-1.2	1.2
Contribution of net external demand	0.5	0.2	-1.4	1.8	1.0	1.5	-0.8
Employment: hours worked <sup>(3)</sup>	7.0	-2.7	29.7	3.3	2.7	7.5	3.5
Harmonised index of consumer prices (HICP) <sup>(3)</sup>	3.0	0.7	2.3	3.4	5.8	7.9	7.8
HICP excluding energy and food	0.6	1.2	-0.2	0.7	1.6	2.6	3.4

(1) Information available on May 24, 2022. The Q2 2022 figures are Banco de España projections.

(2) Quarter-on quarter rate of change.

(3) Year-on-year rate of change.

Source: INE and Banco de España.

After growing by 2.2% in 2021 Q4, Spanish GDP expanded by 0.3% in 2022 Q1. This marked slowdown stemmed from the spread of the Omicron variant early in the year and, in particular, from the detrimental impact on activity of Russia's invasion of Ukraine and the road hauliers' in March. The latter developments especially prompted a steep rise in uncertainty and commodity prices, which adversely affected household consumption decisions. As a result, in 2022 Q1 Spanish GDP still stood 3.4 pp short of its pre-pandemic level, while the euro area overall recovered that mark in the final stretch of 2021.

The Banco de España's projections envisage GDP growth of 0.4% in Q2. Confidence appears to be recovering somewhat, while activity looks particularly resurgent in the more contact-intensive services, against a backdrop of fewer pandemic-related restrictions. Consumption seems to be recovering in Q2, following the sharp fall-off in the final stretch of Q1. Social security registrations continued to rise in April and May 2022, while the number of furloughed workers declined.

The pace of growth in business investment could slow in Q2 after a highly buoyant start to the year. This comes against a background of deteriorating confidence and rising uncertainty associated with the war in Ukraine, which has prompted sluggishness in industrial order books and new supply-side problems that continue to exert upward pressure on input prices.

Persistent global supply bottlenecks and slower than expected growth in export markets signal a deceleration in the rate of growth of foreign trade in Q2. The recovery in foreign tourism has continued so far in Q2, underpinned by the easing of international travel restrictions.

Prices have continued to rise in recent months, driven by the energy component, but also by the cost of food and underlying inflation. In May 2022, the Harmonised Index of Consumer Prices (HICP) flash estimate rose to 8.5% year-on-year. Underlying inflation – i.e. excluding energy and food prices – has risen in recent months, mainly owing to higher services prices. In particular, it stood at 3.4% year-on-year in April 2022, compared with an average of 2.6% in Q1. In this setting, the inflation outlook is subject to great uncertainty.

### 3.7.2. Spanish residential, commercial and office real estate markets

#### **Spanish residential market**

The increase in optimism within the Spanish residential market has moderated at the end of the first quarter of 2022, due to the context of economic slowdown, geopolitical uncertainty and energy costs at record highs, with the impact this has on the real estate market and construction in particular.

The average price of new housing has as a whole experienced a year-on-year increase of 3.0% to 2,551 €/sqm in 2021. By cities Madrid continues to register one of the highest average price at national level, 3,757 €/sqm with an increase of 3.5% in 2021 and, in contrast, Ciudad Real one the lowest, 1,228 €/sqm with an increase of 1.6% in 2021.

The residential market has performed well during 2021, however as explained above there are several factors that on one hand could lead to reduction on new housing production, making prices even more expensive, and in the other have could have a negative impact on household income, with a consequent contraction in demand.

Yields in the residential rental segment are becoming attractive. Madrid and Barcelona cities offer prime yields, 3.0% and 3.25% respectively, on a par with other European cities such as London and Copenhagen.

#### **Spanish commercial market**

As a consequence of the COVID-19 health crisis, in 2020 rents for commercial assets in Spain declined progressively. In 2021, prime rents remained stable in Madrid (€245 sqm/month) compared to a year ago.



The increase in vaccination rates has encouraged more people to resume their usual activity to shop, travel and return to the office. Therefore, continued but slow growth in retail sales is expected in 2022. Although threat posed by the conflict between Russia and Ukraine, together with the lingering effect of the pandemic, material shortages, supply chain disruptions, as well as weaker international tourism, all cast a shadow over the outlook and could delay the recovery.

In 2021 investor interest focused mainly on the core product. In this regards, prime assets have showed greater resilience compared to secondary locations, where the availability of premises is greater. Prime retail yields remained stable through 2021, as uncertainty and risk over sustainable rents continues.

### **Spanish office market**

The complicated scenario inherited from 2020, whose hiring levels were at historic levels, as well as the uncertainty about the evolution of the pandemic, impacted the office market's behaviour in Spain during the first 8 months of 2021. It was at the end of the summer, coinciding with a generalized return to face-to-face work while maintaining a flexible component, that an increase in activity was observed.

The vacancy rate has increased slightly to over 10.5% in 2021, driven by low take-up and the incorporation of new projects or refurbishments into the market. In relation to rents, these have undergone slight adjustments of around 5%, compensated by additional incentives on the part of the owners.

The office market in Spain has managed to improve its 2020 investment volume by 19% in 2021. Although this figure is not bad, it has not reached the average investment of the last 8 years. All indications are that prime yields may have bottomed out by 2021.

### **3.7. Dependence on licenses and patents**

To hold and operate its assets, the Company requires having certain licenses or certificates, among others, the first occupancy licenses and the energy performance certificates. All properties owned under operation have the relevant licenses for their activity.

The license of first occupancy is issued by the local council, once it has been verified that the construction of the property has been executed in accordance with the project. The energy performance certificate is issued by qualified companies and technicians and is a document that defines the energy characteristics of the property.

In 2017 the tenant applied for the municipal licence to change the use of the building located in Calle Apodaca, 5 (Madrid) from residential to lodging. Madrid City Council and Court of Justice refused the application. The appeal against that decision is awaiting judgement.

The Company is not dependent on any trademark, patent, or intellectual property right that affects its business.

### 3.8. Insurance contracts

The Company has underwritten various insurance policies with Axa Seguros Generales S.A. de Seguros y Reaseguros, Generali España S.A. de Seguros y Reaseguros, Mapfre España Compañía de Seguros y Reaseguros S.A., Allianz Compañía de Seguros y Reaseguros, S.A., and Mutua de Propietarios Seguros y Reaseguros a Prima Fija, to insure the repair of or compensation for certain damages of its properties.

### 3.9. Related-party transactions

Set out below is a summary of the transactions carried out by the Company with related parties during the years 2020 and 2021, and the outstanding balances with related parties as of December 31, 2020 and December 31, 2021, as disclosed in the audited financial statements for the year 2021 (note 12).

There are 5 companies related to APODACA since the shareholders and members of the Board of Directors are the same individuals. These companies are Aljibesllanos, S.L., Añavete, S.L., Socitello, S.L., Lairocse, S.L. and Inversiones Jumarama, S.L.

Outstanding balances at the end of year 2021 and 2020 between the Company and other related parties are the following:

2021 (€) <sup>(*)</sup>	Related companies	Members of the Board of Directors
Other financial assets	-	37,936
Other financial liabilities	(391,379)	-

<sup>(\*)</sup> Audited.

Source: financial statements.

The net balance of “Other financial liabilities” of €391,379 corresponds to the sum of the debt of €392,077 with Aljibesllanos, S.L. and the debt of €308 with the liquidated and dissolved company Construcciones Tambor 2, S.L., together with the credits granted to Lairocse, S.L. and Socitello, S.L. for amounts of €485 and €521. The debt with Aljibesllanos, S.L. matures in 2026.

The net balance of “Other financial assets” of €37,936 corresponds to credits with members of the Board of Directors.

2020 (€) <sup>(*)</sup>	Related companies	Members of the Board of Directors
Other financial assets	-	36,947
Other financial liabilities	(460,254)	-

<sup>(\*)</sup> Non audited.

Source: financial statements.

During 2021 and 2020, the following transactions have taken place between the Company and its related parties:

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2021 (€) <sup>(*)</sup>	Related companies
Reception of services (by Aljibesllanos, S.L.)	23,224
Interest expense paid (to Aljibesllanos, S.L.)	17,619

<sup>(\*)</sup> Audited.

Source: financial statements.

2020 (€) <sup>(*)</sup>	Related companies
Expenses due to interest paid	22,567

<sup>(\*)</sup> Non audited.

Source: financial statements.

## 4. ORGANIZATION

### 4.1. Company's functional organization

The Company's widest powers rest upon the Board of Directors, except for matters out of its purview, in which case it would be the Shareholders Meeting, the highest governing body of the Company.

The Company is internally managed by the Board of Directors.

#### Company's functional organization



### 4.2. Main characteristics of the Board of Directors

#### 4.2.1. Composition of the Board of Directors

According to the Articles of Association, the administration and representation of the Company is attributed to a Board of Directors, which shall be composed of a minimum of 3 persons and a maximum of 9. The members of the Board of Directors shall be appointed by the General Shareholders Meeting.

As of the date of this Information Document, the governance of APODACA is entrusted to a Board of Directors composed of 6 members. The Board of Directors is formed, with regards to its internal structure of appointments and positions, as follows:

Member	Position
Mr. Blas Ignacio Quiralte Abelló	Chairman
Mr. Alvaro Luis Quiralte Abelló	Director and Secretary
Mrs. Silvia Palmira Quiralte Abelló	Director
Mr. Pablo José Quiralte Abelló	Director
Mr. Jorge David Quiralte Abelló	Director
Mr. Rafael Fuentes del Río	Director

The career and professional profile of the current Directors are described below:

- **Mr. Blas Ignacio Quiralte Abelló** – *Chairman*.

Throughout his career he has held senior management positions in various companies, including credit risk and subsidiaries management at Banesto – Banco Santander (1993 – 2013), General Manager of concrete subsidiaries at the cement group Portland Iberia (1990 – 1993), administration executive at the pharmaceutical company Antibióticos, S.A. (1986-1989), consultant at the business and strategy consulting firm Control Presupuestario (1983-1986).

Degree in Economics from Fundación Universitaria San Pablo CEU (Universidad Complutense, Madrid).

- **Mr. Alvaro Luis Quiralte Abelló** – *Director and Secretary*.

He has worked for almost 30 years in ENDESA (energy group). Top Manager (2004-2019) and member of the Executive Committee as Energy Management M.D.

Degree in Industrial Engineering from Universidad Politécnica (Madrid) and Master in Finance from Comercial de Deusto.

- **Mrs. Silvia Palmira Quiralte Abelló** – *Director*.

She has been a coach for people with intellectual disability for almost 10 years (2010-2019).

Degree in Law from Fundación Universitaria San Pablo CEU (Universidad Complutense, Madrid) and degree in History from Universidad Complutense (Madrid).

- **Mr. Pablo José Quiralte Abelló** – *Director*.

Since 1999 he works in CECABANK based in Madrid. Previously he was Deputy Manager of Market services at MEFF RV (1994-1999), currently part of BME Group.

Degree in Industrial Engineering from Universidad Politécnica (Madrid) and Master in Finance from Comercial de Deusto.

- **Mr. Jorge David Quiralte Abelló** – *Director*.

Currently he is a Real Estate Manager for his own account. Until December 2021 he was Director and General Manager of Casa Raja, S.L., a real estate company that was the origin of APODACA.

Degree in Marketing from Fundación Universitaria San Pablo CEU (Universidad Complutense, Madrid), Degree in Real Estate Management from Universidad de Alcalá de Henares, and Master in “European Economy and Management” from Fundación Universitaria San Pablo CEU (Universidad Complutense, Madrid).

- **Mr. Rafael Fuentes del Río** – *Director*.

Since 1992 he has been the owner of the retail pharmacy “Aravaca” and administrator of Mondragón agriculture and San Rafael de las Nieves, S.L.

Degree in Pharmacy from Universidad Autónoma (Madrid).

#### 4.2.2. Capacity (articles 32 of the Articles of Association)

##### **Article THIRTY-TWO.- Composition of the Board of Directors**

1. *The Board of Directors shall be composed of a number of members which shall not be less than three or greater than nine, to be determined the General Shareholders' Meeting.*
2. *The General Shareholders' Meeting is responsible for setting the number of directors. To this effect, it shall decide the number directly through express resolution or indirectly by opening up vacancies or appointing new directors, within the maximum limit laid down in the previous paragraph.*
3. *Directors need not be shareholders, being able to be appointed as such both natural and legal persons, although in this last case, a natural person must be indicated so that he/she can act as its representative while exercising the position.*
4. *Individuals that have been considered to be incompatible in accordance with State Act 5/2006, and autonomic applicable laws cannot be appointed as Directors, nor can those individuals to which article 213 of the Corporate Enterprises Act refers to.*
5. *The appointment of the Directors will become effective from the moment of acceptance of the position.*

The General Shareholders Meeting held on February 24, 2022, released APODACA's Directors from their obligation not to compete with the Company, concerning their positions and holdings in other companies, under the terms permitted by article 230.3 of the Spanish Companies Act, provided that (i) no harm can be expected to the Company under any circumstances, (ii) the Director informs the Board in a timely manner in the event of a conflict of interest or effective competition that causes harm to the Company, and (iii) the Director resigns from its post in the event of any harm, damage, or negative effect to the Company.

#### 4.2.3. Term of office (article 33 of the Articles of Association)

##### **Article THIRTY-THREE.- Term of office**

1. *Directors will hold office during a term of FIVE years and may be re-elected one or more times for terms of the same duration.*
2. *The appointment shall expire when the next General Meeting is held or the term legally established for the General Meeting to take elapses, in which resolution must be adopted regarding the approval of the financial statements of the previous year.*
3. *The directors appointed by co-option shall carry out their duties until the date of the first General Shareholders' Meeting held after such appointment.*

#### 4.2.4. Directors' compensation (article 36 of the Articles of Association)

##### **Article THIRTY-SIX.- Remuneration**

1. *The position of Director shall is unpaid.*

2. *The remuneration policy of directors shall be adjusted according to the remuneration system provided for in the articles of association and shall be approved by the General Shareholders' Meeting at least every three years, as a separate item on the Agenda.*
3. *Without prejudice to the position of director, any person holding such office may be appointed to perform management duties, including the position of General Manager.*
4. *The remuneration for the position of director shall be compatible and independent from wages, compensations, pensions, professional services or rewards of any kind to which the director may have access because he/she has with the company a special or common employment relationship, for the performance of duties of a different nature to those of his/her position as director that, where appropriate, he/she may hold in the company, being subject to the working regime of service contracts or any other that may be legally applicable depending of its nature.*

#### 4.2.5. Functioning of the Board of Directors (articles 34, 37 and 38 of the Articles of Association)

Articles 34, 37 and 38 of the Articles of Association sets out the functioning of the Board of Directors.

#### **Article THIRTY-FOUR.- Designation of roles on the Board of Directors**

1. *The Board of Directors will appoint, from among its members, the Chair, and will have one or several Deputy Chairs who, in accordance with the order decided by the Board, shall replace the Chair in case of vacancy, absence or illness. He shall also appoint a person to serve as Secretary. To be appointed Chair or Deputy Chair the person must be a member of the Board of Directors. This will not be needed for the appointment of the person to serve as Secretary, who, in the latter case will have the right to speak but not vote.*
2. *The Board of Directors may also appoint a Deputy Secretary, who is not required to be a director.*

#### **Article THIRTY-SEVEN.- Meetings of the Board of Directors**

1. *The Board of Directors shall meet as often as necessary for the proper performance of its duties.*
2. *The notice, which shall always include the agenda of the meeting and the relevant information, shall be made by the Secretary of the Board of Directors or who acts as such, with the authorization of the Chair and, where appropriate, when requested by the directors representing at least one third of the members thereof, all in accordance with that provided for in article 246 of the Corporate Enterprises Act at least three days prior to the date of the meeting, indicating the place, day and time of the meeting and the agenda.*
3. *Notwithstanding the foregoing, the Board of Directors shall be considered validly constituted without need for notice if all of the directors are present or represented and they unanimously agree to hold the meeting and the agenda.*
4. *Likewise, if none of the directors opposes thereto, voting of the Board of Directors may be done in writing without a meeting.*
5. *The Board of Directors can be held in different places, connected to systems that enable identification and recognition of the attendees, the permanent communication among the attendees, regardless of their location, and the participation and casting of the vote, all in real time.*

*Attendees to any of the locations shall be considered, for the purposes regarding the Board of Directors, as attendees to the same and single meeting. The meeting shall be understood to have been held in the place where the larger number of directors is located and, in the event of a tie, at the location of the Chair of the Board of Directors or, in his/her absence, whoever chairs the meeting.*

**Article THIRTY-EIGHT.- Development of the meetings**

1. *The Board shall be validly constituted when one-half plus one of the directors, present or represented, attending the Meeting. Representation by proxy shall be made in writing through a letter addressed to the Chair for each particular meeting and must be in favour of another director.*
2. *Resolutions shall be adopted by absolute majority of the directors appearing at the meeting, present or represented, except when the Law, theses Articles of Association or, where appropriate, the Regulations of the Board of Directors foresee other majorities. In case of tie, the Chair shall have the casting vote.*
3. *Minutes shall be kept of the meetings of the Board of Directors, approved by the Board of Directors at the end of the meeting or in a subsequent meeting, and be signed at least by the Chair and the Secretary or those acting as such.*

**4.2.6. Assessment of the Board of Directors related to bankruptcy, liquidation, and/or fraud-related convictions**

The Board of Directors declares that neither the Company nor its Directors, nor its executives are or have been involved in historical (at least in the previous past five years), or on-going, bankruptcy, liquidation, or similar procedure and also fraud-related convictions or on-going procedures in which any person from the Board and/or the management of the Company have been involved.



## 5. RISK FACTORS

The Company believes that the risks described below represent the main or material risks inherent in investing in its shares. Most of these factors are contingencies that may or may not occur, and the Company is not in a position to express a view on the likelihood of any such contingencies occurring.

The Company does not guarantee the completeness of the risk factors described below. The risks and uncertainties described in this Information Document may not be the only risks that the Company may face, and there may be additional risks and uncertainties currently unknown or considered not to be material, that alone or in conjunction with others (whether identified in this Information Document or not) could potentially have a material adverse effect on the business activity, financial position, and Company's operating results.

### 5.1. RISK ASSOCIATED WITH THE REAL ESTATE SECTOR

#### 5.1.1. Cyclical nature of the sector

Real estate activity globally, and particularly in Spain, is subject to cycles depending on the economic-financial environment. The occupancy levels of the properties, the prices of the rents obtained and, in short, the value of the assets are influenced, among other factors, by the supply and demand of properties with similar characteristics, interest rates, inflation, the rate of economic growth, legislation, political and economic events, as well as other social and demographic factors.

The Company is unable to predict the trend of the economic cycle in the coming years or whether there will be a recession, which could have significant unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.1.2. Risk of competition

Spanish real estate sector is very competitive and very fragmented, being characterised by the existence of few entry barriers for new competitors. Among others, one of the competitors of the Company is Home Capital Rentals SOCIMI, S.A. The appearance of new players in the areas where the Company has its assets, which may be of a larger size or have greater financial resources than the Company, could give rise to an excess supply of rental properties or a reduction in prices, and therefore have a significant unfavourable effect on the operations, financial situation, forecasts, and results of the Company.

#### 5.1.3. Risk of illiquidity of real estate investments

Real estate investments are relatively illiquid. Therefore, the Company could have difficulties quickly realizing the effective value of some of its real estate assets or could be obliged to reduce the realization price. The illiquidity of the investments could limit the capacity to adapt the composition of its real estate portfolio to possible changes in circumstances.

## 5.2. OPERATING RISKS

### 5.2.1. Risk of geographic concentration of the real estate portfolio

As explained in section 3.2 of this Information Document, it should be pointed out that in terms of market value as of March 31, 2022, according to VALTECSA asset's valuation report, 97% of the Company's properties are located in the city of Madrid. Therefore, the particular economic conditions that this city present, or specific modifications to the urban plans by the autonomous community or local authorities, could adversely affect the financial situation, results, or valuation of the portfolio of assets.

### 5.2.2. Risk of tenant concentration

The assets rented to Banco Santander, S.A. and Madrid Central Suites, S.L. represent 29% and 14% respectively of the portfolio's Market Value as of March 31, 2022, according to VALTECSA asset's valuation reports. Therefore, if Banco Santander, S.A. or Madrid Central Suites, S.L. experiences unfavourable financial circumstances that prevent it from meeting with its lease commitments, there could be significant, adverse effects on the operations, financial situation, forecasts, and results of the Company.

### 5.2.3. Risk deriving from outsourcing the services to lease some of the flats owned in Madrid city.

APODACA has subcontracted with Spain Select Property Management, S.L. and Aluni Madrid, S.L. the leasing services to new tenants of 15 flats and 12 flats respectively located in Madrid city. Therefore, the rental income of these flats will depend on the experience and expertise of Spain Select Property Management, S.L. and Aluni Madrid, S.L., and inefficient management of the flats by them could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

### 5.2.4. Risk related to the collection of rents from the assets leased

The lessees could occasionally undergo unfavourable financial circumstances preventing them from duly meeting their payment commitments. In the event of any non-fulfilment by the lessees, the recovery of the property may be delayed until a legal eviction is obtained, and therefore the availability of such property for re-lease may also be delayed. This could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

### 5.2.5. Risk related to the fluctuation of the demand for properties to lease and the consequent decrease in rental prices

As of March 31 2022, the level of occupancy of the assets of the Company stands at 95%. The fluctuation of the demand for properties to lease could provoke renegotiating rent prices downwards, early termination of the lease agreements, non-renewal of the contracts upon termination or renewal on less favourable terms, which could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.2.6. Risk of COVID-19

The appearance of the Coronavirus COVID-19 in China in January 2020 and its global spread led to a viral outbreak qualified as a pandemic by the World Health Organization as of 11 March 2020. Due to the pandemic resulting from COVID-19, the Spanish Government decreed a State of Emergency on 15 March 2020, which remained in effect until 21 June. In addition, different mobility restrictions were decreed within the country. This fact significantly affects economic activity worldwide and, as a result, the Company's operations and financial results. The Company implemented a contingency plan to mitigate as far as possible the impact on results.

As a result, the Company has had to sign various deferrals or deferrals in the contracts and payments with the lessees of the assets.

#### 5.2.7. Possible conflict of interest involving the Board of Directors

In accordance with section 229 of the Spanish Companies Act (Ley de Sociedades de Capital), the Company's Board of Directors must notify the General Shareholders Meeting of any direct or indirect conflict that may have with the Company's interests. The Company's Board of Directors must also disclose direct or indirect investments held by them, or the related parties referred to in section 231 of the Spanish Companies Act, in the share capital of a company engaging in an activity that is identical, similar or complementary to the activity that constitutes the Company's corporate purpose and must also report the positions held or functions they discharge at that company.

In this regard, although the Company's Board members hold positions or discharge functions in other companies that engage in an activity that is identical, similar or complementary to the activity that constitutes the Company's corporate purpose, this was duly reported to the Company's General Shareholders Meeting held on February 24, 2022, which released APODACA's Directors from their obligation not to compete with the Company, concerning their positions and holdings in other companies, under the terms permitted by article 230.3 of the Spanish Companies Act, provided that (i) no harm can be expected to the Company under any circumstances, (ii) the Director informs the Board in a timely manner in the event of a conflict of interest or effective competition that causes harm to the Company, and (iii) the Director resigns from its post in the event of any harm, damage, or negative effect to the Company.

Any potential situation of conflict of interest may be mitigated by section 228 of the Spanish Companies Act by virtue of which any Director affected by a conflict of interest situation is obliged to refrain from assisting and voting in the relevant corporate decision involving such a situation.

#### 5.2.8. Risk deriving from the delay or, where applicable, failure to obtain or renew the necessary licenses for the properties

The Company is obliged to obtain the necessary licenses to use the properties. In addition, it may be obligatory, in certain circumstances, to renew or update existing licenses.

As explained in section 3.8 of this Information Document, it should be noted that in 2017 the tenant

applied for the municipal licence to change the use of the building located in Calle Apodaca, 5 (Madrid) from residential to lodging. Madrid City Council and Court of Justice refused the application. The appeal against that decision is awaiting judgement.

Since the granting of such licenses by the authorities may take a long time or may not even carry out, the Company or the lessees may be restricted or prevented from exploiting the properties. This could have significant, unfavourable effects on the operations, financial situation, forecasts, and results of the Company.

#### 5.2.9. Possible liability of the Company due to the actions of contractors and sub-contractors

The Company may contract, or sub-contract renovation and reform work with third parties. The subcontractors might not meet their commitments, delay deliveries, or undergo financial difficulties not allowing them to execute on time what has been agreed, meaning the Company has to devote additional resources in order to meet their commitments.

#### 5.2.10. Risk of damages to the properties

The properties of the Company are exposed, among others, to damage from possible fires, flooding, accidents, or other natural disasters. Should any such damage not be insured or involve an amount greater than that covered, the Company would have to face this, along with any loss related to the investment made and income forecast, which could have a significant unfavourable effect on the operations, financial situation, forecasts, and results of the Company.

Furthermore, as a result of the exercise of asset-related activity by the Company, the risk exists of claims being made against the Company due to possible defects in the technical characteristics and the construction materials of the properties leased out.

#### 5.2.11. Risk associated with the valuation of assets

At the time of valuing the real estate assets, VALTECSA made certain assumptions, among others, concerning the use and cash flow projections for the assets, the yields, and the discount rates used, which a potential investor may not agree with. If said subjective elements were to evolve negatively, the valuation of the assets would be lower and could consequently affect the Company's financial situation, profit, or valuation.

#### 5.2.12. Risk associated with the valuation of the Company

As detailed in Section 7.1, VALTECSA has issued a valuation report dated June 30, 2022 (the "Report") in relation to its assistance to the Company, in the estimation of the fair value of 100% shares of the Company as of March 31, 2022 (the "Valuation Date").

At the time of estimating the fair value of 100% shares of the Company, VALTECA made certain assumptions, among others, concerning the cash flow projections for the structure costs, the yields, and the discount rates used, which a potential investor may not agree with. If said subjective elements were to evolve negatively, the valuation of the Company would be lower and could consequently affect

the Company's financial situation, profit, or valuation.

The Report details the bases of information for the valuation of the Company, mainly, the latest available financial statements of the Company as at the Valuation Date and the real estate assets valuations issued by VALTECA as explained in section 7.2 of this Document.

### 5.3. LEGAL AND REGULATORY RISKS

#### 5.3.1. Risks related to regulatory changes

The Company is subject to legal and regulatory provisions of a technical, environmental, fiscal, and commercial nature, as well as planning, safety, technical, and consumer protection requirements, among others. The local, autonomic, and national administrations may impose sanctions for non-compliance with these standards and requirements. The sanctions may include, among other measures, restrictions that may limit the performance of certain operations by the Company. In addition, if the non-compliance is significant, the fines or sanctions may have a negative impact on the Company's profits and financial situation.

A significant change to these legal and regulatory provisions or a change affecting the way in which these legal and regulatory provisions are applied, interpreted or met, may force the Company to change its plans, projections, or even properties and, therefore, assume additional costs, which could negatively impact the Company's financial situation, profit or valuation.

#### 5.3.2. Changes in tax legislation (including changes in the tax regime of SOCIMI)

The Company opted for the SOCIMI special tax regime, and therefore, among others, will be taxed under Corporate Income Tax at 0% for any profit arising from its activity. Therefore, any change (including changes of interpretation) in the REITs Act (Spanish Law 11/2009, of 26 October, amended by Law 16/2012 - *Ley de SOCIM*) or in relation to the tax legislation in general, in Spain or in any other country in which the Company or its subsidiaries may operate in the future or in which the shareholders of the Company are residents, including but not limited to (i) the creation of new taxes or (ii) the increase of the tax rates in Spain or in any other country of the existing ones, could have an adverse effect on the activities of the Company, its financial conditions, its forecasts, or results of operations.

#### 5.3.3. Application of special tax regime

It should be noted that APODACA will be subject to (i) a special tax of 19% on the full amount of the dividends or profit sharing distributed to the shareholders whose participation in the share capital of the entity is equal to or greater than 5% when the dividends paid out to these shareholders are either tax exempt or taxed at a rate lower than 10%, and (ii) a special tax of 15% on undistributed profits as a dividend to the shareholders. This tax will be considered as a Corporate Income Tax fee.

According to the article 44 of the Company's Article of Association, shareholders who cause the accrual of the special tax of 19% shall indemnify to the Company in an amount equivalent to the Corporate Income Tax expense that arises for the Company the payment of the dividend that serves as a basis

for the calculation of the special tax.

#### 5.3.4. Loss of special tax regime

The Company or its subsidiaries may lose the special tax regime established under the SOCIMI Law, coming to be taxed under the general Corporate Income Tax regime, in the actual tax period in which any of the circumstances occurs:

- Exclusion from trading on regulated markets or a multilateral trading system.
- The substantial non-fulfilment of the information obligations referred to by Article 11 of the SOCIMI Law, unless the report for the immediately following financial year remedies such non-fulfilment.
- Any lack of distribution agreement or total or partial payment of the dividends in the terms and periods referred to by Article 6 of the SOCIMI Law. In this case, taxation under the general regime will take place during the tax period corresponding to the financial year from the profit of which such dividends would have derived.
- A de-registration of the special tax regime established in the SOCIMI Law.
- The non-fulfilment of any other of the requisites required under the SOCIMI Law so that the Company might apply the special tax regime unless the reason for the non-fulfilment is remedied within the immediately following financial year. However, the non-fulfilment of the period for maintaining the investments (properties or shares of certain entities) referred to by Article 3.3 of the SOCIMI Law will not involve the loss of the special tax regime.

The loss of the special tax regime established in the SOCIMI Law will mean its application may not be requested again for at least three years since the conclusion of the last tax period in which such regime applied. The loss of the special tax regime and subsequent eligibility for tax under the Corporate Income Tax general regime in the financial year in which said loss takes place, would mean that the Company would be obliged to pay, if applicable, the difference between the tax quota owed under the general regime and the quota paid under the special tax regime in financial years prior to the breach, notwithstanding any default interest, surcharges, and penalties that may be imposed.

#### 5.3.5. Risk deriving from a potential inspection by the Tax Authorities

Pursuant to prevailing legislation, no taxes may be considered to have been definitively settled until the declarations have been inspected by the tax authorities, or until a statute of limitations period of four years has elapsed. As of the date of this Informational Document, the Company is subject to an inspection all taxes applicable to it corresponding to the period commencing from its incorporation.

#### 5.3.6. Litigation risk

There is currently no ongoing litigation that could have an adverse impact on the Company's results.

## 5.4. FINANCIAL RISKS

### 5.4.1. Risks relating to debt management

As indicated in section 3.2 of this Information Document, as of December 31, 2021, the total outstanding debt of the Company with Sabadell bank (€2,854,844) as a percentage of the Market Value of assets (€48,994,000) provided by VALTECSA is 5.83%.

As security of all the obligations and liabilities assumed by the Company under 3 loan agreements, the Company has granted mortgages over real estate assets it owned.

Therefore, the failure to comply with the obligations assumed by the Company with Sabadell Bank could lead to the early expiration of the corresponding financing agreements, as well as the cross-maturity of other debts, and, therefore, the fact that said lender demand in advance the payment of the principal of the debt and its interests and, in their case, execute the securities that could have been granted in their favour, which could negatively affect the activities, financial situation, and the results of the Company.

Concerning interest rates, the Company's loans representing 45.12% of the outstanding debt with Sabadell bank as of December 31, 2021 are referenced to a fix interest rate. Therefore, for the remaining 54.88%, APODACA is exposed to interest fluctuations and an increase in interest rates that could result in higher financing costs, which could negatively affect the activities, financial situation, and the results of the Company.

### 5.4.2. Risks associated with the financing of the new investments

The investment strategy of the Company contemplates the financing of investments through equity and/or through bank debt.

If APODACA does not have access to financing, or they do not obtain it with adequate terms, or if there are delays in obtaining such financing, it may impair their ability to undertake investments or even be forced to give up investments already foreseen, which could adversely affect its investment strategy and cause negative consequences in the results of its commercial operations and, ultimately, in its business.

### 5.4.3. Lack of liquidity for the payment of dividends

All dividends and other distributions payable by the Company will depend on the existence of available profits for distribution and sufficient cash. Moreover, there is a risk that the Company may generate profits but have insufficient cash to meet the dividend distribution requirements in the SOCIMI regime in monetary terms. If the Company has insufficient cash, the Company could be obliged to pay dividends in kind or implement a system to reinvest the dividends in new shares.

As an alternative, the Company could apply for additional financing, which would increase its financial costs and reduce its capacity to seek financing for new investments, which could have a material adverse effect on the Company's business, financial conditions, results, and expectations.

## 6. INFORMATION CONCERNING THE OPERATION

### 6.1. Admission on Euronext Access

At the General Shareholders Meeting held on February 24, 2022, APODACA's shareholders approved the admission of the Company's shares to Euronext Access Paris.

**Admission procedure:** Admission to trading of ordinary shares on Euronext Access Paris through technical admission.

**ISIN:** ES0105658001

**Euronext Ticker:** MLASO

**Number of shares to be listed:** 545,202 ordinary shares

**Nominal price per share:** €60.00

**Reference price per share:** €70.00

**Market capitalization:** €38,164,140

**Initial listing and trading date:** 08-11-2022

**Listing Sponsor:** VGM Advisory Partners, S.L.U.

**Paying agent:** CaixaBank, S.A.

### 6.2. Objectives of the listing process

This transaction is carried out within the framework of a procedure for admission to trading on the Euronext Access Market operated by Euronext Paris S.A., through a technical admission of the shares.

The proposed transaction does not require a visa from the Autorité des Marchés Financiers (AMF). The registration on the Euronext Access Market should provide more visibility to the Company, and at the same time, allow it to consolidate its structure while familiarizing itself with the financial markets.

Finally, to keep the special tax regime for SOCIMI, the Company needs to be listed on a stock exchange in Europe.

### 6.3. Company's share capital (article 7 of the Articles of Association)

Article 7 of the Articles of Association sets out the Company's share capital.



**Article SEVEN.- Share capital and shares**

1. *Share capital.- The share capital is hereby set at THIRTY TWO MILLION SEVEN HUNDRED AND TWELVE THOUSAND ONE HUNDRED AND TWENTY EUROS (€32.712.120).*
2. *Shares: Such share capital is divided into FIVE HUNDRED AND FORTY-TWO THOUSAND TWO HUNDRED AND TWO registered shares of the same class and series, with an individual face value of SIXTY euros each, fully subscribed and paid up, conferring the political and economic rights defined in the current legislation.*

**6.4. Evolution of the share capital, increases, and reductions**

The Company was incorporated on December 17, 2019, with a share capital of €32,712,120. After the incorporation there has no been any increases or reductions of the share capital.

As of the date of this Information Document, the distribution of the share capital is as follows:

Shareholder	(€) Share capital	Shareholding
Mr. Blas Ignacio Quiralte Abelló <sup>(1)</sup>	5,452,020	16.67%
Mr. Alvaro Luis Quiralte Abelló <sup>(2)</sup>	5,452,020	16.67%
Mrs. Silvia Palmira Quiralte Abelló <sup>(3)</sup>	5,452,020	16.67%
Mr. Pablo José Quiralte Abelló <sup>(3)</sup>	5,452,020	16.67%
Mr. Jorge David Quiralte Abelló <sup>(3)</sup>	5,452,020	16.67%
Mrs. Nieves Fuentes Quiralte Mrs. Marta Fuentes Quiralte Mr. Rafael Fuentes Quiralte Mr. Miguel Fuentes Quiralte <sup>(4)</sup>	5,452,020	16.67%
<b>Total</b>	<b>32,712,120</b>	<b>100.00%</b>

(1) Chairman of the Board.

(2) Director and Secretary of the Board.

(3) Director of the Board.

(4) Joint bare owners of the shares, being Mr. Rafael Fuentes del Río (Director of the Board) the usufructuary of the shares.

It must be noted that, to this date, the Company has not implemented a share-based incentive scheme neither for its Directors, nor its employees.

**6.5. Main characteristics of the shares****6.5.1. Shares representation and accounting records. (article 8 of the Articles of Association)**

According to article 8 of the Articles of Association:

**Article EIGHT.- Representation of shares**

1. *The shares will be represented by book entries and are constituted as such by virtue of their entry in the corresponding accounting record. They shall be governed by the regulation applicable to securities markets.*

2. *Legitimacy for the exercise of the shareholder's rights, including transfer, if any, is obtained through registration in the accounting record that assumes the lawful ownership and entitles the holder of the registration to demand that the Company recognise them as a shareholder. This legitimacy may be proven by presenting the appropriate certificates issued by the entity responsible for keeping the corresponding accounting records.*
3. *If the Company performs any services in favour of the person who appears as the owner in accordance with the accounting record, it will be released from the corresponding obligation, even if that person is not the beneficial owner of the share, provided that it was performed in good faith and without negligence.*
4. *In the event that the person who appears legitimated in the entries of the accounting records holds such legitimacy by virtue of a trust title or other financial intermediary acting on behalf of its clients or through any other title or condition of similar meaning, the Company may require them to disclose the identity of the actual beneficial owners of the shares, as well as the acts of transfer and encumbrance thereon.*

The shares traded on Euronext Access Paris will be registered on Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("IBERCLEAR"), and for all the settlement related services of the shares listed on that market will be used IBERCLEAR.

#### 6.5.2. Transferability of the shares (articles 11 of the Articles of Association)

Articles 11 covers the transferability of the shares.

#### **Article ELEVEN.- Transfer of shares**

##### 1. Free transfer of shares

*The shares and the economic rights arising therefrom, including the pre-emptive right, are freely transferable by all legally permissible means.*

#### 6.5.3. Rights for shareholders

All the shares are ordinary shares granting the same rights to their holders. Among the most relevant rights, according to Spanish law, specifically the Spanish Companies Act, should be highlighted the following:

- Right to participate in dividend distributions.

The shares confer to their holders the right to participate in all dividend distributions and in their proportional part of the assets remaining under a liquidation event under the terms established in the Spanish Companies Act. As all of them are ordinary shares, there shall be no difference among them.

- Preferred subscription right in the issuance of new shares.

The owners of the shares will have a preferred right to subscribe shares (ordinary or preferred) in all capital increases and in the issuance of convertible shares, with the only exception being the

subscription rights contemplated in article 308 and 417 of the Spanish Act.

Additionally, the Spanish Companies Act contemplates the free assignment of shares in the case of capital increases against reserves.

- **Political rights.**

The shares confer to their owners the right to assist and vote in the Shareholders Meeting. Also, the holders of the shares shall be allowed to contest the shareholders' agreements in accordance with the terms contemplated by the Spanish Companies Act.

Each share carried the right to issue one vote.

- **Information rights.**

The shares confer their holders the right to be informed under the terms of article 197 of the Spanish Companies Act.

According to article 29 of the Articles of Association, the Shareholders Meetings will be quorate on first call when the shareholders present or represented hold at least 25% of the subscribed share capital with voting rights. In the second call to meeting any amount of present or represented share capital is permissible to constitute a Meeting.

Notwithstanding that indicated in the previous paragraph, in accordance with the terms contemplated by the Spanish Companies act, for the Shareholders Meeting to validly resolve to increase or reduce share capital, amend the Articles of Association, issue debentures, eliminate or restrict pre-emption rights on new shares, carry out any alteration of legal form, mergers, spin-offs or transfers en bloc of assets and liabilities or transfer the registered office abroad, it will be necessary, on first call for shareholders present or represented to hold at least 50% of the subscribed share capital rights. Under the second call, the presence of 25% of said capital will suffice.

According to article 29 of the Articles of Association, in general, corporate resolutions will be adopted by a simple majority of the votes of the shareholders present or represented at the Shareholder's Meeting of the Company. However, in accordance with the terms contemplated by the Spanish Companies act, where the share capital present or represented at the Shareholders Meeting is less than 50%, the resolutions referred to in the preceding paragraph may only be validly passed with the vote in favour of at least two-thirds of the shareholders present or represented.

#### [6.5.4. Ancillary obligations of the shares \(article 10 of the Articles of Association\)](#)

##### **Article TEN.- Ancillary obligations**

*The Company's shares involve the performance and fulfilment of the ancillary obligations described hereunder. These obligations, which will not involve any remuneration by the Company to the shareholder in each case affected, are as follows:*

1. *Shareholders with significant stakes*

- a) *Any shareholder who (i) holds shares in the Company in a percentage equal to or greater than*

5% of the share capital, or of that percentage of ownership provided for in Article 9.2 of the REITs Act, or the regulation that replaces it, for the accrual by the Company of the special levy through Corporate Tax (the Significant Shareholding); or (ii) acquires shares that imply reaching, together with those already held, a Significant Shareholding in the Company's share capital, must notify these circumstances to the Board of Directors within five (5) calendar days of the moment on which he has become holder of that percentage of ownership.

- b) Similarly, any shareholder who has reached such Significant Shareholding in the Company's share capital must notify the Board of Directors of any subsequent acquisition, irrespective of the number of shares acquired.
- c) The same declaration as those specified in foregoing sections (a) and (b) must also be provided by any person who holds economic rights over shares in the Company representing a percentage equal to or greater than five per cent (5) of the share capital or any other percentage of ownership that, for the accrual by the Company of the special charge for the Corporate Tax, is anticipated at any given time by the current regulations replacing or amending article 9.2 of the REITs Act, including in any case those indirect holders of shares in the Company through financial brokers who appear formally legitimated as shareholders by virtue of the accounting record but who act on behalf of the aforementioned holders.
- d) Together with the communication provided for in the preceding sections, the affected shareholder or holder of the economic rights must provide the Secretary of the Board of the Company:
  - i. A certificate of residence for personal income tax purposes issued by the competent authorities in their country of residence. In those cases in which the shareholder resided in a country with which Spain has signed an agreement to avoid double taxation on taxes levied on income, the residence certificate must meet the characteristics provided for in the corresponding agreement for the application of its benefits.
  - ii. A certificate issued by a person with sufficient power to prove the type of tax to which the dividend distributed by the Company is subject, along with a statement that the beneficial owner of the dividend is the beneficial owner.

The shareholder or owner of economic rights must deliver this certificate to the Company within ten (10) calendar days following the date on which the General Meeting or, wherever appropriate, the Board of Directors agrees to the distribution of any dividend or any analogous amount (reserves, etc.).

- e) If the party obliged to report fails to comply with the reporting obligation set out in sections a) to d) above, the Board of Directors may presume that the dividend is exempt or that is subject to a lower tax rate than that provided in article 9.2 of the REITs Act, or whichever rule may replace it.

Alternatively, the Board of Directors may request, at the expense of the dividend corresponding to the shareholder, a legal report from a law firm of renowned prestige in the country in which the shareholder resides to pronounce on the taxation of dividends disbursed by the Company. The expense incurred to the Company will be due the day before the payment of the dividend or similar amount corresponding to the shares of the shareholder or holder of economic rights concerned, upon the terms laid down in article forty-five of these

*Articles of Association.*

*In any case, in accordance with article forty-five, paragraph 5 of these Articles of Association, if the payment of the dividend or similar amount is performed prior to the deadline established to comply with the ancillary obligation, and in cases of non-compliance, the Company can withhold the payment of the amounts to be allocated to shareholders or to the holder of economic rights concerned, under the terms foreseen in article forty-five of these Articles of Association.*

- f) The transfer of the Company shares (including, therefore, this ancillary obligation) for inter-vivos o mortis- causa acts is authorised for all purposes.*
- g) referred to in section a) above will be understood as (i) automatically modified if the figure set out in article 9.2 of the REITs Act, or rule that replaces it were to vary or be substituted and therefore being duly (ii) replaced by the one contained at any time in the aforementioned regulations.*

*2. Shareholders subject to special regimes*

- a) Any shareholder who, as an investor, is subject in their home jurisdiction to any kind of special legal system regarding pension funds or benefit plans, must notify this circumstance to the Board of Directors.*
- b) Similarly, any shareholder in the situation described in foregoing paragraph (a) must notify the Board of Directors of any subsequent acquisition or transfer, regardless of the number of shares acquired or transferred.*
- c) The same declaration as those specified in foregoing sections (a) and (b) must also be provided by any person who holds economic rights over shares in the Company, including in any case those indirect holders of shares in the Company through financial brokers who appear formally legitimated as shareholders by virtue of the accounting record but who act on behalf of the aforementioned holders.*
- d) The Company, by notice in writing (an Information Order) may require any shareholder or any other person with a known or apparent interest in the Company's shares to provide whatever written information the Company may require and as is known to the shareholder or other person, in relation to the beneficial ownership of the shares in question or the interest therein (accompanied, if the Company so requires, by a formal notary-witnessed declaration and/or by independence evidence), including (without prejudice to the general nature of the foregoing) any information which the Company may consider necessary or desirable for the purpose of determining whether such shareholders or persons are likely to be in the situation described in foregoing paragraph (a).*

*The Company may make an Information Request at any time and may send one or mores Information Requests to the same shareholders or to another person with respect to the same shares or interests in the same shares.*

- (e) Without prejudice to the obligations regulated in this article ten, paragraph 2, the Company will supervise the acquisitions and transfers of shares that are made, and will adopt the appropriate measures to avoid damages that could arise for the Company itself or its shareholders from application of the prevailing regulations in the field of pension funds or*

*benefits plans that could affect them in their respective jurisdictions.*

- (f) *The transfer of the shares of the Company (including, therefore, this ancillary obligation) through inter-vivos or mortis-causa acts is authorised for all purposes.*

## 7. COMPANY VALUATION AND FINANCIAL FORECASTS

### 7.1. Company valuation

The Company has engaged VALTECSA to provide an independent expert opinion on the Company's fair value as of March 31, 2022.

#### Valuation methodology used

Based on the fact that the Company is a SOCIMI, according to VALTECSA, the most appropriate method to value the Company is Triple-NAV (NNNAV), which is based on the hypothesis of the immediate liquidation of the Company.

This assumed liquidation would involve the sale of all the assets owned by the Company and the cancellation of all liabilities, as well as the consideration of the net tax liabilities arising from the theoretical recognition of capital gains on assets and other adjustments to the fair value of assets and liabilities. Once the company becomes a SOCIMI, no deferred tax asset or liability has to be recognised, because at that time the company would be taxed at 0% (for the investments under the rental regime, not for the rest of the assets on the balance sheet). In this case, there are assets on the balance sheet that are not subject to the rental regime.

Graphically, the NNNVA methodology would be represents as follows:



#### Valuation process

The valuation is determined based on the following sequence:



As mentioned above, the valuation is carried as of 31 March 2022.

#### Identification of relevant assets

According to VALTECSA, the Company's assets include the following main elements:

- Investment property.

It includes the value of land, buildings and other structures which are held either for rental purposes or to generate a capital gain on their sale as a result of future increases in their respective market prices. This heading includes assets subject to independent valuation, which is analysed in a more specific section below.

The rental regime for each property is explained in sections 3.5.1 to 3.5.5 of this Information Document when describing the real estate assets held by the Company.

- Tangible fixed assets.

Three properties for own use or non-rental assets (2 located in Alcázar de San Juan and the Company's headquarters at Calle Ponzano 76, 2º A, Madrid) as well as other fixed assets. This heading includes assets subject to independent valuation, which is analysed in a more specific section below.

- Other balance sheet items.

Apart from the aforementioned items, according to VALTECSA, there are balances in other asset and liability items, which, due to their nature and the information provided, may have a market value similar to the book value at the time of valuation. VALTECSA therefore propose to analyse the valuation of the financial debt.

#### Adjustments to market value

As mentioned above, only the valuation of the items included under Investment property and Tangible fixed assets is analysed. In this respect, independent valuations have been carried out by VALTECSA (see section 7.2 of this Information Document), which determine the Market Value to be considered for the analysis.

A summary of the independent asset valuations is presented:

Address	City	Province	Market Value (€)
C/Apodaca 5	Madrid	Madrid	6,868,000
C/Alonso Heredia 18	Madrid	Madrid	3,130,000
C/José Ortega y Gasset 67	Madrid	Madrid	13,975,000
C/Ponzano, 76	Madrid	Madrid	7,550,000
Pº de la Castellana 103	Madrid	Madrid	14,243,000
C/Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	1,650,000
C/Emilio Castelar 17	Alcázar S. Juan	C. Real	850,000
C/Ramón y Cajal 5	Alcázar S. Juan	C. Real	728,000
<b>Total</b>			<b>48,994,000</b>

Source: VALTECSA.



To provide a range of market values for the properties, VALTECSA have calculated an upper and a lower range, obtained through the following hypothesis: +/- 5% change in market values.

- Investment property.

The summary of valuation carried out by VALTECSA excluding the 3 non-rental assets mentioned above is shown in the table below:

Address	City	Province	Market Value (€)
C/ Apodaca 5	Madrid	Madrid	6,868,000
C/ Alonso Heredia 18	Madrid	Madrid	3,130,000
C/ José Ortega y Gasset 67	Madrid	Madrid	13,975,000
C/ Ponzano, 76 (*)	Madrid	Madrid	7,015,000
Pº de la Castellana 103	Madrid	Madrid	14,243,000
C/ Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	1,650,000
<b>Total</b>			<b>46,881,000</b>

(\*) Excluding the Company's headquarters at Calle Ponzano 76, 2º A

Source: VALTECSA.

According to APODACA balance sheet as of March 31, 2022 (non audited), the net book value of Investment property is €33,970,185.

The book and market values of the Company's Investment property, and the gross difference (gain/loss) arising therefrom as of March 31, 2022 are:

Investment property (€)	Lower range	Base	Higher range
Book value	33,970,185	33,970,185	33,970,185
Market value	44,536,950	46,881,000	49,225,050
<b>Capital Gain/Loss</b>	<b>10,566,765</b>	<b>12,910,815</b>	<b>15,254,865</b>

Source: VALTECSA.

- Tangible fixed assets.

The valuation carried out by VALTECSA of the 3 non-rental assets is the following:

Address	City	Province	Market Value (€)
C/ Ponzano, 76, 2º A	Madrid	Madrid	535,000
C/ Emilio Castelar 17	Alcázar S. Juan	C. Real	850,000
C/ Ramón y Cajal 5	Alcázar S. Juan	C. Real	728,000
<b>Total</b>			<b>2,113,000</b>

Source: VALTECSA.

The office with the Company's headquarters located at Calle Ponzano 76, 2º A, Madrid is described in section 3.5.4 of this Information Document, and the other 2 properties located in Alcázar de San Juan (C/ Emilio Castelar 17 and C/ Ramón y Cajal 5) are described in sections 3.5.7 and 3.5.8.

According to APODACA balance sheet as of March 31, 2022 (non audited), the net book value of the non-rental assets is €1,951,724.

The book and market values of the Company's 3 non-rental assets, and the gross difference (gain/loss) arising therefrom as of March 31, 2022 are:

Investment property (€)	Lower range	Base	Higher range
Book value	1,951,724	1,951,724	1,951,724
Market value	2,007,350	2,113,000	2,218,650
<b>Capital Gain/Loss</b>	<b>55,626</b>	<b>161,276</b>	<b>266,926</b>

Source: VALTECSA.

### Tax treatment

Of all the capital gains generated by the valuation of assets, only those derived from Tangible fixed assets generate a tax charge, as shown in the table.

Tax effect of capital gain/losses (€)	Lower range	Base	Higher range
Capital gains accruing tax liability	55,626	161,276	266,926
Tax Rate	25%	25%	25%
<b>Net Fiscal impact (Capital gain/losses)</b>	<b>13,907</b>	<b>40,319</b>	<b>66,732</b>

Source: VALTECSA.

The theoretical taxes on the capital gains/losses are obtained by applying the corporate tax rate of 25%.

### Other adjustments

- Structural costs.

For the NNNAV calculation, the structural costs provided by the Company correspond to (i) the costs associated with the listing and maintenance of the Company's shares on Euronext Access Paris and (ii) the costs of managing the assets necessary to carry out the leasing activity that have not been considered in the valuation of the real estate assets.

The following assumptions have been employed by VALTECSA for the calculation of the structural costs:

Structural costs	€229,924
Perpetual growth rate ("g")	1%
Discount rate ("K")	3.98%
Exist Yield	4.07%

Source: VALTECSA.

The discount rate ("K") and the Exit Yield applied has been calculated as the weighted average of discount rates applicable to the real estate assets in the portfolio.

A terminal value has been estimated for the end of the period assuming the ongoing concern principle.

Therefore, the structural costs projected are as follows:

	2022	2023	2024	2025	2026	2027	2028	2029	2030	Terminal Value
Structure Costs (€)	229,924	232,224	234,546	236,891	239,260	241,653	244,069	246,510	248,975	8,192,631
Discount factor	0.981	0.943	0.907	0.872	0.839	0.807	0.776	0.746	0.717	0.717
Present Value (€)	225,478	219,009	212,726	206,623	200,695	194,937	189,344	183,912	178,636	5,878,074
Present Value accumulated (€)	225,478	444,486	657,212	863,835	1,064,529	1,259,466	1,448,810	1,632,722	1,811,357	7,689,432

Source: VALTECSA.

In order to provide a range of values for the structural costs, VALTECSA has calculated a lower and upper limit based on the following assumptions:

- Variation of +/-0.50% in the discount rate applied ("K").
- Variation of +/- 0.25% in the perpetual growth rate ("g").

Structural costs (€)		g		
		0.75%	1.00%	1.25%
K	3.48%	7,369,794	7,973,394	8,684,078
	3.98%	7,109,864	7,689,432	8,371,788
	4.48%	6,861,077	7,417,683	8,072,971

Source: VALTECSA.

- Financial debt.

Following the analysis carried out on the financial debt, based on its characteristics, VALTECSA understands that the interest rates and the spread applied, based on the issuer's credit quality, are in line with market parameters. Consequently, VALTECSA assumes the book value as a reference equivalent to its current market value.

- Long-term debt with related parties.

The resulting implicit rate of the long-term debt with related parties for 2021 is 4.49%. Without knowing the credit quality of the entity, VALTECSA assumed that this is a market price.

## Valuation result

Based on the information provided, the valuation carried out, and the valuation process described

above, VALTECSA concluded that the value range of APODACA as of March 31, 2022, is determined as follows:

Company value at 31-03-2022 (€)	Low range	Base	High range
Net Worth Value <sup>(*)</sup>	33,049,361	33,049,361	33,049,361
Capital gains on assets	10,622,391	13,072,091	15,521,791
(-) Structural costs	(8,684,078)	(7,689,432)	(6,861,077)
(-) Net capital gains taxes	(13,907)	(40,319)	(66,732)
<b>Adjusted equity (NNNAV)</b>	<b>34,973,768</b>	<b>38,391,701</b>	<b>41,643,343</b>
Number of shares	545,202	545,202	545,202
Net Worth Value <sup>(*)</sup>	64.15	70.42	76.38

(\*) Non audited.

Source: VALTECSA.

Taking into consideration the NNNAV of the Company, on 8 September, 2022, APODACA's Board of Directors established a reference price of €70.00 per share, which implies a total value for the Company of € 38,164,140. This value of the Company is around the Base value determined by VALTECSA for the NNNAV.

## 7.2. Real estate assets valuation

On 23 May and 31 May, 2022, VALTECSA issued 8 valuation reports regarding each of the Company's real estate assets, being the valuation date March 31, 2022.

VALTECSA is a company regulated by RICS and therefore complies in all its written reports with the Professional Standards 1 and 2 published by RICS in 2022, which is known as the Red Book, and involve following the International Valuation Standards (IVS 2022) published by the International Valuation Standards Council (IVSC) in 2022.

The sole purpose of these asset valuation reports is to determine the Market Value, within the meaning of the IVS 2022, as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the valuation date.

For the valuation method, VALTECSA has adopted the Rent Capitalization for all the properties except the one located in Emilio Castelar street (Alcázar de San Juan). This method is based on discounting the amounts of future cash flows ("DCF") over a period of time (including the terminal value) to the valuation date, applying the appropriate discount rate.

The terminal value has been calculated for all the assets by direct capitalization at an exit yield of the expected net rents in the last period, except for the properties located in Ortega y Gasset and Ponzano streets (Madrid). In these 2 assets, the terminal value has been calculated by comparison of current market prices, considering that the possible revaluation of the assets is offset by the depreciation due to age.

VALTECSA has considered, among others, the following main assumptions for the calculation of the Market Value of 7 properties based on the DCF method:

Address	City	Province	Cash flow period	Discount rate	Terminal value
C/ Apodaca 5	Madrid	Madrid	10 years	3.61%	3.65% exit yield
C/ Alonso Heredia 18	Madrid	Madrid	10 years	4.10%	4.20% exit yield
C/ José Ortega y Gasset 67	Madrid	Madrid	10 years	3.97%	7,181 sqm market price
C/ Ponzano, 76	Madrid	Madrid	10 years	4.00%	6,162 sqm market price
Pº de la Castellana 103	Madrid	Madrid	10 years	4.00%	4.25% exit yield
C/ Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	46 years (end of useful life)	4.10%	-
C/ Ramón y Cajal 5	Alcázar S. Juan	C. Real	10 years	6.49%	5.99% exit yield

Source: VALTECSA.

For the asset located in Emilio Castelar street (Alcázar de San Juan), VALTECSA has adopted the Dynamic Residual method. The residual value of this property by the dynamic procedures is 599,67 €/sqm per buildable area calculated as the difference between the value of the proceeds from the sale of the finish property and the value of the payments made for the various costs and expenses.

Subject to the information, assumptions and limitations of the market and the reports, VALTECSA is of the opinion that the Market Value of the subject properties, as of March 31, 2022, is as follows:

Address	City	Province	Market Value (€)
C/ Apodaca 5	Madrid	Madrid	6,868,000
C/ Alonso Heredia 18	Madrid	Madrid	3,130,000
C/ José Ortega y Gasset 67	Madrid	Madrid	13,975,000
C/ Ponzano, 76	Madrid	Madrid	7,550,000
Pº de la Castellana 103	Madrid	Madrid	14,243,000
C/ Félix Boix 9, Esc 1 1º 1	Madrid	Madrid	1,650,000
C/ Emilio Castelar 17	Alcázar S. Juan	C. Real	850,000
C/ Ramón y Cajal 5	Alcázar S. Juan	C. Real	728,000
<b>Total</b>			<b>48,994,000</b>

Source: VALTECSA.

### 7.3. Company's financial resources for at least twelve months after the first day of trading

Based on the Company's financial statements ended on December 31, 2021, the Company's Board of Directors declared at the meeting held on February 24, 2022, that the Company has sufficient resources to meet all its short-term liabilities for the 12-month period following its admission to trading on Euronext Access Paris.

## 8. FINANCIAL INFORMATION FOR YEARS 2020 AND 2021

The financial statements set out in this Information Document have been prepared in accordance with accounting principles referred to in section 8.3, and the selected financial data included have been derived from the financial statements for the years ended on December 31, 2020, and on December 31, 2021, contained in the respective financial reports, so they should be read in conjunction with the financial statements and notes included therein.

The Spanish language version of the financial statements as of December 31, 2021 has been audited by BDO Auditores, S.L.P.

The financial statements (including the audit report when it is available) are attached as Appendix I to this Information Document, and they are also available on the Company's website: <https://www.apodacasocimi.com/>

The selected financial data of the financial statements included in this Information Document have been translated into English from the Spanish version of the financial statements, and their content appears for information purposes. In case of any discrepancies, the information included in the Spanish version of the financial statements shall prevail.

### 8.1. Balance Sheets as of December 31, 2020, and December 31, 2021

Assets (€)	31-12-2020 <sup>(*)</sup>	31-12-2021 <sup>(**)</sup>
<b>Non-Current Assets</b>	<b>35,886,798</b>	<b>36,033,799</b>
Property, plant and equipment	1,971,669	2,123,901
<i>Land and buildings</i>	1,971,669	1,955,713
<i>Technical facilities and other PP&amp;E</i>	-	161,152
<i>PP&amp;E under construction</i>	-	7,036
Investment properties	33,915,129	33,909,898
<i>Investment in land and natural assets</i>	23,480,194	23,480,194
<i>Construction investments</i>	10,434,936	10,429,704
<b>Current Assets</b>	<b>850,882</b>	<b>262,816</b>
Trade and other receivables	140,631	180,293
<i>Trade receivables for sales and services</i>	138,216	123,836
<i>Sundry receivables</i>	2,270	2,270
<i>Current tax assets</i>	-	53,682
<i>Other credits with associate companies</i>	145	506
Short-term investments in associate companies	-	1,006
Short-term financial investments	33,254	39,479
<i>Other short-term equity instruments</i>	1,066	962
<i>Other financial assets</i>	32,188	38,517
Cash and cash equivalents	676,998	42,039
<b>Total Assets</b>	<b>36,737,680</b>	<b>36,296,615</b>

<sup>(\*)</sup> Non audited; <sup>(\*\*)</sup> Audited.

Source: financial statements.

Equity and Liabilities (€)	31-12-2020 <sup>(*)</sup>	31-12-2021 <sup>(**)</sup>
Equity	32,775,211	32,758,568
Shareholders' Equity	32,775,211	32,758,568
Capital	32,712,120	32,712,120
Reserves	10,038	(19,361)
<i>Legal and statutory</i>	-	42,342
<i>Other reserves</i>	10,038	(61,704)
Profit (loss) for the year	423,423	658,096
Interim dividend	(370,370)	(592,287)
Non-Current Liabilities	2,661,841	3,137,394
Long-term debts	2,661,841	3,137,394
<i>Bank borrowing</i>	2,610,224	2,648,555
<i>Other financial liabilities</i>	51,617	488,838
Current Liabilities	1,300,629	400,653
Short-term debts	1,005,710	202,366
<i>Bank borrowing</i>	544,067	206,288
<i>Other financial liabilities</i>	461,644	(3,922)
Trade and other payables	294,919	198,287
<i>Sundry payables</i>	1,477	(1,989)
<i>Personnel (remuneration pending payment)</i>	10	1,031
<i>Current tax liabilities</i>	149,170	-
<i>Other debts with Public Administrations</i>	144,262	199,245
Total Equity and Liabilities	36,737,680	36,296,615

(\*) Non audited; (\*\*) Audited.

Source: individual financial statements.

The liquidity ratio defined as the amount of Current Assets over Current Liabilities was 0.65 as of December 31, 2020 and 0.66 as of December 31, 2022.

## 8.2. Profit and Loss Statements corresponding to the year ending on December 31, 2020, and December 31, 2021

Profit and Loss Statement (€)	2020 <sup>(*)</sup>	2021 <sup>(**)</sup>
Turnover	1,202,481	1,636,313
Personnel expenses	(88,611)	(142,516)
<i>Wages, salaries and similar</i>	(70,820)	(112,154)
<i>Employee benefit charges</i>	(17,791)	(30,363)
Other operating expenses	(335,861)	(469,693)
<i>Outsourced services</i>	(226,247)	(314,863)
<i>Taxes</i>	(109,614)	(173,591)
<i>Losses, impairment and changes in trade provisions</i>	-	18,762
Depreciation / Amortization of fixed assets	(182,112)	(261,252)

Exceptional results	2,761	(17,078)
<b>Operating Profit (Loss)</b>	<b>598,659</b>	<b>745,773</b>
Finance income	7	78
<i>Income from holdings in equity instr., group companies and associates</i>	0	3
<i>Other income from marketable securities and other financial instruments</i>	7	75
Financial expenses	(44,266)	(87,745)
<i>Through debts with group companies and associates</i>	(44,260)	(17,619)
<i>Through debts with third parties</i>	(6)	(70,126)
Impairment and gains and losses on disposal of financial	22,537	12
<b>Financial Profit/Loss</b>	<b>(21,722)</b>	<b>(87,655)</b>
<b>EBT</b>	<b>576,937</b>	<b>658,119</b>
Corporate tax	(153,458)	(23)
<b>Profit (Loss) for the Year from Continuing Operations</b>	<b>423,478</b>	<b>658,096</b>
<b>Profit (Loss) from Discontinued Operations</b>	<b>(55)</b>	<b>-</b>
<b>Profit (Loss) for the Year</b>	<b>423,423</b>	<b>658,096</b>

(<sup>1</sup>) Non audited; (<sup>2</sup>) Audited.

Source: individual financial statements.

### 8.3. Principle, rules, and accounting methods

The attached financial statements have been prepared in accordance with the legal framework governing financial reporting applicable to the Company, which is established in the following:

- The Commercial Code and remaining mercantile legislation.
- General Chart of Accounts approved by Royal Decree 1514/2007, which was amended in 2016 by Royal Decree 602/2016, subsequently amended by Royal Decree 1159/2010 and later amended by Royal Decree 1/2021, and the sectorial adaptation for real estate companies.
- The mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the implementation of the Chart of Accounts and its supplementary standards.
- Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, which regulates Listed Real Estate Investment Trusts (REITs).
- The remainder of applicable Spanish accounting legislation.

### 8.4. Schedule date for the first Shareholder's General Meeting and the first publication of earning figures

The first publication of the Company's earnings figures following the admission to trading of shares on Euronext Access Paris will be the financial statements for year 2022 not later than five months following the close of 2022.

The Company will hold its first Ordinary Shareholders Meeting as a listed company in May or June 2022.



## 9. LISTING SPONSOR

VGM Advisory Partners S.L.U.

Calle Serrano 68, 2º Derecha, 28001 Madrid (Spain)

Phone number: +34 91 772 91 63

[www.vgmadvisory.com](http://www.vgmadvisory.com)

**APPENDIX I: FINANCIAL STATEMENTS FOR THE YEARS 2020 AND 2021, WITH  
THE AUDITOR'S REPORT WHEN AVAILABLE**



**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
**ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR FY2021 TOGETHER WITH**  
**THE AUDIT REPORT ISSUED BY AN INDEPENDENT AUDITOR**

Ms. Natalia Álvarez Vicens, Certified English Translator appointed by the Spanish Ministry of Foreign Affairs, hereby certifies that this translation is complete and faithful to the original document in Spanish. In Madrid as of 7 August 2022.

Doña Natalia Álvarez Vicens, Traductora-Intérprete Jurada de inglés nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 7 de agosto de 2022.

**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
ANNUAL ACCOUNTS AND DIRECTORS' REPORT FOR FY2021 TOGETHER WITH  
THE AUDIT REPORT ISSUED BY AN INDEPENDENT AUDITOR

**AUDIT REPORT ON THE ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT  
AUDITOR**

**ANNUAL ACCOUNTS FY 2021:**

- Balance sheets at 31 December 2021 and 2020
- Profit and loss statements for FY 2021 and FT 2020
- Statement of changes in equity for 2021 and 2020
- Statements of cash flows for 2021 and 2020
- Notes to the 2021 Annual Accounts

**DIRECTORS' REPORT FOR FY 2021**



Ms. Natalia Álvarez Vicens, Certified English Translator appointed by the Spanish Ministry of Foreign Affairs, hereby certifies that this translation is complete and faithful to the original document in Spanish. In Madrid as of 7 August 2022.

Doña Natalia Álvarez Vicens, Traductora-Intérprete Jurada de inglés nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 7 de agosto de 2022.

**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**

**Audit Report on the Annual Accounts issued by an Independent Auditor**



Ms. Natalia Álvarez Vicens, Certified English Translator appointed by the Spanish Ministry of Foreign Affairs, hereby certifies that this translation is complete and faithful to the original document in Spanish. In Madrid as of 7 August 2022.

Doña Natalia Álvarez Vicens, Traductora-Intérprete Jurada de inglés nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 7 de agosto de 2022.

Audit report on the annual accounts issued by an independent auditor

To the Shareholders of Apodaca Inversiones Inmobiliarias SOCIMI, S.A.:

### *Opinion*

We have audited the annual accounts of Apodaca Inversiones Inmobiliarias SOCIMI, S.A. (the Company), comprising the balance sheet as of 31 December 2021, the profit and loss statement, the statement of changes in equity, the statement of cash flows and the notes to the annual accounts for the year that ended on that date.

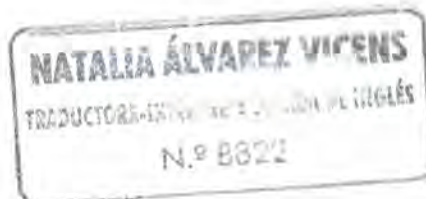
In our opinion, the accompanying annual accounts give, in all material respects, a true and fair view of the Company's equity and financial position at 31 December 2021, and of its results and cash flows for the year that ended on that date, in accordance with the applicable financial reporting framework (identified in Note 2) and, in particular, with the accounting principles and criteria contained therein.

### *Basis for opinion*

We have conducted our audit in accordance with the prevailing accounts auditing regulations in Spain. Our responsibilities under those standards are described in the *Auditor's responsibilities in connection with the audit of the annual accounts* section of our report further on.

We are independent of the Company, in accordance with the ethical requirements -including the independence requirement- that apply to our audit of the annual accounts in Spain, as required under regulatory legislation governing the accounts auditing activity. In this regard, we have not provided any services other than auditing the accounts, nor have there been any situations or circumstances which, under the aforementioned regulatory legislation, have affected the necessary independence in such a way that it has been compromised.

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



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Ms. Natalia Álvarez Vicens, Certified English Translator appointed by the Spanish Ministry of Foreign Affairs, hereby certifies that this translation is complete and faithful to the original document in Spanish. In Madrid as of 7 August 2022.

Doña Natalia Álvarez Vicens, Traductora-Intérprete Jurada de inglés nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 7 de agosto de 2022.

## Most relevant aspects of the audit

The most relevant aspects of the audit were those which, in our professional judgement, were considered the most significant risks of material misstatements in our audit of the annual accounts for the current period. These risks were addressed in the context of our audit of the annual accounts as a whole and in the formation of our opinion thereon, and we have not expressed a separate opinion involving those risks.

Most relevant aspects of the audit

Audit response

<p><i>Measurement of real estate assets</i></p> <p>The "Property, plant and equipment" and "Investment property" captions in the accompanying balance sheet as of 31 December 2021 include the net carrying value of the Company's real estate assets, as described in note 5 of the accompanying notes to the annual accounts.</p> <p>Notes 4.1, 4.2 and 5 describe the impairment assessment policies applied to these assets. As described in these notes, in estimating the recoverable amount, the Company's management has relied on appraisal reports prepared by an independent expert that includes significant elements of judgment, in particular with respect to discounted market values and discounted rents.</p> <p>The analysis of the reasonableness of the net carrying value of real estate assets as of 31 December 2021 has been considered as the most relevant aspect of our audit.</p>	<p>We have performed the following auditing procedures, inter alia:</p> <p>Understanding and analysis of the policies and procedures followed by the Company's management to determine the recoverable value of real estate assets at year-end.</p> <p>Obtaining the appraisal reports at year-end 2021 of the real estate assets, prepared by an independent expert.</p> <p>Evaluation of the competence and independence of the external appraiser, as well as the reasonableness of the appraisal methodologies and assumptions used, involving appraisal experts in the team to assist us in this analysis.</p> <p>Analysis of the reasonableness of the calculations made by the Company's management to determine the recoverable amount of these real estate assets as of 31 December 2021.</p> <p>Evaluation of the suitability and adequacy of the information included by the Company's management in the notes to the annual accounts, in relation to the appraisal of real estate assets.</p>
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# BDO

## Other issues

The Company did not submit the annual accounts for 2020 as it was not obliged to do so. Accordingly, comparative figures have not been audited. Our opinion refers exclusively to the accompanying annual accounts for 2021.

## Other information: Directors' report

Other information exclusively includes the directors' report for 2021, the preparation of which is the responsibility of the Company directors and is not an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility for the directors' report, in accordance with what is required by the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the consistency of the directors' report with the annual accounts, based on the knowledge of the entity obtained in conducting the audit of the aforementioned accounts, as well as evaluating and reporting whether the content and presentation of the directors' report are in accordance with the applicable regulations. If, based on the work we have carried out, we conclude that there are material misstatements, we are obliged to report this.

Based on the work carried out, as described in the previous paragraph, the information contained in the directors' report matches the information in the annual accounts for 2021 and its content and presentation are in accordance with the applicable regulations.

## Responsibility of the directors with regard to the annual accounts

The directors are responsible for formulating the accompanying annual accounts such that they provide a true and fair view of the equity, financial position and income of the Company, in accordance with the financial reporting regulatory framework applicable to the entity in Spain, and the internal controls deemed necessary to allow for the preparation of the annual accounts without any material misstatements due to fraud or error.

In the preparation of the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, and for disclosing, where appropriate, matters related to the going concern and using the going concern accounting principle, unless the aforementioned directors intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

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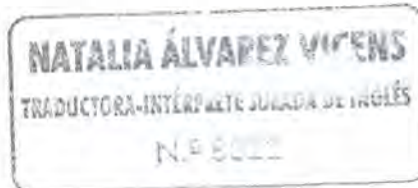


## *Auditor's responsibilities in connection with the audit of the annual accounts*

Our objectives are to obtain reasonable assurance that the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high degree of security, but does not guarantee that an audit performed in accordance with the regulations in force governing auditing in Spain will always detect a material misstatement when it exists. Misstatements may be due to fraud or error and are considered to be material if, either individually or as a whole, it can be reasonably foreseen that they will have an impact on economic decisions taken by users based on the annual accounts.

As part of an audit in accordance with the standards regulating the accounts audit activity in force in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error; design and perform audit procedures to address those risks; and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or circumvention of internal control.
- We consider the relevant internal control for the audit to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the efficacy of the company's internal control.
- We assess whether the accounting policies are appropriate and the reasonableness of the accounting estimates and related disclosures made by the directors.
- It has been ascertained whether the use by the directors of the accounting principle of a going concern is appropriate and, based on the audit evidence obtained, whether or not there is a material uncertainty related to events or conditions that can lead to significant doubts about the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained until the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.



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

We report to the directors of the company regarding the scope and timing of the planned audit and any significant findings, as well as any significant internal control deficiency identified in the course of the audit.

Among the significant risks that have been communicated to the company's directors, we determined those that were of the greatest significance in the audit of the annual accounts for the current period and which are, consequently, the risks deemed to be the most significant.

We describe these risks in our audit report unless legal or regulatory provisions prohibit public disclosure.

BDO Auditores, S.L.P. (Official Register of Accounts Auditors - ROAC S1273)

[Signed]

Francisco J. Giménez Soler (ROAC 21667)

Partner - Accounts Auditor

27 July 2022

BDO Auditores, S.L.P.

2022 No. 1/22/17973

EUR 96.00

CORPORATE STAMP:

Audit report subject to the Spanish or international regulations on audit of accounts



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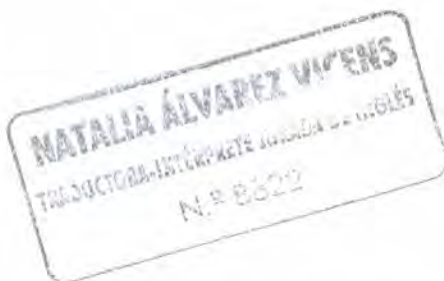
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APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.

ANNUAL ACCOUNTS FOR FY 2021



A handwritten signature in blue ink, consisting of several overlapping loops and lines, positioned to the right of the stamps.

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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
BALANCE SHEETS AT 31 DECEMBER 2021 AND 2020  
(Figures in euros)

ASSETS	Notes to the Annual Accounts	31/12/2021	31/12/2020
<b>A) NON-CURRENT ASSETS</b>		<b>36,033,798.56</b>	<b>35,886,798.00</b>
<b>II. Property, plant and equipment</b>		<b>2,123,901.01</b>	<b>1,971,668.58</b>
Land and buildings	5	1,955,712.78	1,971,668.58
Technical facilities and other property, plant and PP&E under construction	5	161,152.05 7,036.18	- -
<b>III. Investment properties</b>		<b>33,909,897.55</b>	<b>33,915,129.42</b>
Investments in land and natural assets	5	23,480,193.89	23,480,193.89
Construction investments	5	10,429,703.66	10,434,935.53
<b>B) CURRENT ASSETS</b>		<b>262,816.50</b>	<b>850,882.48</b>
<b>III. Trade and other receivables</b>		<b>180,292.98</b>	<b>140,631.01</b>
Trade receivables for sales and services	6	123,835.61	138,215.80
Sundry receivables	6	2,270.19	2,270.19
Current tax assets	9	53,681.67	-
Other credits with Public Administrations	9	505.51	145.02
<b>IV. Short-term investments in associate companies</b>		<b>1,006.17</b>	<b>-</b>
Current account with associate companies	6	1,006.17	-
<b>V. Short-term financial investments</b>		<b>39,478.74</b>	<b>33,253.79</b>
Other short-term equity instruments	6	961.58	1,066.00
Other financial assets	6	38,517.16	32,187.79
<b>VII. Cash and cash equivalents</b>		<b>42,038.61</b>	<b>676,997.68</b>
Treasury	6	42,038.61	676,997.68
<b>TOTAL ASSETS (A+B)</b>		<b>36,296,615.06</b>	<b>36,737,680.48</b>

*The Company's Annual Accounts, which form a single unit, comprise these Balance Sheets, the accompanying Profit and Loss Statement, Statement of Changes in Equity, Statements of Cash Flows and the accompanying Notes to the Annual Accounts, which consists of 18 Notes*



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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
BALANCE SHEETS AT 31 DECEMBER 2021 AND 2020  
(Figures in euros)

EQUITY AND LIABILITIES	Notes to the Annual Accounts	Notes to the Annual Accounts	
		31/12/2021	31/12/2020
<b>A) EQUITY</b>		<b>32,758,568.24</b>	<b>32,775,210.68</b>
<b>A-1) Shareholder equity</b>		<b>32,758,568.24</b>	<b>32,775,210.68</b>
<b>I. Capital</b>		<b>32,712,120.00</b>	<b>32,712,120.00</b>
Registered share capital	8	32,712,120.00	32,712,120.00
<b>III. Reserves</b>		<b>(19,361.39)</b>	<b>10,037.75</b>
Legal and statutory	8	42,342.33	-
Other Reserves	8	(61,703.72)	10,037.75
<b>VI. Profit (loss) for the year</b>	3 and 8	<b>658,096.28</b>	<b>423,423.30</b>
<b>VII. Interim dividend</b>	3	<b>(592,286.65)</b>	<b>(370,370.37)</b>
<b>B) NON-CURRENT LIABILITIES</b>		<b>3,137,393.72</b>	<b>2,661,840.71</b>
<b>II. Long-term debts</b>		<b>3,137,393.72</b>	<b>2,661,840.71</b>
Bank borrowing	7	2,648,555.27	2,610,223.92
Other financial liabilities	8	488,838.45	51,616.79
<b>C) CURRENT LIABILITIES</b>		<b>400,653.10</b>	<b>1,300,629.09</b>
<b>III. Short-term debts</b>		<b>202,365.90</b>	<b>1,005,710.44</b>
Bank borrowing	7	206,288.38	544,066.64
Other financial liabilities	7	(3,922.48)	461,643.80
<b>V. Trade and other payables</b>		<b>198,287.20</b>	<b>294,918.65</b>
Sundry payables	7	(1,989.07)	1,476.86
Personnel (remuneration pending payment)	7	1,030.86	9.73
Current tax liabilities	9	-	149,170.47
Other debts with Public Administrations	9	199,245.41	144,261.59
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>36,296,615.06</b>	<b>36,737,680.48</b>

The Company's Annual Accounts, which form a single unit, comprise these Balance Sheets, the accompanying Profit and Loss Statement, Statement of Changes in Equity, Statements of Cash Flows and the accompanying Notes to the Annual Accounts, which consists of 18 Notes

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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
**PROFIT AND LOSS STATEMENTS FOR FY2021 AND FY2020**  
 (Figures in euros)

	Note to the Annual Accounts	31/12/2021	31/12/2020
<b>Turnover</b>		<b>1,636,312.78</b>	<b>1,202,481.22</b>
Provision of services	5 and 16	1,636,312.78	1,202,481.22
<b>Personnel expenses</b>		<b>(142,516.44)</b>	<b>(88,611.13)</b>
Wages, salaries and similar	11	(112,153.78)	(70,820.38)
Employee benefit charges	11	(30,362.66)	(17,790.75)
<b>Other operating expenses</b>		<b>(469,692.95)</b>	<b>(335,860.57)</b>
Outsourced services	11	(314,863.34)	(226,246.70)
Taxes	11	(173,591.44)	(109,613.87)
Losses, impairment and changes in trade provisions		18,761.83	-
<b>Depreciation/Amortization of fixed assets</b>	5	<b>(261,251.79)</b>	<b>(182,111.70)</b>
<b>Exceptional results</b>		<b>(17,078.16)</b>	<b>2,760.73</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>745,773.44</b>	<b>598,658.55</b>
<b>Financial income</b>		<b>77.60</b>	<b>7.04</b>
Income from holdings in equity instruments, group companies and associates.		2.55	0.33
Other income from marketable securities and other financial instruments		75.05	6.71
<b>Financial expenses</b>		<b>(87,744.51)</b>	<b>(44,266.07)</b>
Through debts with group companies and associates	7	(17,618.75)	(44,259.72)
Through debts with third parties	7	(70,125.76)	(6.35)
<b>Impairment and gains and losses on disposal of financial</b>		<b>12.35</b>	<b>22,537.22</b>
Gains/(losses) on disposal and others		12.35	22,537.22
<b>FINANCIAL PROFIT (LOSS)</b>		<b>(87,654.56)</b>	<b>(21,721.81)</b>
<b>EBT</b>		<b>658,118.88</b>	<b>576,936.74</b>
<b>Corporate tax</b>	9	<b>(22.60)</b>	<b>(153,458.34)</b>
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>658,096.28</b>	<b>423,478.40</b>
<b>PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>(55.10)</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>658,096.28</b>	<b>423,423.30</b>

*The Company's Annual Accounts, which form a single unit, comprise these Profit and Loss Statements, the Balance Sheets, the Statement of Changes in Equity, the accompanying Statements of Cash Flows and the Notes to the Annual Accounts, which consist of 18 Notes*

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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
STATEMENT OF CHANGES IN EQUITY

**A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR 2021 AND 2020**  
(Figures in euros)

	2021	2020
<b>A) PROFIT/(LOSS) OF THE P&amp;L STATEMENT</b>	658,096.28	423,423.30
<b>B) TOTAL TRANSFERS TO THE PROFIT AND LOSS STATEMENT</b>	-	-
<b>TOTAL RECOGNIZED INCOME AND EXPENSES (A+B)</b>	658,096.28	423,423.30

**B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR 2021 AND 2020**  
(Figures in euros)

	Registered Capital	Reserves	Profit (loss) for the year	Interim dividend	Total
<b>OPENING BALANCE, 2019</b>	-	-	-	-	-
<b>I. Total income and expenses</b>	-	-	423,423.30	-	423,423.30
<b>II. Transactions with partners</b>	-	-	-	-	-
1. Incorporation of the Company	37,712,120.00	10,037.75	-	(370,370.37)	37,351,787.38
11 Dividend payment	-	-	-	(370,370.37)	37,351,787.38
<b>CLOSING BALANCE, 2020</b>	32,712,120.00	10,037.75	423,423.30	(370,370.37)	32,775,210.68
Adjustments for error correction		(82,452.07)			(82,452.07)
<b>OPENING BALANCE, 2020</b>	32,712,120.00	(72,414.32)	423,423.30	(370,370.37)	32,692,758.61
<b>I. Total income and expenses</b>	-	-	658,118.88		658,118.88
<b>II. Transactions with partners and owners</b>	-	53,052.93	(423,423.30)	370,370.37	-
1. Dividend payment	-	53,052.93	(423,423.30)	370,370.37	-
<b>III. Other changes in equity</b>	-	-	-	(592,286.65)	(592,286.65)
1. Distribution of prior year's profit/(loss)	-	-	-	(592,286.65)	(592,286.65)
<b>CLOSING BALANCE, 2021</b>	32,712,120.00	(19,361.39)	658,118.88	(592,286.65)	32,758,590.84

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N.º 8822

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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.**  
**STATEMENTS OF CASH FLOWS FOR 2021 AND 2020**  
 (Figures in euros)

	Notes to the	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Earnings before tax		658,118.88	576,881.64
Adjustments to profit (loss)		266,454.28	203,833.51
Depreciation of fixed assets	5	261,251.79	182,111.70
Variation due to impairment			76,101.43
Valuation adjustments due to impairment			-
Gains (losses) on disposal of financial instruments		(12.35)	(22,537.22)
Financial income		(77.60)	(7.04)
Financial expenses	7	87,744.51	44,266.07
Other income and expenses		(82,452.07)	-
Changes in working capital		10,929.72	(9,887.27)
Trade and other receivables	6	(39,661.97)	(140,631.01)
Other current assets	6	(6,212.60)	(10,716.57)
Trade and other payables	7	56,804.29	141,460.31
Other cash flows from operating activities		(241,125.25)	(44,259.03)
Interest payments	7	(87,744.51)	(44,266.07)
Interest received		77.60	7.04
Income tax received (paid)	9	(153,458.34)	-
Cash flows from operating activities		(694,377.63)	726,568.85
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Payables due to investments		(408,252.35)	(36,068,909.70)
Property, plant and equipment	5	(192,776.92)	(1,984,965.08)
Investment properties	5	(215,475.43)	(34,083,944.62)
Cash flows from investment activities		(408,252.35)	(36,068,909.70)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts and payments for equity instruments		-	32,722,157.75
Issuance of equity instruments (+)		-	32,722,157.75
Receipts and payments for instruments of financial liability		(328,797.70)	3,667,551.15
Issuance of:			3,255,382.89
Bank borrowing			513,260.59
Other debts	7	45,145.21	-
Repayment and amortization of:			(101,092.33)
Bank borrowing	7	(299,446.91)	-
Other debts	7	(74,496.00)	-
Dividends and remuneration on other equity instruments paid		(592,286.65)	(370,370.37)
Cash flows from financing activities		(921,084.35)	36,019,338.53
Effect of changes in exchange rates		-	-
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b>		<b>(634,959.07)</b>	<b>676,997.68</b>
Cash or cash equivalents at the start of the year		676,997.68	-
Cash or cash equivalents at year end		42,038.61	676,997.68

The Company's Annual Accounts, which form a single unit, comprise these Cash Flow Statements, the Balance Sheets, the Profit and Loss Statement, Statement of Changes in Equity, attached, and the accompanying Notes to the Annual Accounts, which consists of 18 Notes

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**APODACA INVERSIONES INMOBILIARIAS SOCIMI S.A.  
NOTES TO THE 2021 ANNUAL ACCOUNTS**

**1. GENERAL INFORMATION - COMPANY ACTIVITY.**

The Company was incorporated on 27 December 2019 by means of a deed of total spin-off of the companies "CASA RAJA, S.L." and "SAN JUAN DE LAS NIEVES, S.L." for the benefit of five new companies incorporated in this same act called: "APODACA INVERSIONES INMOBILIARIAS, S.A." (SOCIMI), "AÑAVETE, S.L.", "LAIROCSE, S.L.", "SOCITELLO, S.L." and "ALJIBESLLANOS, S.L."; before the notary public of Madrid, Enrique A. Franch Quiralte, under his record number 4533.

The background to this deed was as follows:

On 21 November 2019, the Extraordinary and Universal Meeting of Shareholders of the companies CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L., had unanimously agreed their total spin-off and the corresponding transfer of their business assets to the five new companies.

Previously, and in compliance with the provisions of Articles 73, 30 and 31 of Law 3/2009 of 3 April on Structural Modifications of Mercantile Companies, the Boards of Directors of CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L. had drafted the corresponding Project for the total and simultaneous spin-off of both companies in order to submit it to the approval of the respective Meetings of Shareholders.

The aforementioned Project was unanimously subscribed by all the directors of both companies and was deposited with the Mercantile Registry of Madrid on 30 October, registered in the Mercantile Registry on 14 November, and published in the Official Journal of the Mercantile Registry (BORME), dated 21 November 2019, under number 224.

Said Project served to approve that the companies CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L. were dissolved without liquidation, by means of the incorporation by universal succession of their respective assets to the five new companies.

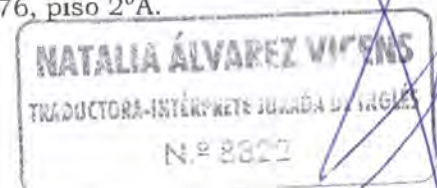
The deed of total spin-off and incorporation of the five beneficiary companies was registered in the Madrid Mercantile Registry on 27 February 2020; registered, with respect to this company, in Volume 40056, Folio 160, Sheet M-711704 and, given that point seven of the Spin-Off Project determined that the effectiveness of the spin-off for accounting purposes of the companies involved in the spin-off would be the date of registration, the commencement of activity of APODACA INVERSIONES INMOBILIARIAS, S.A. is determined by the aforementioned date.

The following is a summary of the company's data laid down in the notarized Spin-Off Project:

**APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.**

Registered office: it is located in Madrid (28003), calle Ponzano 76, piso 2ºA.

Corporate Tax Code: A88559885



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Corporate purpose: The corporate purpose is:

The acquisition and promotion of natural urban real estate for leasing.

The holding of shares in the capital of listed real estate investment trusts - REITs (SOCIMI in Spanish) or in the capital of other entities not resident in Spanish territory which have the same corporate purpose as the former and which are subject to a regime similar to that established for REITs in terms of the mandatory legal or statutory profit distribution policy.

The holding of shares in the capital of other entities, whether resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing and which are subject to the same regime established for REITs in terms of the mandatory legal or statutory profit sharing policy and which meet the investment requirements referred to in Article 3 of the REITs Act.

The holding of shares or equity units of Collective Real Estate Investment Institutions regulated in Law 35/2003, of 4 November, on Undertakings for Collective Investment, or the regulation that replaces it in the future.

Together with the economic activity derived from the main corporate purpose, REITs may carry out other ancillary activities, being understood as such those whose income as a whole represents less than 20% of the company's income in each tax period or those that may be considered ancillary in accordance with the law applicable at any given time.

Excluded are all those activities for the exercise of which the law requires requirements that cannot be met by the Company.

The activities included in the corporate purpose may be carried out totally or partially indirectly through a holding in other companies with the same or similar purpose.

National Business Activity Code - CNAE: 6820, 6810 and 6832.

The total spin-off transaction was taxed under the benefits laid down in the *Special Regime for Mergers, Spin-offs, Contributions of Assets, Exchange of Securities and Change of Registered Office of a European Company or a European Cooperative Society from one Member State to another of the European Union, of Chapter VII of Title VII, of Law 27/2014, of 27 November, on Corporate Income Tax*; for this reason, the assets and rights acquired through the transfers arising from these total spin-offs were valued, for tax purposes, at the same values they had in the transferring entities before the transaction was carried out, also maintaining the acquisition date of the transferring entity.

And for accounting purposes, they were measured at market value in accordance with valuation standards IAS 19 and IAS 21 issued by the Institute of Accounting and Accounts Auditing (ICAC). For this purpose, and after the intervening companies had requested an appraisal from the Mercantile Registry of Madrid, the appraisals of the properties that both SAN JUAN DE LAS NIEVES, S.L. and CASA RAJA, S.L. contributed to the incorporation of APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A. were obtained.



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### **1.1 REITs Regime**

On 16 February 2021, the company notified the Tax Agency of the unanimous resolution adopted on 1 February by the Extraordinary Meeting of Shareholders to apply the special REITs tax regime. Once this resolution has been adopted, a period of two years is opened to comply with the requirements of Law 11/2009, as amended by Law 16/2012, of 27 December, which regulates Listed Real Estate Investment Trusts (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario).

These requirements include, inter alia, the following:

#### **Corporate purpose obligation.**

They must have as their main corporate purpose:

- a) Acquisition and development of urban real estate for lease.
- b) Holding of shares in the capital of other REITs or in the capital of other entities not resident in Spanish territory that have the same corporate purpose as the former and are subject to a similar profit distribution regime.
- c) Holding of shares in the capital of other entities, whether or not resident in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing (they may not hold shares in the capital of other entities) and which are subject to the same regime of profit distribution and investment. All of its capital must belong to other REITs or non-resident entities referred to in letter b) above.
- d) Holding of shares or equity units of Undertakings for Collective Investment in Real Estate regulated in Law 35/2003, of 4 November, on Undertakings for Collective Investment (UCI).

They may also carry out other accessory activities (those that represent less than 20 percent of the company's income in each tax period).

#### **Investment obligation.**

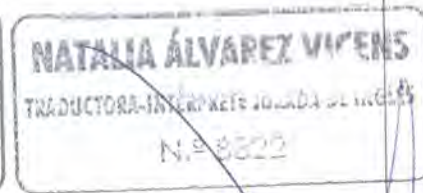
They should have invested at least:

80% of the asset value in:

- urban real estate for leasing,
- land for the development of real estate to be leased, provided that the development is started within three years of its acquisition,
- stakes in the capital or equity of other entities whose corporate purpose is that of REITs.

80% of the income (excluding income from the transfer of shares and real estate assets, both of which are assigned to the fulfilment of its main corporate purpose, once the maintenance period has elapsed), must come from:

- leasing of real estate used for the fulfilment of its main corporate purpose with persons or entities that do not form a group, regardless of residence, and/or



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

- Term of permanence or maintenance:

The real estate assets must remain leased for at least three years, including the time they have been offered for lease, with a maximum of one year.

The shares or equity interests must be held as assets for at least three years from their acquisition or, as the case may be, from the beginning of the first tax period in which the tax regime is applied.

#### **Obligation to trade on a regulated market.**

REITs must be admitted to trading on a Spanish regulated market or in any other country with which there is an exchange of tax information, or in a Spanish multilateral trading system or in that of any other member state of the European Union or the European Economic Area. The shares must be nominative.

#### **Obligation to distribute profits.**

The Company will distribute as dividends, once the mercantile requirements have been met:

100% of the profits from dividends or shares in profits distributed by the entities referred to in section 1 of article 2 of Law 11 /2009.

At least 50% of the profits from the transfer of real estate and shares or stakes referred to in section 1 of article 2 of Law 11/2009, once the minimum holding periods have elapsed, subject to compliance with its main corporate purpose. The remaining profits must be reinvested in other real estate or stakes subject to compliance with the aforementioned corporate purpose, within a deadline of three years following the date of transfer.

At least 80% of the remaining profits obtained.

When the distribution of dividends is charged to reserves from profits earned in a year in which the special tax regime had been applied, said distribution must be carried out as described above.

#### **Reporting information.**

REITs must include in the notes to their annual accounts statements the information required by the tax regulations governing the special regime for REITs.

#### **Minimum share capital.**

The minimum share capital is hereby set at 5 million euros.



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Breach of any of the foregoing conditions will mean that the Company has to pay tax in accordance with the general regime governing Corporation Tax from the tax period in which said breach is reported, unless this is rectified during the following financial year. In addition, the Company will be obliged to deposit, together with the amount of the foregoing tax period, the difference between the tax payable through application of the general regime and the amount paid as a consequence of applying the special tax regime in the previous tax periods. This is without prejudice to default interest, surcharges and fines which may be applicable.

The tax rate for REITs with regard to Corporation Tax is set at 0%. However, should profits be distributed to shareholders who own at least 5% of the share capital of the REIT and who are either exempt from tax or are taxed at a rate less than 10% on such dividends, then the REIT will have to pay a special corporate tax of 19% on the dividends distributed to those shareholders. Where applicable, this special taxation must be paid by the REIT within a deadline of two months from the date of dividend distribution.

Effective for tax periods beginning on or after 1 January 2021, a special tax rate of 15% will be applied to undistributed income obtained during the year that has not been distributed and which

- derive from income that has been taxed in accordance with the special regime,
- that are not within the three-year reinvestment period foreseen for income derived from the transfer of real estate or shares in other REITs.

### **1.2. Data for the financial year**

The financial year begins on 1 January and ends on 31 December.

The Annual Accounts, which have been prepared by the Directors, will be submitted for approval by the General Meeting of Shareholders.

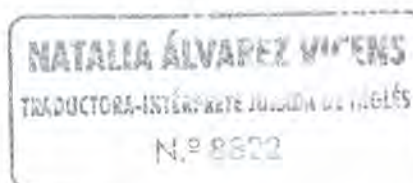
The directors believe that this approval process will not result in any changes to the annual accounts.

### **1.3. Obligation to consolidate**

The Entity is not required to consolidate in accordance with the requirements established in Article 42 of the Commercial Code and in Rules 13 and 15 of Part Three of Royal Decree 1514/2007, which approved the General Chart of Accounts.

### **1.4. Functional currency data and presentation**

The functional currency of the Company is the euro and the annual accounts have been prepared in euros. Accordingly, transactions in currencies other than the euro are considered to be denominated in "foreign currency"



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## 2. BASIS OF SUBMISSION OF THE ANNUAL ACCOUNTS

### 2.1. Applicable financial information regulatory framework and True and Fair View

These annual accounts have been drawn up by the Directors in accordance with the legal framework governing financial reporting applicable to the Company, which is established in the following:

- The Commercial Code and remaining mercantile legislation.
- General Chart of Accounts approved by Royal Decree 1514/2007, which was amended in 2016 by Royal Decree 602/2016, subsequently amended by Royal Decree 1159/2010 and later amended by Royal Decree 1/2021 of 12 January, and the sectorial adaptation for real estate companies.
- The mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the implementation of the Chart of Accounts and its supplementary standards.
- Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, which regulates Listed Real Estate Investment Trusts (REITs).
- The remainder of applicable Spanish accounting legislation.

The accompanying annual accounts have been obtained from the Company's accounting records and are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, the accounting principles and criteria contained therein, so as to present fairly the Company's equity, financial position, results of operations and cash flows for the year.

The most significant recording and measurement standards applied in the preparation of the annual accounts are summarized in **Note 4**.

All the rules and criteria established in the General Chart of Accounts in force at the time of preparation of these accounts have been followed without exception.

### 2.2. Non-mandatory accounting principles applied

The Company's annual accounts have been prepared in accordance with all mandatory accounting principles established by current mercantile legislation (*Commercial Code and General Chart of Accounts*), namely: going concern, accrual, uniformity, prudence, no offsetting and relative importance.

No non-mandatory accounting principles have been applied.

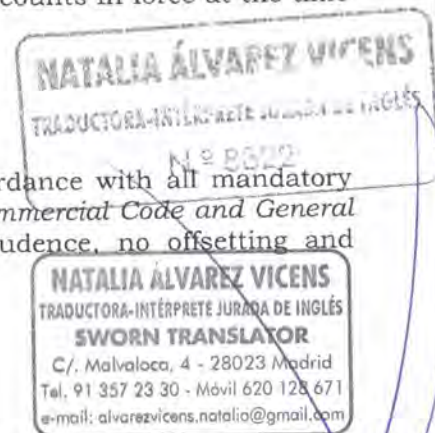
### 2.3. Critical aspects of measuring and estimating uncertainty

The Company has prepared its annual accounts statements on a going concern basis, with no significant risks that could result in significant changes in the value of assets or liabilities in the following year.

The preparation of the annual accounts requires management to make significant accounting estimations, judgments, estimates and assumptions that could affect the accounting policies adopted and the reported amounts of assets, liabilities, income, expenses and related disclosures.

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The estimates and assumptions made are based, inter alia, on historical experience or other facts considered reasonable in view of the circumstances at the closing date, the result of which represents the basis for judgment on the carrying amount of assets and liabilities not immediately determinable.

Actual results may differ from the estimated results. These estimates and judgments are continually evaluated.

Certain accounting estimates are considered significant if the nature of the estimates and assumptions is material and if the impact on the financial position or operating performance is material.

Management estimates by the Company's Directors have been used to quantify a number of assets, liabilities, items of income and expense and commitments reported in these annual accounts. These estimates basically make reference to:

- The evaluation of possible impairment losses on certain assets (see Note 4.1 and 4.2).
- The useful life of real estate assets (see Note 4.1 and 4.2).

Although these estimates were made by the Company's management based on the best information available at the end of each year, applying its best estimate and knowledge of the market, it is possible that future events may force the Company to modify them in the following years. In accordance with prevailing legislation, the effects of the change in estimate will be recognized prospectively in the income statement.

a) Key assumptions about the future: as a newly formed company resulting from the spin-off of two companies with real estate leasing assets, we have worked with the sum of the individual forecasts of both spun-off companies.

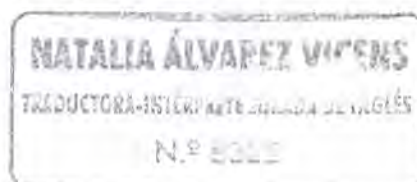
b) management does not believe that there are material uncertainties that cast significant doubt on the company's ability to continue as a going concern. For this reason, the entity's annual accounts have been prepared under the going concern principle.

#### **2.4. Comparison of information**

The principle of uniformity has been observed and the accounting criteria have not been varied. The Annual Accounts show a column with the amounts corresponding to the previous year (2020); however, the comparison is not homogeneous in terms of time since the activity of the previous year started on the day of the registration of the spin-off operation, 27 February, and therefore the figures shown do not cover a calendar year like those of the year 2021.

#### **2.5. Pooling of entries**

In order to present the balance sheet, the profit and loss statement, the statement of changes in equity and the statement of cash flows, the criteria established by the General Chart of Accounts has been followed with regard to the pooling of amounts of various items, and therefore the annual accounts do not contain any items that have been grouped together.



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## **2.6. Elements included in several items**

There are no assets and liabilities recorded in two or more balance sheet items.

## **2.7 Changes in accounting criteria**

The first application of the amendments introduced in the General Chart of Accounts by Royal Decree 1/2021, of 12 January, mainly relating to the rules for recording and measurement of financial instruments and revenue recognition, has only involved the reclassification of financial instruments to the new categories introduced by Royal Decree 1/2021 as of 1 January 2021.

The reconciliation at the date of first-time application of financial assets and liabilities, in relation to their classification and measurement in accordance with the new category, is as follows:

(Euros) Reclassified from:	Balance as of 1 January 2021	Reclassified to:		
		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortized cost
Loans and items receivable	170,403.59	-	170,403.59	-
Held-for-trading financial assets	1,066.00	1,066.00	-	-
Debits and items payable	3,669,037.74	-	-	3,669,037.74

In addition, in 2020, the Company has reclassified those assets that were under the heading "Property, plant and equipment" and that are assigned to the real estate leasing activity, amounting to 33,915,129.42 euros.

## **2. Correction of misstatements**

During the year to which these annual accounts refer, there was a correction of misstatements amounting to 82,452.07 against reserves due to errors in the figure of initial deposits. Since the amount is not significant, the Company has not restated the comparative figures for the previous year.

## **2.9. Relative importance**

In determining the information to be disclosed in these annual accounts on the various items in the annual accounts or other matters, the Company, in accordance with the Conceptual Framework of the General Chart of Accounts, has taken into account relative importance in relation to the annual accounts for 1.

## **2.10. Going concern principle**

At 31 December 2021, the Company has a negative working capital of 528,906.88 euros (negative 449,746.61 euros at 31 December 2020). The Company has positive EBITDA and recurring profits, as well as committed income in the future, and therefore the Directors consider that the Company will have sufficient capacity to realize its assets and settle its liabilities for the amounts and with the classification by which they appear in the accompanying balance sheet.

In view of the foregoing, the Directors have prepared these annual accounts on a going concern basis.

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### 3. APPLICATION OF PROFITS (LOSSES)

#### 3.1. 3.1. Proposal for application

In the current financial year, the following profit has been obtained: 658,096.28 euros

The Board of Directors proposes to the General Meeting of Shareholders the approval of the application of profits indicated below:

ALLOCATION BASIS		FY 2021	FY 2020
Balance of the profit and loss statement	91000	658,096.28	423,423.30
Other unrestricted reserves	91003		
<b>TOTAL ALLOCATION BASIS = TOTAL APPLICATION</b>	<b>91004</b>	<b>658,096.28</b>	<b>423,423.30</b>
APPLICATION TO		FY 2021	FY 2020
Legal reserve	91005	65,809.63	42,342.33
Capitalization reserve	91013		
Equalization reserve	91014		
Special reserves	91007		
Voluntary reserves	91008		10,710.60
Interim dividends	91009	592,286.65	370,370.37
Surplus and others	91010		
Offsetting of prior years' losses	91011		
<b>TOTAL APPLICATION = TOTAL ALLOCATION BASIS</b>	<b>91012</b>	<b>658,096.28</b>	<b>423,423.30</b>

The distribution of profits complies with the requirements and limitations established in the Company's Articles of Association and in current legislation.

#### 3.2. Interim dividends

592,286.65 euros of interim dividends have been distributed during the current year.

The resolutions to distribute interim dividends were adopted in October, November and December. As of the aforementioned dates, the company's liquidity was sufficient as shown in the interim statement for the month immediately preceding the date of the adopted resolution.

Month agreement	Balance month	Cash and cash equivalents
October	at 30/09/21	211,935.39
November	at 31/10/21	110,481.92
December	at 30/11/21	60,426.52

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#### 3.3. Limitations on dividend distributions

In 2021, there were no limitations on the distribution of dividends.

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#### 4. RECORDING AND MEASUREMENT RULES

The main measurement, recording and accounting principles that have been or will be applied, as the case may be, in the preparation and formulation of the annual accounts for 2021 and future years are as follows:

##### 4.1. Property, plant and equipment

Assets included in property, plant and equipment acquired from a third party are measured at their acquisition price, which includes the purchase invoice, transportation, insurance, customs, if any, non-recoverable indirect taxes, installation and start-up costs. Work performed by the company for its own property, plant and equipment is measured at production cost.

Only financial expenses accrued prior to start-up will be capitalized for those fixed assets that have been in use for more than one year.

Provisions for dismantling, retirement or rehabilitation of property, plant and equipment are recorded as an increase in the value of fixed assets.

Any acquisitions made free of charge and those resulting from non-cash capital contributions are measured at market value.

Repairs that do not lead to an extension of the useful life of the asset will be taken directly to the profit and loss statement. Improvements and extensions that result in a longer life of the asset will be capitalized as an increase in the value of the asset, following the same criterion as for acquisitions.

Depreciation of these assets will begin when they are ready for their intended use. The annual depreciation charge will be established systematically using the straight-line method, based on their useful life and on the acquisition cost less their residual value.

The annual depreciation charge is recognized in the income statement and is basically equivalent to the depreciation rates determined on the basis of the years of estimated useful life.

In the case of land, it is considered to have an indefinite useful life and, therefore, is not subject to depreciation.



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The annual depreciation charge has been established systematically and rationally on the basis of their useful life and residual value and has been calculated using the straight-line method and based on the following coefficients:

Element	Depreciation method	Estimated useful life	% of annual
	used	in years	depreciation
Buildings	straight line	50	2%
Technical Plant	straight line	20	10%
Machinery	straight line	18	12%
Tooling	straight line	8	25%
Other facilities	straight line	14	15%
Furniture	straight line	10	20%
IT Equipment	straight line	25	8%
Vehicles	straight line	14	16%
Other property, plant and equipment	straight line	10	10%



Residual values and useful lives are reviewed and adjusted, if necessary, at each balance sheet date.

**- Impairment of property, plant and equipment:** each year, the company will evaluate the possible existence of impairment losses that would make it necessary to reduce the book value of its property, plant and equipment, if their recoverable value is lower than their carrying value. The recoverable amount is determined as the higher of net sales value and value in use. The value in use will be calculated based on estimated cash flows, discounted at a rate that reflects current market valuations of the value of money and the specific risks associated with the asset.

In the case of property, plant and equipment which are real estate assets, the Company uses the same criteria as those included in the note "Impairment of investment property".

If the recoverable amount of an asset is estimated to be less than its carrying amount, the latter is reduced to its recoverable amount by recognizing the related write-down through the profit and loss statement.

If an impairment loss subsequently reverses, the book value of the asset is increased up to the limit of the original carrying amount at which the asset was carried prior to the recognition of the impairment loss.

Items of property, plant and equipment are shown in the balance sheet at their book value.

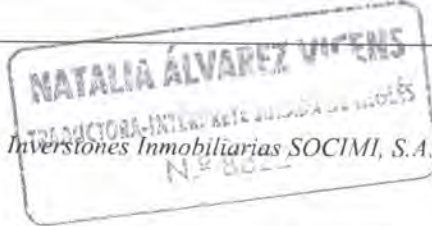
#### **4.2. Investment properties**

Since Apodaca de Inversiones Inmobiliarias SOCIMI S.A. is a company whose core activity is the leasing of housing, premises and offices, the properties assigned to this activity are recorded in subaccounts included in this fixed asset caption of the Chart of Accounts, as detailed below.

In the case of land, it is considered to have an indefinite useful life and, therefore, is not subject to depreciation.

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The annual depreciation charge has been established systematically and rationally on the basis of their useful life and residual value and has been calculated using the straight-line method and based on the following coefficients:

Element	Depreciation method	Estimated useful life	% of annual
	used	in years	depreciation
Buildings	straight line	50	2%

#### **Impairment of real estate investments:**

Whenever there are signs of impairment, the company proceeds to estimate - using the so-called "impairment test" - the possible existence of impairment losses that reduce the recoverable value of said assets at an amount less than their book value. The recoverable amount is the higher amount between the fair value less costs to sell and the value in use.

The Company has commissioned Valtecsa, an independent expert, to carry out a valuation of its assets to determine the fair values of all its investment property at year-end. These valuations were based on the market rental value (which consists of capitalizing the net rents of each property and discounting future cash flows). In calculating the fair value, discount rates acceptable to a potential investor and in line with those applied by the market for properties of similar characteristics and locations have been used. The valuations have been carried out in accordance with the Valuation and Appraisal Standards published by the Royal Institute of Chartered Surveyors (RICS).

The key assumptions used to determine the fair value of these assets and their sensitivity analysis are explained in Note 5. In this regard, in determining fair value, the Company has relied on level 2 estimates, since they are based on appraisal methodologies in which all significant variables are based on directly or indirectly observable market data.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased by the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior periods. The reversion of a loss through impairment is recognised as revenue.

#### **4.3. Leases**

**Finance leases and other transactions of a similar nature:** leases will be classified as finance leases whenever the terms of the lease substantially transfer the risks and rewards of ownership to the lessee. The others will be classified as operational. When the company acts as lessee, it will record the asset in accordance with its nature (tangible or intangible) and a financial liability for the same amount, without including the applicable taxes.

The total finance charge will be distributed over the term of the contract and will be charged to the profit and loss statement for the year in which they accrue, by applying the effective interest rate, based on the amortization of the debt.

These assets will be amortized and written down in accordance with the policies adopted for property, plant and equipment and similar intangible assets for own use.

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For **operating leases**, lease payments made during the year will be recorded as expenses for the year and will be charged to profit and loss.

#### 4.4. Financial instruments

##### Classification

The financial assets of the Company are classified into the following categories:

##### a) Financial assets at amortised cost:

- i. Loans and receivables: financial assets arising from the sale of goods or the provision of services for trade operations of the company, or those which, not having a commercial origin, are not equity instruments or derivatives, and whose collection is of fixed or determinable amount and not traded in an active market.
- ii. The guarantees and deposits constituted by the Company in compliance with the contractual clauses of the various lease agreements.

**b) Financial assets at fair value through profit and loss:** these are assets acquired with a view to disposing of them in the short-term or those which form part of a portfolio with regard to which there is evidence of recent actions with said objective.

##### Initial measurement

Financial assets are initially recognised at fair value of the consideration paid plus transaction costs that are directly attributable to them.

##### Subsequent measurement

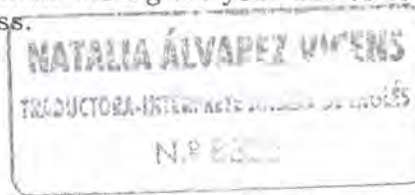
Financial assets at amortized cost are measured at amortized cost. However, trade receivables and payables maturing within one year and which do not have a contractual interest rate, as well as, if applicable, advances and loans to personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, and disbursements required by third parties on stakes, the amount of which is expected to be paid in the short term, are measured at their nominal value when the effect of not discounting the cash flows is not significant.

Financial assets at fair value through profit or loss are measured at fair value and the result of changes in fair value is recorded in the profit and loss statement.

At least at year-end the Company performs an impairment test for financial assets that are not recorded at fair value. It is considered that there is objective evidence of impairment if the recoverable value of the financial asset is less than its book value. When it occurs, this impairment is recorded in the profit and loss statement.

In general, the fair value considered by the company refers to a reliable market value

The Company uses as a reference the observable prices of recent transactions in the same asset being measured or using prices based on observable market data or indexes that are available and applicable.



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Accordingly, the following fair value hierarchy is established based on the following levels of estimation:

- a) Level 1: estimates using unadjusted quoted prices in active markets for identical assets or liabilities that are available to the Company at the measurement date.
- b) Level 2: estimates using listed prices in active markets for similar instruments or other measuring methodologies in which all significant inputs are based on directly or indirectly observable market data.
- c) Level 3: estimates in which some significant variable is not based on observable market data.

Specifically, and with respect to the measurement adjustments relating to trade and other receivables, the criterion used by the Company to calculate the corresponding measurement adjustments, if any, consists of the annual provisioning of balances of a certain age or in which there are circumstances that reasonably allow their classification as doubtful for collection.

The Company derecognises financial assets when the rights over the cash flows of the financial asset have expired or have been assigned, and the risks and rewards inherent to ownership have been largely transferred.

On the other hand, the Company does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

### Financial liabilities

#### Classification

The financial liabilities of the Company are classified into the following categories:

- Financial liabilities at amortized cost are those debits and payables of the Company that have arisen from the purchase of goods and services in the ordinary course of the Company's business, as well as those which, although not having a commercial purpose, cannot be considered as derivative financial instruments.

Financial liabilities at amortized cost are initially measured at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, the liabilities are measured in accordance with their amortized cost.

The Company writes off financial liabilities when the obligations they have generated no longer exist.



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#### **4.5. Corporate tax**

##### **Special Regime for Listed Real Estate Investment Trusts (REITs)**

Given that in February 2021 the company filed its application for the special REITs tax regime for corporate income tax purposes and given that the company has, in application of the first transitional provision of Law 11/2009, a period of two years from that application to comply with the appropriate regulatory requirements, the company is in a position to calculate the income tax for this year under the special criteria applied to the REITs regime.

For this reason, a result will be calculated for the year relating to the specific activity of leasing real estate under the criteria laid down in the REITs Regime and, on the other hand, a taxable base will be calculated for the rest of the activities or income obtained not from the leasing of real estate.

Thus, the Company has proceeded to apply a 0% tax on the dividends distributed to the Shareholders, since they comply with the above condition.

Notwithstanding the foregoing, Law 11/2021, of 9 July and Order HFP/1430/2021, of 20 December, approves a special tax on undistributed profits of listed real estate investment trusts in the corporate income tax self-assessment form, which must be filed by entities that opt for the application of the REITs tax regime provided for in Law 11/2009 of 26 October, with the profit to be declared being undistributed profits for the year that come from income that has not been taxed at the general corporate income tax rate, excluding income subject to the reinvestment period of Article 6.1.b) of Law 11/2009. This tax is considered a corporate income tax liability and is 15% applicable to years beginning on or after 1 January 2021. This tax is considered as a corporate income tax liability for the year.

#### **4.6. Income**

Income and expenses are attributed in accordance with the accrual criterion, i.e. when the real flow of goods and services they represent takes place, independent of the moment when the resulting monetary or financial flow takes place. This income is measured at the fair value of the consideration received, having deducted discounts and taxes.

The recognition of income from sales takes place when the significant risks and rewards of ownership of the sold asset have been transferred to the buyer, not maintaining the current management of this asset, nor retaining effective control over it.

Interest received from financial assets is recognized using the effective interest rate method. In any case, interest on financial assets accrued after the time of acquisition is recognized as income in the profit and loss statement.

Property rental income is recorded on an accrual basis, and the difference, if any, between the invoicing made and the income recognized in accordance with this criterion is recorded under the "Accrual adjustments" caption.



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#### **4.7. Provisions and contingencies**

The Company's annual accounts will include all significant provisions for which the probability that an obligation will arise is high, and therefore, in the accounts that include provisions, those debts whose amount or time of payment is uncertain will be recorded, differentiating those maturing in the long term from those whose maturity is expected to occur in a period of less than twelve months.

Provisions are recognized only on the basis of present or past events that generate future obligations. They are quantified based on the best information available on the consequences of the event giving rise to them and are estimated at each accounting close. They are used to meet the specific obligations for which they were initially recognized. These provisions are fully or partially reversed when the obligations cease to exist or decrease.

The company follows the practice of provisioning the estimated amounts for liabilities arising from litigation in progress, indemnities or obligations as well as guarantees and sureties granted that may involve a payment obligation (legal or implicit) for the entity, against the results of the year according to a reasonable estimate of their amount.

#### **4.8. Personnel expenses**

Personnel expenses include all mandatory or voluntary social security obligations and credit items arising from time to time, recognizing obligations for extraordinary payments, holidays or variable credit items and their associated expenses.

Except for cases of justified dismissal, the companies are obliged to compensate employees when they are dismissed.

As there is no anticipated need for abnormal termination of employment, and given that employees who retire or voluntarily leave their job do not receive indemnification, the indemnification payments, where applicable, are charged to expenses at the time when the decision to dismiss an employee is taken.

#### **4.9. Related-party transactions**

During the year there have been no transactions with partners or other related parties arising from the Company's own activities.

### **5.- PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY**

#### **5.1. Detail of movements**

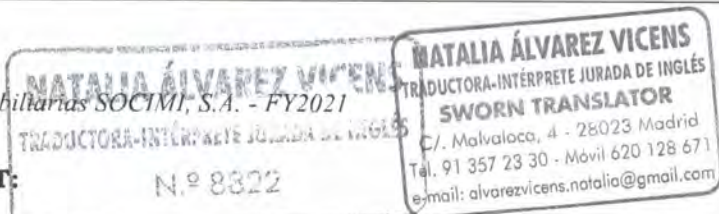
In this section we will proceed to the analysis of the movement corresponding to the current and previous years (except for the first year) with respect to the items of property, plant and equipment and investment property and their respective depreciation, accumulated depreciation and accumulated impairment losses:



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**PROPERTY, PLANT AND EQUIPMENT:**

	31/12/2020	Additions	Disposals	31/12/2021
<b>Cost:</b>				
Land and buildings	1,984,965.08	-	-	1,984,965.08
Technical installations and machinery	-	-	-	-
Other facilities, tools and furniture	-	183,972.13	-	183,972.13
IT equipment	-	1,768.61	-	1,768.61
Construction in progress	-	7,036.18	-	7,036.18
Other property, plant and equipment	-	-	-	-
	<b>1,984,965.08</b>	<b>192,776.92</b>	-	<b>2,177,742.00</b>
<b>Cumulative Depreciation:</b>				
Land and buildings				
Technical installations and machinery	(13,296.50)	(15,955.80)	-	(29,252.30)
Other facilities, tools and furniture	-	(24,453.38)	-	(24,453.38)
IT equipment	-	(135.31)	-	(135.31)
Vehicles	-	-	-	-
Other property, plant and equipment	-	-	-	-
	<b>(13,296.50)</b>	<b>(40,544.49)</b>	-	<b>(53,840.99)</b>
<b>Property, Plant and Equipment, Net</b>	<b>1,971,668.58</b>	<b>152,232.43</b>	-	<b>2,123,901.01</b>

121,659.19 euros of furniture acquired during 2021 from the related company Aljibesllanos, S.L. is included in "Other installations, tools and furniture".

	31/12/2019	Additions	Disposals	31/12/2020
<b>Cost:</b>				
Land and buildings	1,984,965.08	-	-	1,984,965.08
Technical installations and machinery	-	-	-	-
Other facilities, tools and furniture	-	-	-	-
IT equipment	-	-	-	-
Construction in progress	-	-	-	-
Other property, plant and equipment	-	-	-	-
	<b>1,984,965.08</b>	-	-	<b>1,984,965.08</b>
<b>Cumulative Depreciation:</b>				
Land and buildings				
Technical installations and machinery	-	(13,296.50)	-	(13,296.50)
Other facilities, tools and furniture	-	-	-	-
IT equipment	-	-	-	-
Vehicles	-	-	-	-
Other property, plant and equipment	-	-	-	-
	-	<b>(13,296.50)</b>	-	<b>(13,296.50)</b>

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**INVESTMENT PROPERTIES:**

	31/12/2020	Additions	Disposals	31/12/2021
<b>Cost:</b>				
Land and buildings	34,083,944.62	215,475.43	-	34,299,420.05
	<b>34,083,944.62</b>	<b>215,475.43</b>	<b>-</b>	<b>34,299,420.05</b>
<b>Cumulative Depreciation:</b>				
Land and buildings	(168,815.20)	(220,707.30)	-	(389,522.50)
	<b>(168,815.20)</b>	<b>(220,707.30)</b>	<b>-</b>	<b>(389,522.50)</b>
<b>Investment Properties, Net</b>	<b>33,915,129.42</b>	<b>(5,231.87)</b>	<b>-</b>	<b>33,909,897.55</b>

The "Additions" correspond to improvements and investments in some of the properties owned by the Company.

	31/12/2019	Additions	Disposals	31/12/2020
<b>Cost:</b>				
Land and buildings	34,083,944.62	-	-	34,083,944.62
	<b>34,083,944.62</b>	<b>-</b>	<b>-</b>	<b>34,083,944.62</b>
<b>Cumulative Depreciation:</b>				
Land and buildings	-	(168,815.20)	-	(168,815.20)
	<b>-</b>	<b>(168,815.20)</b>	<b>-</b>	<b>(168,815.20)</b>
<b>Property, Plant and Equipment, Net</b>	<b>34,083,944.62</b>	<b>(168,815.20)</b>	<b>-</b>	<b>33,915,129.42</b>

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## 5.2. Other information

The detail of assets as of 31 December 2021 and 31 December 2020 recorded in property, plant and equipment is as follows:

2021			
Name	Land	Spread	Net carrying value 31/12/2021
Emilio Castelar 19	629,275.00	167,439.32	796,714.32
Ponzano 76	315,293.28	154,057.74	469,351.02
Ramón y Cajal	242,607.95	447,039.49	689,647.44
<b>Total net carrying value</b>	<b>1,187,176.23</b>	<b>768,536.55</b>	<b>1,955,712.78</b>

2020			
Name	Land	Spread	Net carrying value 31/12/2020
Emilio Castelar 19	629,275.00	170,915.60	800,190.60
Ponzano 76	315,293.28	157,256.22	472,549.50
Ramón y Cajal	242,607.95	456,320.53	698,928.48
<b>Total net carrying value</b>	<b>1,187,176.23</b>	<b>784,492.35</b>	<b>1,971,668.58</b>

The detail of the assets as of 31 December 2021 and 31 December 2020 recorded in investment property is as follows:

2021			
Name	Land	Spread	Net carrying value 31/12/2021
Apodaca 5	4,673,907.26	1,958,322.55	6,632,229.81
José Ortega y Gasset 67	6,325,510.04	3,210,958.25	9,536,468.29
Ponzano 76	3,946,103.83	1,641,179.48	5,587,283.31
Castellana 103	5,409,203.52	1,955,917.80	7,365,121.32
Félix Boix 9	986,485.76	592,163.40	1,578,649.16
Alonso Heredia 18	2,138,983.48	1,071,162.18	3,210,145.66
<b>Total net carrying value</b>	<b>23,480,193.89</b>	<b>10,429,703.66</b>	<b>33,909,897.55</b>

2020			
Name	Land	Spread	Net carrying value 31/12/2020
Apodaca 5	4,673,907.26	1,998,980.23	6,672,887.49
José Ortega y Gasset 67	6,325,510.04	3,066,319.96	9,391,830.00
Ponzano 76	3,946,103.83	1,675,252.28	5,621,356.11
Castellana 103	5,409,203.52	1,996,524.96	7,405,728.48
Félix Boix 9	986,485.76	604,457.40	1,590,943.16
Alonso Heredia 18	2,138,983.48	1,093,400.70	3,232,384.18
<b>Total net carrying value</b>	<b>23,480,193.89</b>	<b>10,434,935.53</b>	<b>33,915,129.42</b>

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All the properties listed are located in Madrid, except for the properties located in Emilio Castelar and Ramón y Cajal, which are in Alcázar de San Juan (Ciudad Real). These two aforementioned properties, together with the Company's offices located on the 2nd floor A of Ponzano 76, are the only properties not used for the Company's own activity; therefore, they are recorded in subaccounts of Property, plant and equipment. The remainder, since they are assigned to the activity, have been recorded in the corresponding subaccounts of Real Estate Investments.

In addition, and as required by the standard, the Company has proceeded to measure all of its properties at year-end 2021. These measurements were performed by the independent expert Valtecsa. This recoverable value study did not reveal any impairment at 31 December 2021.

### Fair value measurement and sensitivity

The methodology used by the independent appraiser in the appraisals to determine the fair value of the investment property has followed the RICS principles, which basically uses discounted cash flow as a measurement method, which consists of capitalizing the net rents of each property and discounting future flows, applying market discount rates, over a time horizon and a residual value calculated by capitalizing the estimated rent at the end of the projected period at an estimated yield. The properties were appraised individually, considering each of the leases in force at the end of the year and their duration. For buildings with unleased surfaces, these have been valued based on estimated future rents, discounting a marketing period. The appraisal criteria applied were identical to those used in previous years.

The key variables of this method are the determination of net income, the duration of the leases, the period of time over which the leases are discounted, the approximation of the value at the end of each period and the target internal rate of return used to discount the cash flows.

The independent expert applies appraisal methods to investment property:

Appraisal method	% according to GAV
Cash flow discounting	98%
Dynamic residual method	2%
<b>Total</b>	<b>100%</b>

The key variables used in the appraisals performed using the discounted cash flow method are as follows:

- Current rent: the rents generated by each property as of the appraisal date and considering non-chargeable expenses only for vacant spaces.
- Estimated rent for vacant space and/or new leases during the cash-flow years.
- Exit Yield: rate of return required at the end of the appraisal period for the sale of the asset. At the end of the discount period it is necessary to determine an exit value of the property. At that point it is not possible to reapply a discounted cash flow methodology and it is necessary to calculate the sale value according to an exit yield based on the rent that the property is generating at the time of sale, provided that the cash flow projection understands a stabilized rent that we can capitalize in perpetuity.

**NATALIA ÁLVAREZ VICENS**  
 TRADUCTORA-INTERPRETE JURADA DE INGLÉS  
 N.º 8622

**FY 2021**

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Likewise, according to the appraisals carried out, the fair value of the real estate investments shows an unrecorded unrealized gain (by comparison between the gross restated fair market value and the net book value) of 13,128,389.67 euros.

On the other hand, some of the Company's rental assets are subject to mortgage guarantees at 31 December 2021 for a net carrying value of 12,153,916.14 euros, corresponding to bank mortgage loans.

The detail of the balance of mortgage loans pending maturity and amortization as of 31 December 2021 and 2020 by asset is as follows:

Property	Euros	
	2021	2020
Castellana 103	1,566,718.21	1,762,789.32
Felix Boix, 9	553,570.17	595,627.76
Alosno Heredia, 18	734,541.03	795,873.51
<b>Total amount of outstanding mortgages due on assets</b>	<b>2,854,829.41</b>	<b>3,154,290.59</b>

In 2021, income from rent from investment property owned by the Company amounts to 1,636,312.78 euros (1,202,481.22 euros in 2020).

At year-end 2021 and 2020, the Company has contracted with the lessees the following minimum lease payments, in accordance with the current contracts in force, without taking into account neither the impact of common expenses, nor future CPI increases, nor future updates of contractually agreed rents.

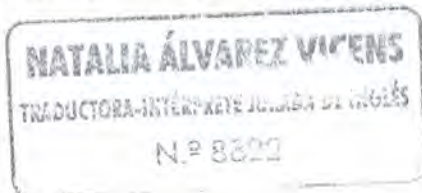
The most significant operating lease contracts are derived from leases of real estate assets used in the development of its activity, the detail of the minimum lease payments being as follows:

	Thousands of Euros	
	2021	2020
Less than one year	1,308	1,450
Between one and five years	2,895	2,905
Over five years	775	1,411
<b>Total</b>	<b>4,977</b>	<b>5,766</b>

At year-end 2021, there were no restrictions on the realization of new real estate investments or on the collection of income derived therefrom, or on the proceeds from a possible disposal.

At year-end 2021, the Company has no property, plant and equipment or investment property that is fully depreciated.

The Company's policy is to take out insurance policies to cover the possible risks to which investment property is subject. At year-end 2021, there was no hedging deficit related to these risks.



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As mentioned above, the company arose from a process of spin-off of two companies, and the spin-off was subject to the *Special Regime for Mergers, Spin-offs, Contributions of Assets, Exchange of Securities and Change of Registered Office established in Chapter VIII of Title VII of the Consolidated Text of Corporate Income Tax (Royal Legislative Decree 4/2004)*. For this reason, in application of the aforementioned regulations, the properties transferred from the spun-off companies were contributed at their actual value, not at the carrying value.

For the appropriate purposes, the approved appraisal company AESVAL, LÓGICA DE VALORACIONES, S.A., prepared the corresponding appraisal report for all the properties to be contributed to APODACA, as follows:

PROPERTY		APPRAISAL VALUATION		
PONZANO 76	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
PISO 1ªA	0975214VK4707F0001UI	305,171.86	150,188.28	455,360.14
PISO 1ªB	0975214VK4707F0001UI	271,785.72	141,950.32	413,736.04
PISO 1ªC	0975214VK4707F0001UI	386,106.84	184,200.43	570,307.27
PISO 2ªA	0975214VK4707F0001UI	315,293.28	159,921.62	475,214.90
PISO 2ªB	0975214VK4707F0001UI	331,130.76	132,606.62	463,737.38
PISO 2ªC	0975214VK4707F0001UI	319,298.16	161,952.96	481,251.12
PISO 3ªA	0975214VK4707F0001UI	315,293.29	159,921.62	475,214.91
PISO 3ªB	0975214VK4707F0001UI	331,130.76	50,918.58	382,049.34
PISO 3ªC	0975214VK4707F0001UI	319,298.16	116,119.50	435,417.66
PISO 4ªA	0975214VK4707F0001UI	315,293.28	164,673.77	479,967.05
PISO 4ªB	0975214VK4707F0001UI	331,130.76	172,945.49	504,076.25
PISO 4ªC	0975214VK4707F0001UI	189,732.09	71,010.65	260,742.74
LOCAL 1	0975214VK4707F0001UI	217,979.28	71,982.46	289,961.74
LOCAL 2	0975214VK4707F0001UI	97,932.72	39,196.40	137,129.12
LOCAL 3	0975214VK4707F0001UI	107,410.08	42,989.60	150,399.68
LOCAL 4	0975214VK4707F0001UI	107,410.08	42,989.60	150,399.68
		<b>4,261,397.12</b>	<b>1,863,567.90</b>	<b>6,124,965.02</b>

PROPERTY		APPRAISAL VALUATION		
CASTELLANA 103	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
00 IZ	1485413VK4718E0001WB	1,495,174.52	417,122.72	1,912,297.24
00 CT	1485413VK4718E0002EZ	366,740.92	149,218.52	515,959.44
00 DR	1485413VK4718E0003RX	2,023,120.24	512,658.06	2,535,778.30
01 IZ	1485413VK4718E0004TM	762,083.92	475,682.48	1,237,766.40
01 DR	1485413VK4718E0005YQ	762,083.92	475,682.48	1,237,766.40
		<b>5,409,203.52</b>	<b>2,030,364.26</b>	<b>7,439,567.78</b>



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**NATALIA ÁLVAREZ VICENS**

TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

Annual Accounts of **APODACA Inversiones Inmobiliarias SOCIMI, S.A. - FY2021**

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**NATALIA ÁLVAREZ VICENS**

TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

N.º 8302

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PROPERTY		APPRAISAL VALUATION		
APODACA 5	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
1º A	0657011VK4705F0005OQ	282,495.28	133,228.89	415,724.17
1º B	0657011VK4705F0006PW	326,005.61	153,748.99	479,754.60
1º C	0657011VK4705F0007AE	315,213.23	148,659.15	463,872.38
2º A	0657011VK4705F0008SR	282,495.28	133,228.89	415,724.17
2º B	0657011VK4705F0009DT	326,005.61	153,748.99	479,754.60
2º C	0657011VK4705F0010AE	315,213.23	148,659.15	463,872.38
3º A	0657011VK4705F0011SR	282,495.28	133,228.89	415,724.17
3º B	0657011VK4705F0012DT	326,005.61	153,748.99	479,754.60
3º C	0657011VK4705F0013FY	315,213.23	148,659.15	463,872.38
4º A	0657011VK4705F0014GU	282,495.28	133,228.89	415,724.17
4º B	0657011VK4705F0015HI	326,005.61	153,748.99	479,754.60
4º C	0657011VK4705F0016JO	315,213.23	148,659.15	463,872.38
TRAST 01	0657011VK4705F0005OQ	0.00	1,402.05	1,402.05
TRAST 02	0657011VK4705F0006PW	0.00	1,388.40	1,388.40
TRAST 03	0657011VK4705F0007AE	0.00	1,429.33	1,429.33
TRAST 04	0657011VK4705F0008SR	0.00	1,388.40	1,388.40
TRAST 05	0657011VK4705F0009DT	0.00	1,429.33	1,429.33
TRAST 06	0657011VK4705F0010AE	0.00	1,402.05	1,402.05
TRAST 07	0657011VK4705F0011SR	0.00	1,483.91	1,483.91
TRAST 08	0657011VK4705F0012DT	0.00	1,483.91	1,483.91
TRAST 09	0657011VK4705F0013FY	0.00	1,483.91	1,483.91
TRAST 10	0657011VK4705F0014GU	0.00	1,483.91	1,483.91
TRAST 11	0657011VK4705F0015HI	0.00	1,483.91	1,483.91
TRAST 12	0657011VK4705F0016JO	0.00	1,552.15	1,552.15
00 01	0657011VK4705F0002YZ	339,831.40	130,131.45	469,962.85
00 02	0657011VK4705F0003UX	337,847.37	44,011.50	381,858.87
00 03	0657011VK4705F0004IM	283,960.75	116,170.56	400,131.31
		<b>4,656,496.00</b>	<b>2,050,272.89</b>	<b>6,706,768.89</b>

PROPERTY		APPRAISAL VALUATION		
ORTEGA Y GASSET 67	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
LOCAL IZQ	2959216VK4725H0001QM	898,526.52	248,178.82	1,146,705.34
LOCAL CENTRO	2959216VK4725H0001QM	88,743.36	55,971.17	144,714.53
LOCAL DCHA	2959216VK4725H0001QM	499,181.40	208,661.40	707,842.80
1º IZ	2959216VK4725H0001QM			
1º DCH	2959216VK4725H0001QM	389,770.02	319,022.64	708,792.66
1º CENTRO	2959216VK4725H0001QM			
2º IZ	2959216VK4725H0001QM	697,516.60	227,926.01	925,442.61
2º DCH	2959216VK4725H0001QM	601,372.42	226,686.22	828,058.64
3º IZ	2959216VK4725H0001QM	709,204.72	207,182.59	916,387.31
3º DCH	2959216VK4725H0001QM	601,372.42	28,697.91	630,070.33
PISO 4ºA	2959216VK4725H0001QM	533,732.16	229,151.67	762,883.83
PISO 4ºB	2959216VK4725H0001QM	226,485.53	145,797.58	372,283.11
PISO 4ºC	2959216VK4725H0001QM	374,472.16	214,299.98	588,772.14
PISO 5ºA	2959216VK4725H0001QM	396,604.17	255,309.59	651,913.76
PISO 5ºB	2959216VK4725H0001QM	308,528.56	220,661.47	529,190.03
TERRAZA 5ºA	2959216VK4725H0001QM		17,528.39	17,528.39
TERRAZA 5ºB	2959216VK4725H0001QM		25,434.14	25,434.14
TERRAZA 4ºB	2959216VK4725H0001QM		4,891.18	4,891.18
		<b>6,325,510.04</b>	<b>2,635,400.76</b>	<b>8,960,910.80</b>

PROPERTY		APPRAISAL VALUATION		
FÉLIX BOIX 9	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
01 01	1896902VK4719F0014FP	986,485.76	614,702.40	1,601,188.16

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PROPERTY		APPRAISAL VALUATION		
EMILIO CASTELAR 17	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
	2004308VJ8620S0001HT	629,275.00	173,812.50	803,087.50

PROPERTY		APPRAISAL VALUATION		
RAMÓN Y CAJAL 5	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
	2004303VJ8620S0001JT	242,607.95	464,054.73	706,662.68

PROPERTY		APPRAISAL VALUATION		
ALONSO HEREDIA 18	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
-1 DR	3064411VK4736C0002FM	161,481.30	78,926.77	240,408.07
-1 IZ	3064411VK4736C0003GQ	262,802.90	120,124.94	382,927.84
01 DR	3064411VK4736C0006KR	208,975.80	121,999.02	330,974.82
01 IZ	3064411VK4736C0007LT	240,638.80	129,050.04	369,688.84
02 DR	3064411VK4736C0008BY	208,975.80	118,689.27	327,665.07
02 IZ	3064411VK4736C0009ZU	240,638.80	125,238.82	365,877.62
03 DR	3064411VK4736C0010LT	208,975.80	112,069.78	321,045.58
3º IZQ	3064411VK4736C0011BY	240,638.80	121,427.59	362,066.39
00 DR	3064411VK4736C0004HW	199,129.60	79,555.20	278,684.80
00 IZ	3064411VK4736C0005JE	121,966.88	62,383.12	184,350.00
4	3064411VK4736C0012ZU	44,759.00	42,468.25	87,227.25
		<b>2,138,983.48</b>	<b>1,111,932.80</b>	<b>3,250,916.28</b>

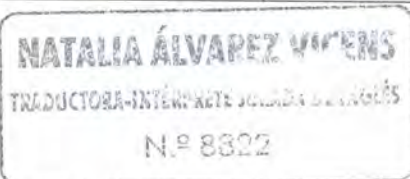
Consequently, the aforementioned properties are recorded in the company's fixed assets measured at the restated amounts indicated above, not at the net carrying value at which they were reflected in the companies now spun-off.

## 6. FINANCIAL ASSETS

The Company has no long-term financial assets as of 31 December 2021 and 2020.

The detail of short-term financial assets, except for investments in the equity of group, jointly-controlled and associate companies, is as follows

	Credits and others		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cash and cash equivalents (Note 8.1)	42,038.61	676,997.68	42,038.61	676,997.68
Financial assets at amortized cost (Note 8.3)	165,629.13	172,673.78	165,629.13	172,673.78
Financial assets at fair value through profit and loss	961.58	1,066.00	961.58	1,066.00
<b>Total</b>	<b>208,629.32</b>	<b>850,737.46</b>	<b>208,629.32</b>	<b>850,737.46</b>



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**6.1 Cash and cash equivalents**

The detail of these assets as of 31 December 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Cash and banks	42,038.61	676,997.68
Other equivalent liquid assets	-	-
<b>Total</b>	<b>42,038.61</b>	<b>676,997.68</b>

**6.2. Financial assets at amortized cost**

The composition of this caption as of 31 December 2021 and 2020 is as follows:

	Balance at 31/12/2021		Balance at 31/12/2020	
	Long term	Short term	Long term	Short term
<b>Trade receivables</b>				
Third party customers	-	123,835.61	-	138,215.80
Sundry receivables	-	2,270.19	-	2,270.19
<b>Total trade receivables</b>	-	<b>126,105.80</b>	-	<b>140,485.99</b>
<b>Non-trade receivables</b>				
Current account group companies		1,006.17	-	-
Partners and directors (Note 10.2.b)	-	38,517.16	-	32,187.79
<b>Total receivables from non-trade operations</b>	-	<b>39,523.33</b>	-	<b>33,253.79</b>
<b>Total</b>	-	<b>165,629.13</b>	-	<b>172,673.78</b>

As of 31 December 2021 and 2020, there are no impairment losses recorded on trade receivables.

**7. FINANCIAL LIABILITIES**

The detail of long-term financial liabilities is as follows:

	Bank borrowing		Derivatives and Others		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Financial liabilities at amortized cost (Note 7.2)</b>	<b>2,648,555.27</b>	<b>2,610,223.92</b>	<b>488,838.45</b>	<b>51,616.79</b>	<b>3,137,393.72</b>	<b>2,661,840.71</b>
<b>Total</b>	<b>2,648,555.27</b>	<b>2,610,223.92</b>	<b>488,838.45</b>	<b>51,616.79</b>	<b>3,137,393.72</b>	<b>2,661,840.71</b>

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The detail of short-term financial liabilities is as follows:

	Bank borrowing		Derivatives and Others		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Financial liabilities at amortised cost (Note 7.2)</b>	<b>206,288.38</b>	<b>544,066.64</b>	<b>(4,880.69)</b>	<b>463,130.39</b>	<b>201,407.69</b>	<b>1,007,197.03</b>
<b>Total</b>	<b>206,288.38</b>	<b>544,066.64</b>	<b>(4,880.69)</b>	<b>463,130.39</b>	<b>201,407.69</b>	<b>1,007,197.03</b>

### **7.1 Financial liabilities at amortized cost**

Details as of 31 December 2021 and 2020 are as follows, in euros:

	2021		2020	
	Long term	Short term	Long term	Short term
<b>From trade transactions:</b>				
Sundry payables	-	(1,989.07)	-	1,476.86
<b>Total balances from trade transactions</b>	<b>-</b>	<b>(1,989.07)</b>	<b>-</b>	<b>1,476.86</b>
<b>From non-trade transactions:</b>				
Bank borrowing	2,648,555.27	206,288.38	2,610,223.92	544,066.64
Bonds and deposits	96,762.00	-	51,616.79	0.00
Other debts	392,076.45	(3,922.48)		461,643.80
Personnel (salary advances)	-	1,030.86	-	9.73
<b>Total balances from non-trade transactions</b>	<b>3,137,393.72</b>	<b>203,396.76</b>	<b>2,661,840.71</b>	<b>1,005,720.17</b>
<b>Total financial liabilities at amortized cost</b>	<b>3,137,393.72</b>	<b>201,407.69</b>	<b>2,661,840.71</b>	<b>1,007,197.03</b>



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**7.2 Other information related to financial liabilities****a) Debt maturity information**

The breakdown of the maturities of the financial liability instruments at the end of 2021 is as follows:

	Maturity years					Total
	2022	2023	2024	2025	2026 or later	
Bank borrowing	206,288.38	197,536.71	202,255.80	207,087.93	2,041,674.83	2,854,843.65
Deposits	-	-	-	-	96,762.00	96,762.00
Payables to related companies					392,076.45	392,076.45
Other debts	(3,922.48)	-	-	-	-	(3,922.48)
Other payables	(958.21)	-	-	-	-	(958.21)
<b>Total</b>	<b>201,407.69</b>	<b>197,536.71</b>	<b>202,255.80</b>	<b>207,087.93</b>	<b>2,138,436.83</b>	<b>3,338,801.41</b>

Also, the classification of financial instruments at the end of the previous year was as follows:

	Maturity years					Total
	2021	2022	2023	2024	2025 or later	
Bank borrowing	544,066.64	547,627.89	550,031.75	552,490.25	960,074.04	3,154,290.56
Deposits	-	-	-	-	51,616.79	51,616.79
Other debts	461,643.80	-	-	-	-	461,643.80
Other payables	1,486.59	-	-	-	-	1,486.59
<b>Total</b>	<b>1,007,197.03</b>	<b>547,627.89</b>	<b>550,031.75</b>	<b>552,490.25</b>	<b>1,011,690.83</b>	<b>3,669,037.74</b>

At 31 December 2021, the Company's debt with banks amounts to 2,854,843.65 euros (3,154,290.56 euros at 31 December 2020).

The characteristics of the mortgage loans outstanding as of 31 December 2021, of which the Company is a debtor, are as follows:

	Bank	Euros			Maturity
		Start	Initial amount	Capital outstanding	
Castellana 103	Sabadell	2009	5,000,000.00	1,566,732.92	2024
Felix Boix, 9	Sabadell	2018	700,000.00	553,540.53	2033
Alosno Heredia, 18	Sabadell	2017	1,000,000.00	734,570.20	2032
<b>Total</b>			<b>6,700,000.00</b>	<b>2,854,843.65</b>	

In addition, the Company has a credit facility with a total amount granted of 750,000 euros, and no amount has been drawn down at the end of 2021.

The financial expenses arising from bank borrowing in 2021 amount to 70,125.76 euros and are recorded under "Financial expenses" in the accompanying profit and loss statement.

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The interest rates of the loans are established in market terms pegged to the Euribor with a fixed spread or a fixed rate for the entire loan.

The caption "Deposits and guarantees" includes guarantees received from customers in connection with the leases indicated in Note 5.

**The amount of "Other payables" corresponds** to a debt of 392,076.45 euros that the Company has with the related company Ajilbesllanos, S.L., and has its origin in financial assets and credits that were initially assigned in the spin-off project to the company ALJIBESLLANOS, S.L., coming from the dissolved company CASA RAJA, S.L., and which were finally assumed by APODACA INVERSIONES INMOBLIARIAS SOCIMI, S.A., before the registration of the dissolution, and therefore a debt for said amount was generated between said companies. This debt matures in 2026.



## 8. SHAREHOLDER EQUITY

The detail and movements of shareholder equity are shown in the Statement of Changes in Equity for 2021.

### 8.1. Share Capital

The share capital of the Company at the close of 2021 amounts to 32,712,120.00 euros. It consists of a total of 545,202 registered shares with a nominal value of 60 euros each, fully subscribed and paid up.

All of the shares are represented by the book-entry system and are not listed on the stock exchange or on any secondary securities market at the date of preparation of these annual accounts.

To date, there are no different classes of shares or equity units, nor restrictions in any of the existing ones, with respect to voting rights.

### 8.2. Reserves

The detail of the reserves is as follows:

	2021	2020
Legal reserve	42,342.33	-
Voluntary reserves	(61,703.72)	10,037.75
<b>Total</b>	<b>(19,361.39)</b>	<b>10,037.75</b>



In accordance with the consolidated text of the Corporate Enterprises Act, an amount equal to 10% of income for the year must be transferred to the legal reserve until the reserve reaches at least 20% of the share capital. The legal reserve may be used to increase the capital by the amount of the balance which exceeds 10% of the capital already increased.

Likewise, in accordance with Law 11/2009 regulating listed real estate investment trusts (REITs), the legal reserve of companies that have opted for the application of the special/tax regime established in this Law may not exceed 20% of the share capital. The articles of

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association of these companies may not establish any unavailable reserves other than the foregoing.

Except as mentioned above, and provided that it does not exceed 20% of the share capital, it may only be used to offset losses, provided that there are no other reserves available for this purpose.

As of 31 December 2021, the legal reserve is not fully funded.

### **8.3. Dividends**

REITs are regulated by the special tax regime established in Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December 2012, which regulates listed real estate investment trusts. They will be obliged to distribute in the form of dividends to their Shareholders, once the corresponding mercantile obligations have been fulfilled, the profit obtained during the financial year, and the distribution must be agreed upon within six months after the end of each year, as follows:

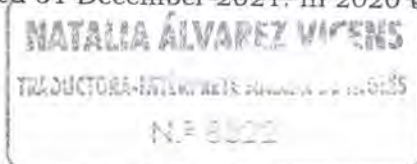
- a) 100% of the profits from dividends or shares in profits distributed by the entities referred to in Article 2(1) of this Law.
- b) At least 50 percent of the profits from the transfer of real estate and shares or stakes referred to in Article 2(1) of this Law, carried out after the periods referred to in Article 3(3) of this Law have elapsed, assigned to the fulfilment of its main corporate purpose. The remainder of these profits must be reinvested in other properties or stakes assigned to the fulfilment of said purpose, within three years from the date of transfer. Otherwise, such profits must be distributed in full together with the profits, if any, arising from the year in which the reinvestment period ends. If the reinvested items are transferred before the holding period, those profits must be distributed in full together with the profits, if any, arising from the year in which they were transferred. The obligation to distribute does not extend, if applicable, to the portion of these profits attributable to years in which the Company was not taxed under the special tax regime established in said Law.
- c) At least 80 percent of the remainder of the profits obtained.

When the distribution of dividends is charged to reserves from profits of a year in which the special tax regime has been applied, the distribution must be adopted with the resolution referred to in the preceding section.

The legal reserve of companies that have opted for the application of the special tax regime established in this Law may not exceed 20 percent of the share capital. The articles of association of these companies may not establish any unavailable reserves other than the foregoing.

As indicated in Note 2, in accordance with Law 11/2021, of 9 July and Order HFP/1430/2021, of 20 December, the Company is subject to a special tax on undistributed profits of listed real estate investment trusts under the self-assessment corporate income tax for tax years beginning on or after 1 January 2021. The current tax rate is 15% and will have the nature of a corporate income tax liability.

In 2021, dividends of 592,286.65 euros have been distributed against the profits of the year ended 31 December 2021. In 2020 the amount was 370,370.37 euros. (See Note 3).



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## 9. TAX SITUATION

### 9.1. Corporate tax

#### Calculation and recording of corporate tax

As mentioned in note 1, the Company applies the special REITs regime for the calculation of corporate income tax. As a first step, it is essential to check whether the regulatory requirements are met with respect to the activity that such regime imposes. This is:

- REITs must have at least 80% of the value of their assets invested in: (i) real estate for lease, (ii) land to be used for the development of real estate for lease, (iii) shares in other REITs.
- At least 80% of the income for the tax period corresponding to each year, excluding income derived from the transfer of shares and urban real estate, both of which are used for the fulfilment of the corporate purpose, must come from:

(i) from the lease of real estate used for the fulfilment of its main corporate purpose, (ii) of dividends or profit shares from holdings in other REITs.

For the purposes of verifying these conditions, the asset test is attached:

Property	NBV 31/12/2021
Alonso Heredia 18	3,210,145.66
Apodaca 5	6,632,229.81
Castellana 103	7,365,121.32
Félix Boix 9	1,578,649.16
José Ortega y Gasset 67	9,536,468.29
Ponzano 76	5,587,283.31
<b>Total</b>	<b>33,909,897.55</b>

The properties assigned to the leasing activity, which represent 93.43% of the non-current assets, are detailed.



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And the income test list:

Income	Amount at 31/12/2021	%
<b>Lease income</b>	<b>1,661,430.69</b>	<b>99.78%</b>
#705 Provision of services	1,632,752.68	
#778 Exceptional income	9,916.18	
#794 Impairment reversal	18,761.83	
<b>Not subject to activity</b>	<b>3,650.48</b>	<b>0.22%</b>
#705 Provision of services	3,560.10	
Other financial income	90.38	
<b>Total income</b>	<b>1,665,081.17</b>	<b>100%</b>

The income obtained by the company during the year that is considered not to be related to the REIT activity it carries out is detailed, and is assessed at only 0.22%, whereby the income obtained by APODACA related to leasing corresponds to 99.78% of the total.

Once it has been verified that the regulations have been complied with, the individualized results of the different activities are determined. On the one hand, from the leasing of real estate for which a result is calculated on the total corresponding income minus the specific expenses of the activity plus the company's administrative expenses; and on the other hand, a result including the income obtained other than from leasing minus the specific expenses linked to such income, if any, is found.

In application of the special regime for REITs, the income obtained from leasing real estate is taxed at 0%.

A series of financial income has been considered as not directly related to the management of rentals and therefore has been differentiated for the application of the special regime for REITs:

Financial income 90.38

On this income, the corresponding tax payable is calculated at 25%, which results in a corporate income tax liability of 22.60 euros.

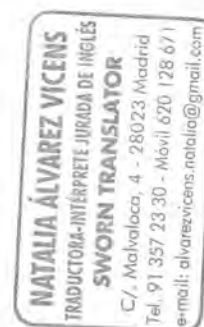
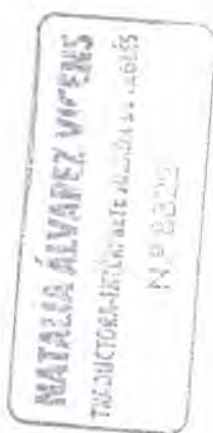


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## Table of Results:

<b>Accounting result</b>	<b>658,118.88</b>
<b>Total income</b>	<b>1,665,081.17</b>
For rentals (REIT)	1,636,312.78
Other income REIT	28,678.01
For other activities	90.38
<b>Total expenses</b>	<b>1,006,962.29</b>
For rent and administration	1,006,962.29
Expenses for other activities	0.00
<b>Result REIT</b>	<b>658,028.50</b>
Income	1,664,990.79
Expenses	1,006,962.29
<b>Results of other activities</b>	<b>90.38</b>
Income	90.38
Expenses	0.00
Tax Quota	22.60
<b>Net income</b>	<b>67.79</b>
<b>Total net income</b>	<b>658,096.29</b>

**9.2. Tax incentives applied during the year**

The Company has not applied any tax incentive, and therefore has not assumed any commitment for its application.

The company has pending verification by the tax authorities the main taxes applicable to it for 2020 and 2021.

**9.3. Information on timing differences**

The special regime for REITs is only compatible taxwise with the Special Regime for Mergers, Spin-offs and Contribution of Assets of Chapter VII of the Corporate Income Tax. Due to this, and given that the origin of the company dates back to the spin-off process of two previous companies, it is necessary to point out that in said spin-off process a discrepancy arose between the tax value and the carrying value of the assets from the spun-off companies.

This discrepancy has its origin, on the one hand, in the application of article 78 of the Corporate Tax Act (LIS), which obliges to maintain for tax purposes the same values that the assets transferred had in the companies of origin and, on the other hand, to Rules 19 and 20 of the General Chart of Accounts, which requires the assets to be measured for accounting purposes at their "actual value", for which purpose, as also mentioned above, the company obtained the corresponding appraisal of the contributed real estate carried out by an approved appraisal company.

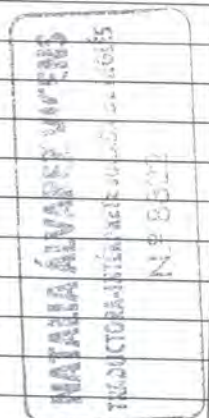
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The aforementioned temporary difference, which is not reflected in the corporate income tax given the special REITs regime applied but which must be mentioned in these annual accounts, amounted to 40,583.22 euros and the origin of this amount is the table below, which details the accounting depreciation and the tax depreciation allowed for each of the properties:

Property	Spread value before spin-off	Accumulated Dep. before Spin-Off	Value before spin-off pending Dep.	tax depreciation (before spin-off)	accounting dep.	Diff. between Accounting and Tax Depreciation
CASTELLANA 103 LOCAL BAJO IZ	1,112,533.59	452,539.83	659,993.76	22,250.67	8,342.45	-13,908.22
CASTELLANA 103 LOCAL BAJO CENTRO	300,174.16	122,100.38	178,073.78	6,003.48	2,984.37	-3,019.11
CASTELLANA 103 LOCAL BAJO DCHA.	1,475,261.52	600,084.89	875,176.63	29,505.23	10,253.16	-19,252.07
CASTELLANA 103 LOCAL 1º IZ	720,105.99	292,913.98	427,192.01	14,402.12	9,513.65	-4,888.47
CASTELLANA 103 LOCAL 1º DCHA	720,105.99	292,913.98	427,192.01	14,402.12	9,513.65	-4,888.47
	<b>4,328,181.25</b>	<b>1,760,553.06</b>	<b>2,567,628.19</b>			
FELIX BOIX 9 ESC 1 1º1	239,211.79	90,191.71	149,020.08	4,784.24	12,294.05	7,509.81
	<b>239,211.79</b>	<b>90,191.71</b>	<b>149,020.08</b>			
APODACA 5 LOCAL 1	94,273.98	28,643.53	65,630.44	1,885.48	2,602.63	717.15
APODACA 5 LOCAL 2 FLORIST	76,600.42	23,273.73	53,326.70	1,532.01	880.23	-651.78
APODACA 5 LOCAL 3 M.C.S.	80,265.85	24,387.40	55,878.45	1,605.32	2,323.41	718.09
APODACA 5 1ªA	83,393.76	25,337.77	58,056.00	1,667.88	2,664.58	996.70
APODACA 5 1ªB	96,238.19	29,240.33	66,997.86	1,924.76	3,074.98	1,150.22
APODACA 5 1ªC	93,052.23	28,272.33	64,779.91	1,861.04	2,973.18	1,112.14
APODACA 5 2ªA	83,393.76	25,337.77	58,056.00	1,667.88	2,664.58	996.70
APODACA 5 2ªB	96,238.19	29,240.33	66,997.86	1,924.76	3,074.98	1,150.22
APODACA 5 2ªC	93,052.23	28,272.33	64,779.91	1,861.04	2,973.18	1,112.14
APODACA 5 3ªA	83,393.76	25,337.77	58,056.00	1,667.88	2,664.58	996.70
APODACA 5 3ªB	96,238.19	29,240.33	66,997.86	1,924.76	3,074.98	1,150.22
APODACA 5 3ªC	93,052.23	28,272.33	64,779.91	1,861.04	2,973.18	1,112.14
APODACA 5 4ªA	83,393.76	25,337.77	58,056.00	1,667.88	2,664.58	996.70
APODACA 5 4ªB	96,238.19	29,240.33	66,997.86	1,924.76	3,074.98	1,150.22
APODACA 5 4ªC	93,052.23	28,272.33	64,779.91	1,861.04	2,973.18	1,112.14
TOTAL BOX ROOMS	<b>3,492.68</b>	<b>1,061.19</b>	<b>2,431.49</b>			
	<b>1,345,369.67</b>	<b>408,767.53</b>	<b>936,602.14</b>			
EMILIO CASTELAR 17	144,756.05	144,756.05	0.00	0.00	3,476.25	3,476.25
	<b>144,756.05</b>	<b>144,756.05</b>	<b>0.00</b>			
RAMON Y CAJAL 5	97,020.35	28,944.44	68,075.91	1,940.41	9,281.09	7,340.69
	<b>97,020.35</b>	<b>28,944.44</b>	<b>68,075.91</b>			
ALONSO HEREDIA 18 SOT DR (ALUNI)	41,109.37	2,265.60	38,843.77	822.19	1,578.54	756.35
ALONSO HEREDIA 18 SOT IZ (LACALLE)	65,480.00	3,608.70	61,871.30	1,309.60	2,402.50	1,092.90
ALONSO HEREDIA 18 BAJO DR	47,654.62	5,529.51	42,125.12	953.09	1,591.10	638.01
ALONSO HEREDIA 18 BAJO IZ	76,906.05	3,703.91	73,202.14	1,538.12	1,247.66	-290.46
ALONSO HEREDIA 18 1º DR	56,596.13	3,119.10	53,477.03	1,131.92	2,439.98	1,308.06
ALONSO HEREDIA 18 1º IZ	63,216.16	3,483.94	59,732.22	1,264.32	2,581.00	1,316.68



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Property	Spread value before spin-off	Accumulated Dep. before Spin-Off	Value before spin-off pending Dep.	tax depreciation (before spin-off)	accounting dep.	Diff. between Accounting and Tax Depreciation
ALONSO HEREDIA 18 2ª DR	56,030.17	3,087.91	52,942.26	1,120.60	2,373.79	1,253.18
ALONSO HEREDIA 18 2ª IZ	62,564.45	3,448.02	59,116.43	1,251.29	2,504.78	1,253.49
ALONSO HEREDIA 18 3ª DR	54,898.24	3,025.52	51,872.72	1,097.96	2,241.40	1,143.43
ALONSO HEREDIA 18 3ª IZ	61,912.73	3,412.10	58,500.63	1,238.25	2,428.55	1,190.30
ALONSO HEREDIA 18 4ª ATICO	81,912.50	822.03	81,090.47	1,638.25	849.37	-788.89
	<b>668,280.42</b>	<b>35,506.33</b>	<b>632,774.09</b>			
PONZANO 76 LOCAL 1	36,251.53	11,781.24	24,470.29	725.03	1,439.65	714.62
PONZANO 76 LOCAL 2	17,144.12	5,571.60	11,572.53	342.88	783.93	441.05
PONZANO 76 LOCAL 3	18,803.23	6,110.79	12,692.45	376.06	859.79	483.73
PONZANO 76 LOCAL 4	18,803.23	6,110.79	12,692.45	376.06	859.79	483.73
PONZANO 76 1ªA	88,271.98	22,368.96	65,903.01	1,765.44	3,003.77	1,238.33
PONZANO 76 1ªB	63,281.87	18,235.46	45,046.41	1,265.64	2,839.01	1,573.37
PONZANO 76 1ªC	71,300.82	23,171.76	48,129.06	1,426.02	3,684.01	2,257.99
PONZANO 76 2ªA	59,412.21	19,308.13	40,104.08	1,188.24	3,198.43	2,010.19
PONZANO 76 2ªB	57,977.27	18,841.79	39,135.47	1,159.55	2,652.13	1,492.59
PONZANO 76 2B NEW CONSTRUCTION 2021						
PONZANO 76 2ªC V	113,565.64	21,155.37	92,410.27	2,271.31	3,239.06	967.75
PONZANO 76 3ªA VI	140,577.61	21,743.02	118,834.59	2,811.55	3,198.43	386.88
PONZANO 76 3ªB	47,764.48	15,522.78	32,241.70	955.29	1,018.37	63.08
PONZANO 76 3ªC	54,436.68	17,691.16	36,745.53	1,088.73	2,322.39	1,233.66
PONZANO 76 4ª A III	68,857.94	20,828.72	48,029.22	1,377.16	3,293.48	1,916.32
PONZANO 76 4ªB IV	123,616.35	24,924.46	98,691.90	2,472.33	3,458.91	986.58
PONZANO 76 4ªC	32,598.52	10,594.06	22,004.46	651.97	1,420.21	768.24
	<b>1,012,663.49</b>	<b>263,960.09</b>	<b>748,703.40</b>			
JOSE ORTEGA Y GASSET 67 LOCAL IZ RESTAURANT	72,776.08	26,522.41	46,253.67	1,455.52	4,963.58	3,508.05
JOSE ORTEGA Y GASSET 67 LOCAL CTRO. MILLINERY	9,184.36	3,347.14	5,837.23	183.69	1,119.42	935.74
JOSE ORTEGA Y GASSET 67 LOCAL DCHA. PUB	44,923.51	16,371.86	28,551.65	898.47	4,173.23	3,274.76
JOSE ORTEGA Y GASSET 67 1ªDCHA OFFICE	44,983.79	16,393.83	28,589.96	899.68	6,380.45	5,480.78
JOSE ORTEGA Y GASSET 67 2ªA before work	120,268.49	8,692.48	111,576.01	2,405.37	1,851.22	-554.15
					1,498.96	1,498.96
JOSE ORTEGA Y GASSET 67 2ªA undergoing work					1,798.75	1,798.75
JOSE ORTEGA Y GASSET 67 2ªD before work	175,886.37	12,712.30	163,174.08	3,517.73	2,707.31	-810.42
					2,192.15	2,192.15
JOSE ORTEGA Y GASSET 67 2ªD undergoing work					2,630.58	2,630.58
JOSE ORTEGA Y GASSET 67 3ª DCHA	39,987.65	14,573.04	25,414.61	799.75	573.96	-225.79
JOSE ORTEGA Y GASSET 67 3ªA work					450.56	450.56
JOSE ORTEGA Y GASSET 67 3ªA before work	36,483.05	13,295.83	23,187.22	729.66	2,599.31	1,869.65
JOSE ORTEGA Y GASSET 67 3ªD work					267.69	267.69
JOSE ORTEGA Y GASSET 67 3ªD before work	21,675.81	7,899.50	13,776.31	433.52	1,544.34	1,110.82
JOSE ORTEGA Y GASSET 67 4ªA	182,567.84	37,027.88	145,539.96	3,651.36	4,583.03	931.68

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Property	Spread value before spin-off	Accumulated Dep. before Spin-Off	Value before spin-off pending Dep.	tax depreciation (before spin-off)	accounting dep.	Diff. between Accounting and Tax Depreciation
JOSE ORTEGA Y GASSET 67 4ºB	157,778.22	27,993.59	129,784.64	3,155.56	2,915.95	-239.61
JOSE ORTEGA Y GASSET 67 4ºC	171,517.78	33,000.81	138,516.97	3,430.36	4,286.00	855.64
JOSE ORTEGA Y GASSET 67 5ºA	175,525.09	34,461.23	141,063.86	3,510.50	5,106.19	1,595.69
JOSE ORTEGA Y GASSET 67 5º B	167,736.38	31,622.72	136,113.66	3,354.73	4,413.23	1,058.50
JOSE ORTEGA Y GASSET 67 TERRAZA 5ºA	135,263.58	19,788.38	115,475.20	2,705.27	350.57	-2,354.70
JOSE ORTEGA Y GASSET 67 TERRAZA 5ºB	135,765.32	19,971.24	115,794.09	2,715.31	508.68	-2,206.62
JOSE ORTEGA Y GASSET 67 TERRAZA 4ºB	134,461.56	19,496.09	114,965.46	2,689.23	97.82	-2,591.41
JOSE ORTEGA Y GASSET 67 2ºB before work	139,419.66	9,208.45	130,211.21	2,788.39	2,179.81	-608.58
					2,030.39	2,030.39
JOSE ORTEGA Y GASSET 67 2ºB undergoing work					2,436.46	2,436.46
JOSE ORTEGA Y GASSET 67 2ºC before work	150,554.69	9,943.91	140,610.78	3,011.09	2,353.91	-657.18
					2,192.55	2,192.55
JOSE ORTEGA Y GASSET 67 2 ºC undergoing work					2,631.06	2,631.06
	2,116,759.23	362,322.69	1,754,436.54			40,583.22

#### 9.4. Balances with Public Administrations

The Company's balances with Public Administrations at 31 December 2021 and 31 December 2020 are as follows:

	Current Assets	Current liabilities
Tax Authorities Tax Rebates	53,681.67	-
Social Security	145.02	3,692.37
Value added tax	360.49	63,112.21
Withholdings made	-	132,440.83
<b>Total</b>	<b>54,187.18</b>	<b>199,245.41</b>

#### 10. PERSONNEL

##### 10.1. Average and final number of persons employed during the year, by category (adapted to the CNO-11)

The average number of employees during the year, both permanent and temporary, distributed by category, was as follows:

Average number of persons employed during the year, by category and gender	Men	Women	TOTAL 2021
Other directors and managers	1	-	1
Accountants, clerks and other office employees	-	2	2
Elementary occupations	1	-	1
<b>Total average employment</b>	<b>2</b>	<b>2</b>	<b>4</b>

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Average number of persons employed during the year, by category and gender	Men	Women	TOTAL 2020
Other directors and managers	1	-	1
Accountants, clerks and other office employees	-	2	2
Elementary occupations	1	-	1
<b>Total average employment</b>	<b>2</b>	<b>2</b>	<b>4</b>

The number of employees at year-end, both permanent and temporary, distributed by category, was as follows:

Number of persons employed at year-end, by category	2021	2020
Other directors and managers	1	1
Accountants, clerks and other office employees	2	2
Elementary occupations	1	1
<b>Total average employment</b>	<b>4</b>	<b>4</b>

The Company has no employees with a disability equal to or greater than 33%.

### **10.2. Amounts received by senior management personnel and members of the administrative body**

The Company's Board of Directors comprises 5 men and 1 woman.



#### **10.2.a) Salaries, allowances and other remuneration**

During the current year, no remuneration of any kind has been accrued to the members of the Board of Directors for these functions. Details of senior management personnel are shown in the table below.

Amounts received by senior management	2021	2020
Salaries, allowances and other remuneration	33,770.65	17,689.41
<b>Total average employment</b>	<b>33,770.65</b>	<b>17,689.41</b>

#### **10.2.b) Advances, credits and guarantees provided**

The balance of credits with members of the Board of Directors at year-end is as follows:

Blas Quiralte Abelló	12,989.26
Alvaro Quiralte Abelló	4,989.26
Silvia Quiralte Abelló	4,989.27
Pablo Quiralte Abelló	4,989.26
Jorge Quiralte Abelló	4,989.26
Rafael Fuentes del Río	4,989.26
<b>Total</b>	<b>37,935.57</b>



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**11. INCOME AND EXPENSES****11.1. Detail of the profit and loss statement**

The breakdown of this caption in the accompanying Profit and Loss Statement is as follows, in euros:

	2021	2020
Outsourced services	314,863.34	226,246.70
Salaries and wages	112,153.78	70,820.38
Social security	30,362.66	17,790.75

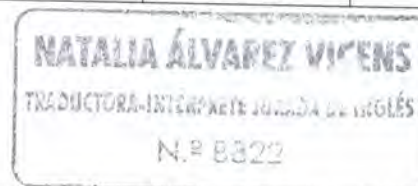
**11-2. Exceptional expenses and income**

The balance in 2021 and 2020 mainly corresponds to expenses resulting from extraordinary taxes or penalties, as well as balance adjustments. The amount totals 17,078.16 euros (2,760.73 euros in the previous year).

**12. RELATED PARTY TRANSACTIONS****Information on related companies in 2021**

There are five companies related to APODACA INVERSIONES INMOBILIARIAS, S.A., for the purposes of Article 42 of the Commercial Code, since the shareholders and members of the Boards of Directors of the five companies are the same individuals. Four of them come from the aforementioned spin-off operation; the fifth company (INVERSIONES JUMARAMA, S.L.) was incorporated in 1979.

TAX ID NO.	Name	Registered office	Legal Form	Activities
				NATIONAL BUSINESS ACTIVITY CODE - CNAE
B88567094	ALJIBESLLANOS, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B88567037	AÑAVETE, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	111
B88567060	SOCITELLO, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B88567078	LAIROCSE, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B28575678	INVERSIONES JUMARAMA, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	170



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**Related party transactions and their effects on the financial statements**

This section shows all the information corresponding to the related party transactions carried out by the entity during 2021.

During 2021, the following transactions have taken place between the Company and its related parties:

Related party transactions 2021	Related companies:
Reception of services (Aljibesllanos, S.L.)	23,224.34
Interest expense paid (Aljibellanos, S.L.)	17,618.75

During 2020, the following transactions have taken place between the Company and its related parties:

Related party transactions 2020	Associate companies
Expenses due to interest paid	22,567.44

Outstanding balances at year-end between the company and other related parties:

Outstanding balances with related parties in 2021	Companies with joint control or a significant influence over the company	Members of the Administrative Bodies
Other financial assets.	-	37,935.57
Other financial liabilities	(391,378.65)	-
	(391,378.65)	37,935.57

The net balance of 391,378.65 euros corresponds to the sum of the debt of 392,076.45 euros with Aljibesllanos, S.L., and the debt of 308.37 euros with the liquidated and dissolved company called Construcciones Tambor 2, S.L., together with the credits granted to the related companies called Lairocse, S.L. and Socitello, S.L., for amounts of 484.75 euros and 521.42 euros respectively.

Outstanding balances with related parties in 2020	Companies with joint control or a significant influence over the company	Members of the Administrative Bodies
Other financial assets	-	36,947.29
Other financial liabilities	(460,254.44)	(5,867.00)
	(460,254.44)	31,080.29

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

The management of the Company's financial risks is centralised in the Finance Department and Administrative Body, which have the necessary mechanisms in place to control exposure to interest rate fluctuations, as well as credit and liquidity risks. The main financial risks that have an impact on the Company are shown below:

#### a) Credit risk

The Company's main financial assets are cash and cash equivalents, trade receivables and other investment receivables. These represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's credit risk is mainly attributable to its trade payables, which are shown net of allowances for doubtful accounts, estimated based on the Company's experience in previous years and its assessment of the current economic setting.

#### b) Liquidity risk

Taking into account the current financial market situation and the Company's Directors' estimates of the Company's cash generating capacity, the Directors consider that the Company has sufficient capacity to obtain financing from third parties should it be necessary to make new investments. Consequently, in the medium term, there is not sufficient evidence that the Company has liquidity problems. Liquidity is assured by the nature of the investments made, the high credit quality of the lessees and the collection guarantees existing in the agreements in force.

#### c) Exchange rate risk

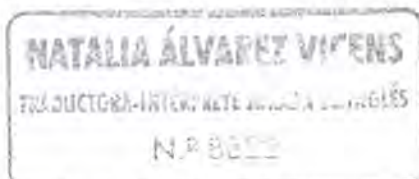
As of 31 December 2021, the Company has no significant assets or liabilities in foreign currency and therefore there is no foreign currency risk.

#### d) Interest rate risk

The Company has several long-term loans that mainly finance long-term assets, as well as a short-term working capital financing facility. The risk of interest rate fluctuations is very low since the Company does not have a high exposure to debt. The Company's policy with regard to interest rates is not to hedge interest rates through financial hedging instruments, swaps, etc., since any variation in interest rates would not have a significant effect on the Company's results given the low debt levels of the Company and the very low interest rates existing at the time.

#### e) Real estate business risks

Changes in the economic situation, both nationally and internationally, growth rates of employment and employment indices, interest rates, tax legislation and consumer confidence have a significant impact on the real estate markets. Any unfavourable changes in these or other economic, demographic or social variables in Europe, and in Spain in particular, could translate into a decline in real estate activity in these countries. The cyclical nature of the economy has been statistically proven, as well as the existence of both micro and macroeconomic aspects that directly or indirectly affect the behaviour of the real estate market, and in particular the rental market, which is the Company's main investment activity.



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Other market risks to which the Company is exposed include:

- **Regulatory risks:** the Company is subject to compliance with the different applicable regulations in force, both general and specific (legal, accounting, environmental, labour, tax, data protection regulations, among others). Regulatory changes occurring in the future could have a positive or negative effect on the Company.

**f) COVID-19 pandemic risks**

The appearance of the Coronavirus COVID-19 in China in January 2020 and its global spread led to a viral outbreak qualified as a pandemic by the World Health Organization as of 11 March 2020. Due to the pandemic resulting from COVID-19, the Government decreed a State of Emergency on 15 March 2020, which remained in effect until 21 June. In addition, and up to the present time, different mobility restrictions have been decreed within the country. This fact significantly affects economic activity worldwide and, as a result, the Company's operations and financial results. The Company implemented a contingency plan to mitigate as far as possible the impact on results.

As a result, the Company has had to sign various deferrals or deferrals in the contracts and payments with the lessees of the assets.

Notwithstanding the foregoing, this fact has been evaluated by the Company's Directors and they consider that no scenario is foreseen in which this risk could significantly affect the value of the Company's real estate assets or that the continuity of the business would be compromised.

Lastly, it is important to bear in mind that there are other risks to which the Company is exposed: (i) environmental risks; (ii) risks associated with occupational health and hygiene; and (iii) risks associated with occupational risk prevention.

**14. INFORMATION REGARDING THE MERGER, SPIN-OFF AND ASSET CONTRIBUTION REGIME**

In application of Article 86 of the Corporate Tax Law (LIS), the following accounting information must be included in the notes to the Annual Accounts of the companies benefiting from a merger or spin-off process:

- a) Tax period in which the transferring entity acquired the transferred assets.*
- b) Last balance sheet closed by the transferring entity.*
- c) List of assets acquired that have been included in the accounting books at a value different from that at which they appeared in those of the transferring entity prior to the transaction, expressing both values, as well as the valuation adjustments made in the accounting books of the two entities.*
- d) List of tax benefits enjoyed by the transferring entity, with respect to which the entity must assume compliance with certain requirements in accordance with the provisions of Article 84(1) of this Law.*

For this reason, except for section d), which does not include any information, the following information is attached to these annual accounts.

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**CLOSING BALANCE SHEET CASA RAJA****CASA RAJA, S.L.**

al 31.07.19

<b>A) ACTIVO NO CORRIENTE</b>	<b>31.200.051,33</b>	<b>A) PATRIMONIO NETO</b>	<b>29.924.627,17</b>
<b>I. Inmovilizado Intangible</b>	<b>0,00</b>	<b>A-1) Fondos propios</b>	<b>29.924.627,17</b>
5. Aplicaciones Informáticas	0,00	<b>I. Capital Social</b>	18.595.566,00
<b>II. Inmovilizado Material</b>	<b>16.992.777,32</b>	<b>II. Prima de Emisión</b>	409.207,18
1. Terrenos	10.076.480,95	<b>III. Reservas</b>	10.583.504,87
1. Construcciones	6.752.026,00	<b>VII. Resultados del Ejercicio</b>	336.349,12
2. Instalaciones Técnicas y Otros Inm. Material	164.270,37		
<b>IV. Inversiones en Empresas del Grupo y Asociadas L/P</b>	<b>14.152.029,48</b>	<b>B) PASIVO NO CORRIENTE</b>	<b>3.875.478,28</b>
1. Instrumentos de Patrimonio	14.152.029,48	<b>II. Deudas a largo plazo</b>	<b>3.875.478,28</b>
<b>V. Inversiones Financieras a L/P</b>	<b>55.244,53</b>	2. Deudas con entidades de créditos	3.680.708,28
1. Instrumentos de Patrimonio	53.444,53	5. Depósitos Recibidos a L/P	188.770,00
5. Otros Activos Financieros	1.800,00		
<b>B) ACTIVO CORRIENTE</b>	<b>2.979.050,43</b>	<b>C) PASIVO CORRIENTE</b>	<b>378.996,31</b>
<b>III. Deudores comerciales y otras cuentas a cobrar</b>	<b>135.957,47</b>	<b>III. Deudas a corto plazo</b>	<b>90.689,94</b>
1. Clientes	121.767,84	2. Deudas con entidades de créditos	264.300,58
3. Deudores	2.270,19	5. Otros pasivos financieros	-173.610,64
6. Otros Créditos con las AAPP	11.919,44	<b>V. Acreedores comerciales y otras cuentas a pagar</b>	<b>288.306,37</b>
<b>IV. Inversiones en entidades del grupo y asociadas a corto plazo</b>	<b>716.230,98</b>	3. Acreedores Varios	1.198,72
5. Otros Activos Financieros	716.230,98	4. Personal	6.598,02
<b>V. Inversiones financieras a corto plazo</b>	<b>840.342,48</b>	6. Otras Deudas con las AAAPP	280.508,73
1. Instrumentos de Patrimonio	662.427,20		
5. Otros Activos Financieros	177.915,28		
<b>VII. Efectivo y otros activos líquidos equivalentes</b>	<b>1.286.519,50</b>		
1. Tesorería	1.286.519,50		
<b>TOTAL ACTIVO (A+B)</b>	<b>34.179.101,76</b>	<b>TOTAL PATRIMONIO NETO Y PASIVO (A+B+C)</b>	<b>34.179.101,76</b>

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**CLOSING BALANCE SHEET SJN****SAN JUAN DE LAS NIEVES, S.L.**

al 31.07.19

<b>A) ACTIVO NO CORRIENTE</b>	<b>2.132.505,46</b>	<b>A) PATRIMONIO NETO</b>	<b>3.320.850,95</b>
I. Inmovilizado intangible	0,00	A-1) Fondos propios	3.320.850,95
5. Aplicaciones Informáticas	0,00	I. Capital Social	1.114.968,00
<b>II. Inmovilizado Material</b>	<b>2.085.227,90</b>	II. Prima de Emisión	3.485.694,15
1. Terrenos	1.124.322,96	III. Reservas	140.344,40
1. Construcciones	955.110,38	V. Resultados Ejercicios Anteriores	-1.461.985,31
2. Instalaciones Técnicas y Otros Inm. Material	5.794,56	VII. Resultados del Ejercicio	41.829,71
<b>V. Inversiones Financieras a L/P</b>	<b>47.277,56</b>		
1. Instrumentos de Patrimonio	43.829,12	<b>B) PASIVO NO CORRIENTE</b>	<b>31.000,00</b>
5. Otros Activos Financieros	3.448,44	II. Deudas a largo plazo	31.000,00
		5. Depósitos Recibidos a L/P	31.000,00
<b>B) ACTIVO CORRIENTE</b>	<b>1.266.374,45</b>	<b>C) PASIVO CORRIENTE</b>	<b>47.026,96</b>
III. Deudores comerciales y otras cuentas a cobrar	31.952,29	V. Acreedores comerciales y otras cuentas a pagar	47.026,96
1. Clientes	24.176,23	1. Proveedores	9.952,75
3. Deudores	106,57	3. Acreedores Varios	11.162,37
5. Activos por impuestos corrientes	7.500,68	4. Personal	11.935,04
6. Otros Créditos con las AAPP	168,81	6. Otras Deudas con las AAAPP	13.978,80
<b>IV. Inversiones en entidades del grupo y asociadas a corto plazo</b>	<b>980.019,43</b>		
5. Otros Activos Financieros	980.019,43		
<b>V. Inversiones financieras a corto plazo</b>	<b>95.020,18</b>		
1. Instrumentos de Patrimonio	1.239,86		
3. Valores representativos de deuda	60.000,00		
5. Otros Activos Financieros	33.780,33		
<b>VII. Electivo y otros activos líquidos equivalentes</b>	<b>159.382,55</b>		
1. Tesorería	159.382,55		
<b>TOTAL ACTIVO (A+B)</b>	<b>3.398.879,91</b>	<b>TOTAL PATRIMONIO NETO Y PASIVO (A+B+C)</b>	<b>3.398.879,91</b>

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**15. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS DURING THE YEAR. ADDITIONAL PROVISION THREE. "REPORTING DUTY" SET OUT IN LAW 15/2010, OF 5 JULY**

Second final provision of Law 31/2014, of 3 December, amending the Corporate Enterprises Act for the improvement of corporate governance, amends the third additional provision. "Reporting duty" of Law 15/2010, of 5 July 2010, amending Law 3/2004, of 29 December 2004, introducing measures to combat late payment in commercial transactions, to require all commercial companies to expressly include in their financial statements their average payment period to suppliers. Likewise, the resolution of 29 January 2016 of the Institute of Accounting and Accounts Auditing (Instituto de Contabilidad y Auditoría de Cuentas) sets out the information to be included in the notes to the annual accounts in order to comply with the aforementioned Law.

	Current Year	Previous Year
	2021	2020
	Days	Days
Average period for payment to suppliers	1	1.19
Ratio of transactions paid	1	1
Ratio of transactions Pending payment	1	1
	Amount (Euros)	Amount (Euros)
<b>Total Payments made</b>	314,863.34	226,301.80
<b>Total Payments pending</b>	-1,989.07	1,476.86

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**16. SEGMENTED INFORMATION**

The Company engages in a single activity of leasing of housing, premises, etc.

All of the Company's income for 2021 is from contracts for assets located in the Community of Madrid.

**17. OTHER INFORMATION**

The fees accrued for audit services in fiscal year 2021 amounted to 14,000 euros. No fees have been accrued for other services.

**NATALIA ÁLVAREZ VICENS**  
 TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS  
 N.º 2022

**18. SUBSEQUENT EVENTS**

The Extraordinary and Universal General Meeting of Shareholders held on 24 February 2022, unanimously approved the total reformulation of the Company's Articles of Association, eliminating some of the previous articles and redrafting others. Among the most noteworthy approved modifications, there is the change of the company's name to: "**APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A.**" At the date of preparation of these annual accounts, the deed by which these agreements were made public is still awaiting qualification and registration in the registry.

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In addition, other relevant agreements were approved, such as:

- (i) the creation and designation of the corporate website,
- (ii) the listing of the company on the Euronext ACCESS PARIS Market, operated by Euronext Paris S.A., as a REIT, in order to, within a deadline of one year, apply for admission to trading of all of the shares representing the share capital on the Euronext ACCESS PARIS Market, operated by Euronext Paris S.A. ("Euronext"),
- (iii) and the designation of Iberclear ("Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.") as the entity in charge of the accounting record of marketable securities represented by book entries.



A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and lines.

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**Appendix 1. Reporting demands stemming from the status as a REIT**

Description	FY 2021
a) Reserves from years prior to the application of the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December.	As described in Note 1, the deed of total spin-off and incorporation of the five beneficiary companies was recorded in the Madrid Mercantile Registry on 27 February 2020, and therefore the reserves under this caption amount to 10,037.75 euros.
b) Reserves for each year in which the special tax regime established in said law has been applicable.	N/A. The first year of application of the REIT Regime is 2021.
- Profits from income taxed at the general rate.	See Note 9
- Profits from income subject to tax at the rate of 19%.	See Note 9
- Profits from income subject to the 0% tax rate.	See Note 9
c) Dividends distributed against profits for each year in which the tax regime established in this Law has been applicable.	Interim dividend for 2021: 592,286.65 euros.
Description	FY 2021
- Dividends from income taxed at the general rate.	N/A
- Dividends from income taxed at 18% (2009) and 19% (2010 to 2012).	N/A
- Dividends from income subject to the 0% tax rate.	Interim dividend for 2021: 592,286.65 euros. (See Note 3).
d) Dividends distributed charged to reserves	-
- Distribution charged to reserves subject to the general tax rate.	-
- Payment of dividends charged to reserves subject to taxation at the rate of 19%	-
- Payment of dividends charged to reserves subject to taxation at the rate of 0%	-
e) Date of agreement to distribute dividends as referred to in foregoing letters c) and d).	Interim dividends for the year 2021 592,286.65 (See note 3)
Description	FY 2021
f) Date of acquisition of the leased properties that produce income under this special regime and that remain on the company's balance sheet at the reporting date.	<p><b>Real estate from the spun-off company San Juan de las Nieves, S.L.:</b> The properties were owned by the spun-off company on 29/12/2009. Due to the partial spin-off of the company to Apodaca Inversiones Inmobiliarias, S.A., the dates of ownership are as follows:</p> <ul style="list-style-type: none"> <li>- Property calle Apodaca 5: 03/10/1990</li> </ul> <p><b>Properties from the spun-off company Casa Raja, S.L.:</b> The properties were owned by the spun-off company on 29/12/2009. Due to the partial spin-off of the company to Apodaca Inversiones Inmobiliarias, S.A., the dates of ownership are as follows:</p> <ul style="list-style-type: none"> <li>- Property calle Ortega y Gasset 67: 22/02/1999</li> <li>- Property calle Ponzano 76: 22/02/1999</li> <li>- Premises Paseo de la Castellana 103: 31/12/2009</li> <li>- Property calle Felix Boix 9: 08/05/2018</li> <li>- Property calle Alonso Heredia 18: 29/05/2017</li> </ul>
g) Date of acquisition of the holdings in the capital of entities referred to in section 1 of article 2 of this Law.	N/A



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Description	FY 2021																
<p>h) Identification of the assets that compute within the 80 percent referred to in Article 3(1) of this Law.</p>	<p>The detail of real estate assets and their gross book cost, expressed in millions of euros, is as follows:</p> <table border="1" data-bbox="777 265 1347 541"> <thead> <tr> <th>Name</th> <th>Gross Book Value</th> </tr> </thead> <tbody> <tr> <td>Apodaca 5</td> <td>6,706,768.89</td> </tr> <tr> <td>José Ortega y Gasset 67</td> <td>9,651,228.83</td> </tr> <tr> <td>Ponzano 76</td> <td>5,649,750.11</td> </tr> <tr> <td>Castellana 103</td> <td>7,439,567.78</td> </tr> <tr> <td>Félix Boix 9</td> <td>1,601,188.16</td> </tr> <tr> <td>Alonso Heredia 18</td> <td>3,250,916.28</td> </tr> <tr> <td><b>Total Gross Value</b></td> <td><b>34,299,420.05</b></td> </tr> </tbody> </table>	Name	Gross Book Value	Apodaca 5	6,706,768.89	José Ortega y Gasset 67	9,651,228.83	Ponzano 76	5,649,750.11	Castellana 103	7,439,567.78	Félix Boix 9	1,601,188.16	Alonso Heredia 18	3,250,916.28	<b>Total Gross Value</b>	<b>34,299,420.05</b>
Name	Gross Book Value																
Apodaca 5	6,706,768.89																
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Alonso Heredia 18	3,250,916.28																
<b>Total Gross Value</b>	<b>34,299,420.05</b>																
<p>i) Reserves from years in which the special tax regime established in this Law has been applicable, which have been disposed of during the tax period, other than for distribution or to offset losses. The year from which the reserves were generated should be identified.</p>	<p>N/A</p>																

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**NATALIA ÁLVAREZ VICENS**  
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 N.º 8302

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## DIRECTORS' REPORT 31 DECEMBER 2021

APODACA INVERSIONES INMOBILIARIAS SOCIMI, S.A. (hereinafter the Company) is a company whose main activity is the management and administration of portfolio assets in Spain.

The Company was incorporated on 27 December 2019 by means of a deed of total spin-off of the companies "CASA RAJA, S.L." and "SAN JUAN DE LAS NIEVES, S.L." for the benefit of five new companies incorporated in this same act called: "APODACA INVERSIONES INMOBILIARIAS, S.A." (SOCIMI), "AÑAVETE, S.L.", "LAIROCSE, S.L.", "SOCITELLO, S.L." and "ALJIBESLLANOS, S.L."; before the notary public of Madrid, Enrique A. Franch Quiralte, under his record number 4533. The deed of total spin-off and incorporation of the five beneficiary companies was registered in the Madrid Mercantile Registry on 27 February 2020.

The corporate purpose of the Company is the acquisition and development of urban real estate for lease. The performance of other activities ancillary to those referred to above, being understood as such, those whose income, as a whole, may represent less than 20% of the income of the subsidiaries in each tax period,

The company does not own treasury shares.

During 2021, no transactions with derivative financial instruments or of a similar nature have been carried out.

The Company has not undertaken any R&D activities during the period from 1 January to 31 December 2021, nor during 2020.

During 2021, the distribution of interim dividends for a total amount of 592,286.65 euros was approved.

With regard to the average supplier payment period, the Board of Directors refers to the information included in the notes to the annual accounts.

In the opinion of the Board of Directors, no significant subsequent events have come to light that could have an impact on the financial statements for the 2021 financial year, except for those discussed in the notes to the annual accounts.



It is not considered necessary to include any additional information that is significant for the annual accounts to reflect a true and fair view of the Company .

**Date of preparation of the Annual Accounts:** 31 March 2022

[Signed]

Chairman of the Board of Directors  
Blas Quiralte Abelló National ID Card No. 00687966J

[Signed]

Secretary of the Board of Directors  
Álvaro Quiralte Abelló National ID Card No.  
02527927C

[Signed]

Member of the Board of Directors  
Silvia Quiralte Abelló National I D Card No. 02528268Q

[Signed]

Member of the Board of Directors  
Pablo Quiralte Abelló National ID Card No.  
00416530T

[Signed]

Member of the Board of Directors  
Jorge Quiralte Abelló National ID Card No. 02535662G

[Signed]

Member of the Board of Directors  
Rafael Fuentes del Río National ID Card No.  
02192162D



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BDO Auditores S.L.P., es una sociedad limitada española, y miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido, y forma parte de la red internacional BDO de empresas independientes asociadas.

BDO es la marca comercial utilizada por toda la red BDO y para todas sus firmas miembro.

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7 AGO 2022

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**NATALIA ÁLVAREZ VICENS**  
TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS  
N.º 8622

ABRIDGED BALANCE SHEET

BA1

Tax ID No. (NIF) A88559885		<b>UNIT (1)</b>						
<b>CORPORATE NAME</b> APODACA INV. INMOBILIARIAS SA SOCIMI	Space included for the signatures of the directors	Euros: <table border="1"><tr><td>09001</td><td><input checked="" type="checkbox"/></td></tr></table> Thousand: <table border="1"><tr><td>09002</td><td><input type="checkbox"/></td></tr></table> Millions: <table border="1"><tr><td>09003</td><td><input type="checkbox"/></td></tr></table>	09001	<input checked="" type="checkbox"/>	09002	<input type="checkbox"/>	09003	<input type="checkbox"/>
09001	<input checked="" type="checkbox"/>							
09002	<input type="checkbox"/>							
09003	<input type="checkbox"/>							

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ASSET	NOTES TO THE ANNUAL ACCOUNTS	YEAR 2020 (2)	YEAR 2019 (3)
<b>A) NON-CURRENT ASSET</b> .....	<b>11000</b>	35,886,798.00	
<b>I. Intangible assets</b> .....	<b>11100</b>	0.00	
<b>II. Property, plant and equipment</b> .....	<b>11200</b>	35,886,798.00	
<b>III. Real estate investments</b> .....	<b>11300</b>	0.00	
<b>IV. Long-term investments in group companies and associates</b> .....	<b>11400</b>	0.00	
<b>V. Long-term financial investments</b> .....	<b>11500</b>	0.00	
<b>VI. Deferred tax assets</b> .....	<b>11600</b>	0.00	
<b>VII. Non-current trade receivables</b> .....	<b>11700</b>	0.00	
<b>B) CURRENT ASSET</b> .....	<b>12000</b>	850,882.48	
<b>I. Non-current assets held for sale</b> .....	<b>12100</b>	0.00	
<b>II. Inventory</b> .....	<b>12200</b>	0.00	
<b>III. Trade and other receivables</b> .....	<b>12300</b>	140,631.01	
1. Clients from sales and provision of services .....	<b>12380</b>	138,215.80	
a) Long-term clients from sales and provision of services .....	<b>12381</b>	0.00	
b) Short-term clients from sales and provision of services .....	<b>12382</b>	138,215.80	
2. Shareholders (partners) for uncalled capital .....	<b>12370</b>	0.00	
3. Other debtors .....	<b>12390</b>	2,415.21	
<b>IV. Short-term investments in group companies and associates</b> .....	<b>12400</b>	0.00	
<b>V. Short-term financial investments</b> .....	<b>12500</b>	33,253.79	
<b>VI. Short-term accrual accounts</b> .....	<b>12600</b>	0.00	
<b>VII. Cash and other cash equivalents</b> .....	<b>12700</b>	676,997.68	
<b>TOTAL ASSET (A + B)</b> .....	<b>10000</b>	36,737,680.48	



- (1) Check the corresponding box to indicate if the figures as expressed in units, thousands or millions of euros. All documents comprising the annual accounts must be drafted with the same unit.
- (2) Year to which these annual accounts relate.
- (3) Previous year.

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ABRIDGED BALANCE SHEET

BA2.1

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Tax ID No. (NIF) A88559885		Space included for the signatures of the directors		
CORPORATE NAME APODACA INV. INMOBILIARIAS SA SOCIMI				
EQUITY AND LIABILITIES		NOTES TO THE ANNUAL ACCOUNTS	YEAR 2020 (2)	YEAR 2019 (3)
A) EQUITY .....	20000		32,775,210.68	
A-1) Shareholders' equity .....	21000		32,775,210.68	
I. Capital .....	21100		32,775,210.68	
1. Issued capital.....	21110		32,775,210.68	
2. (Non-issued capital).....	21120		0.00	
II. Share premium.....	21200		0.00	
III. Reserves.....	21300		10,037.75	
1. Capitalization reserve .....	21350		0.00	
2. Other reserves .....	21360		10,037.75	
IV. (Shares and holdings in own equity) .....	21400		0.00	
V. Prior years' results.....	21500		0.00	
VI. Other shareholder contributions .....	21600		0.00	
VII. Profit or loss for the year .....	21700		423,423.30	
VIII. (Interim dividend) .....	21800		-370,370.37	
IX. Other equity instruments .....	21900		0.00	
A-2) Adjustments through changes in value .....	22000		0.00	
A-3) Grants, donations and covenants received .....	23000		0.00	
B) NON-CURRENT LIABILITIES .....	31000		2,661,840.71	
I. Long-term provisions .....	31100		0.00	
II. Long-term debts .....	31200		2,661,840.71	
1. Debts with financial institutions.....	31220		2,610,223.92	
2. Finance lease creditors .....	31230		0.00	
3. Other long-term debts .....	31240		51,616.79	
III. Long-term debts in group companies and associates .....	31300		0.00	
IV. Deferred tax liabilities .....	31400		0.00	
V. Long-term accrual accounts.....	31500		0.00	
VI. Non-current trade payables.....	31600		0.00	
VII. Long-term debt with special features .....	31700		0.00	

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(1) Year to which these annual accounts relate.  
(2) Previous year.

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ABRIDGED BALANCE SHEET

BA2.2

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CORPORATE NAME APODACA INV. INMOBILIARIAS SA SOCIMI	

EQUITY AND LIABILITIES		NOTES TO THE ANNUAL ACCOUNTS	YEAR 2020 (2)	YEAR 2019 (3)
<b>C) CURRENT LIABILITIES</b> .....	<b>32000</b>		1,300,629.09	
I. Liabilities linked to non-current assets held for sale .....	<b>32100</b>		0.00	
II. Short-term provisions .....	<b>32200</b>		0.00	
III. Short-term debts .....	<b>32300</b>		1,005,710.44	
1. Debts with financial institutions .....	<b>32320</b>		544,066.64	
2. Finance lease creditors .....	<b>32330</b>		0.00	
3. Other short-term debts .....	<b>32390</b>		461,643.80	
IV. Short-term debts in group companies and associates .....	<b>32400</b>		0.00	
V. Trade and other payables .....	<b>32500</b>		294,918.65	
1. Suppliers .....	<b>32580</b>		0.00	
a) Long-term suppliers .....	<b>32581</b>		0.00	
b) Short-term suppliers .....	<b>32582</b>		0.00	
2. Other creditors .....	<b>32590</b>		294,918.65	
VI. Short-term accrual accounts .....	<b>32600</b>		0.00	
VII. Short-term debt with special features .....	<b>32700</b>		0.00	
<b>TOTAL EQUITY AND LIABILITIES (A + B+ C)</b> .....	<b>30000</b>		36,737,680.48	



*[Handwritten signature]*

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# ABRIDGED PROFIT AND LOSS STATEMENT

PA

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Tax ID No. (NIF) <div style="border: 1px solid black; padding: 2px; width: fit-content;">A88559885</div> CORPORATE NAME APODACA INV. INMOBILIARIAS SA SOCIMI	Space included for the signatures of the directors
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(LIABILITIES) / ASSETS	NOTES TO THE ANNUAL ACCOUNTS	YEAR 2020 (2)	YEAR 2019 (3)
1. Net revenues .....	40100	1,202,481.22	
2. Valuation of inventories of finished and on-going products .....	40200	0.00	
3. Tasks performed by the company for assets .....	40300	0.00	
4. Procurements .....	40400	0.00	
5. Other operating income .....	40500	0.00	
6. Personnel expense .....	40600	-88,611.13	
7. Other operating expenses .....	40700	-335,915.67	
8. Depreciation and amortization of assets .....	40800	-182,111.70	
9. Grants for non-financial assets and others .....	40900	0.00	
10. Overprovisions .....	41000	0.00	
11. Impairment losses and gains/losses on disposal of assets .....	41100	0.00	
12. Negative goodwill on business combinations .....	41200	0.00	
13. Other gains/losses .....	41300	2,760.73	
<b>A) OPERATING PROFIT OR LOSS</b> (1 + 2 +3 +4 + 5 +6 +7 +8 +9 +10 +11 + 12 + 13) .....	<b>49100</b>	<b>598,603.45</b>	
14. Financial income .....	41400	22,574.48	
a) Grants, donations and legacies of a financial nature .....	41430	0.00	
b) Other financial income .....	41490	22,574.48	
15. Financial expense .....	41500	-44,266.07	
16. Variation in fair value of financial instruments .....	41600	0.00	
17. Conversion differences .....	41700	0.00	
18. Impairment losses and gains/losses on disposal of financial instruments .....	41800	-30.22	
19. Other financial income and expense .....	42100	0.00	
a) Capitalization of finance expense .....	42110	0.00	
b) Financial income from agreements with creditors .....	42120	0.00	
c) Other income and expenses .....	42130	0.00	
<b>B) FINANCIAL PROFIT OR LOSS (14 +15 +16 +17 +18 +19) .....</b>	<b>49200</b>	<b>-21,721.81</b>	
<b>C) PRE-TAX PROFIT OR LOSS (A + B) .....</b>	<b>49300</b>	<b>576,881.64</b>	
20. Income taxes .....	41900	-153,458.34	
<b>D) PROFIT OR LOSS FOR THE YEAR (C + 20) .....</b>	<b>49500</b>	<b>423,423.30</b>	

NATALIA ÁLVAREZ VICENS

TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS

N.º 8802

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SYMBION TRANSLATOR

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Tel: 91 337 23 30 - M661 630 128 671

www.nataliaalvarez.com natalia@gmail.com

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 (2) Previous year.

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Doña Natalia Álvarez Vicens, Traductora-Intérprete Jurada de inglés nombrada por el Ministerio de Asuntos Exteriores y de Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español. En Madrid, a 20 de junio de 2022.

**APODACA INVERSIONES INMOBILIARIAS, S.A. (SOCIMI).  
NOTES TO THE 2020 ANNUAL ACCOUNTS**

**1. GENERAL INFORMATION - COMPANY ACTIVITY.**

The Company was incorporated on 27 December 2019 by means of a deed of total spin-off of the companies "CASA RAJA, S.L." and "SAN JUAN DE LAS NIEVES, S.L." for the benefit of five new companies incorporated in this same act called: "APODACA INVERSIONES INMOBILIARIAS, S.A." (SOCIMI), "AÑAVETE, S.L.", "LAIROCSE, S.L.", "SOCITELLO, S.L." and "ALJIBESLLANOS, S.L."; before the notary public of Madrid, Enrique A. Franch Quiralte, under his record number 4533.

The background to this deed was as follows:

On 21 November 2019, the Extraordinary and Universal Meeting of Shareholders of the companies CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L., had unanimously agreed their total spin-off and the corresponding transfer of their business assets to the five new companies.

Previously, and in compliance with the provisions of Articles 73, 30 and 31 of Law 3/2009 of 3 April on Structural Modifications of Mercantile Companies, the Boards of Directors of CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L. had drafted the corresponding Project for the total and simultaneous spin-off of both companies in order to submit it to the approval of the respective Meetings of Shareholders.

The aforementioned Project was unanimously subscribed by all the directors of both companies and was deposited with the Mercantile Registry of Madrid on 30 October, registered in the Mercantile Registry on 14 November, and published in the Official Journal of the Mercantile Registry (BORME), dated 21 November 2019, under number 224.

Said Project served to approve that the companies CASA RAJA, S.L. and SAN JUAN DE LAS NIEVES, S.L. were dissolved without liquidation, by means of the incorporation by universal succession of their respective assets to the five new companies.

The deed of total spin-off and incorporation of the five beneficiary companies was registered in the Madrid Mercantile Registry on 27 February 2020; registered, with respect to this company, in Volume 40056, Folio 160, Sheet M-711704 and, given that point seven of the Spin-Off Project determined that the effectiveness of the spin-off for accounting purposes of the companies involved in the spin-off would be the date of registration, the commencement of activity of APODACA INVERSIONES INMOBILIARIAS, S.A. is determined by the aforementioned date.

The following is a summary of the company's data laid down in the notarized Spin-Off Project:

**APODACA INVERSIONES INMOBILIARIAS S.A. (SOCIMI).**

Registered office: it is located in Madrid (28003), calle Ponzano 76, piso 2ºA.

Corporate Tax Code: A88559885



Corporate purpose: The corporate purpose is:

The acquisition and promotion of natural urban real estate for leasing.

The holding of shares in the capital of listed real estate investment trusts - REITs (SOCIMI in Spanish) or in the capital of other entities not resident in Spanish territory which have the same corporate purpose as the former and which are subject to a regime similar to that established for REITs in terms of the mandatory legal or statutory profit distribution policy.

The holding of shares in the capital of other entities, whether resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing and which are subject to the same regime established for REITs in terms of the mandatory legal or statutory profit sharing policy and which meet the investment requirements referred to in Article 3 of the REITs Act.

The holding of shares or equity units of Collective Real Estate Investment Institutions regulated in Law 35/2003, of 4 November, on Undertakings for Collective Investment, or the regulation that replaces it in the future.

Together with the economic activity derived from the main corporate purpose, REITs may carry out other ancillary activities, being understood as such those whose income as a whole represents less than 20% of the company's income in each tax period or those that may be considered ancillary in accordance with the law applicable at any given time.

Excluded are all those activities for the exercise of which the law requires requirements that cannot be met by the Company.

The activities included in the corporate purpose may be carried out totally or partially indirectly through a holding in other companies with the same or similar purpose.

National Business Activity Code - CNAE: 6820, 6810 and 6832.

The total spin-off transaction was taxed under the benefits laid down in the *Special Regime for Mergers, Spin-offs, Contributions of Assets, Exchange of Securities and Change of Registered Office of a European Company or a European Cooperative Society from one Member State to another of the European Union, of Chapter VII of Title VII, of Law 27/2014, of 27 November, on Corporate Income Tax*; for this reason, the assets and rights acquired through the transfers arising from these total spin-offs were valued, for tax purposes, at the same values they had in the transferring entities before the transaction was carried out, also maintaining the acquisition date of the transferring entity.

And for accounting purposes, they were measured at market value in accordance with valuation standards IAS 19 and IAS 21 issued by the Institute of Accounting and Accounts Auditing (ICAC). For this purpose, and after the intervening companies had requested an appraisal from the Mercantile Registry of Madrid, the appraisals of the properties that both SAN JUAN DE LAS NIEVES, S.L. and CASA RAJA, S.L. contributed to the incorporation of APODACA INVERSIONES INMOBILIARIAS, S.A. were obtained.



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### **1.1. REITs Regime**

During 2020, the company has been subject to the general corporate income tax regime. Subsequent to year-end, on 16 February 2021, the Company notified the Tax Agency of the unanimous resolution adopted on 1 February by the Extraordinary Meeting of Shareholders to apply the special REITs tax regime. Once this resolution has been adopted, a period of two years is opened to comply with the requirements of Law 11/2009, as amended by Law 16/2012, of 27 December, which regulates Listed Real Estate Investment Trusts (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario).

These requirements include, inter alia, the following:

#### **Corporate purpose obligation.**

They must have as their main corporate purpose:

- a) The acquisition and promotion of natural urban real estate for leasing
- b) Holding of shares in the capital of other REITs or in the capital of other entities not resident in Spanish territory that have the same corporate purpose as the former and are subject to a similar profit distribution regime.
- c) Holding of shares in the capital of other entities, whether or not resident in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for leasing (they may not hold shares in the capital of other entities) and which are subject to the same regime of profit distribution and investment. All of its capital must belong to other REITs or non-resident entities referred to in letter b) above.
- d) Holding of shares or equity units of Undertakings for Collective Investment in Real Estate regulated in Law 35/2003, of 4 November 2003, on Undertakings for Collective Investment (UCI).

They may also carry out other accessory activities (those that represent less than 20 percent of the company's income in each tax period).

#### **Investment obligation.**

They should have invested at least:

80% of the asset value in:

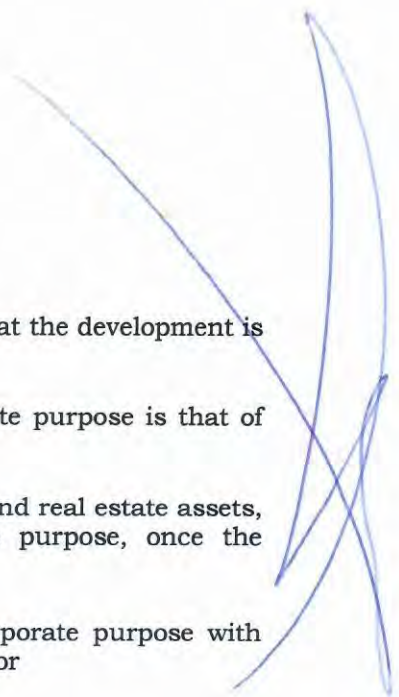
- urban real estate for leasing,
- land for the development of real estate to be leased, provided that the development is started within three years of its acquisition,
- stakes in the capital or equity of other entities whose corporate purpose is that of REITs.

80% of the income (excluding income from the transfer of shares and real estate assets, both of which are assigned to the fulfillment of its main corporate purpose, once the maintenance period has elapsed), must come from:

- leasing of real estate used for the fulfillment of its main corporate purpose with persons or entities that do not form a group, regardless of residence, and/or

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N.º 2822



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

- Term of permanence or maintenance:

The real estate assets must remain leased for at least three years, including the time they have been offered for lease, with a maximum of one year.

The shares or equity interests must be held as assets for at least three years from their acquisition or, as the case may be, from the beginning of the first tax period in which the tax regime is applied.

**Obligation to trade on a regulated market.**

REITs must be admitted to trading on a Spanish regulated market or in any other country with which there is an exchange of tax information, or in a Spanish multilateral trading system or in that of any other member state of the European Union or the European Economic Area. The shares must be nominative.

**Obligation to distribute profits.**

The Company will distribute as dividends, once the mercantile requirements have been met:

100% of the profits from dividends or shares in profits distributed by the entities referred to in section 1 of article 2 of Law 11 /2009.

At least 50% of the profits from the transfer of real estate and shares or stakes referred to in section 1 of article 2 of Law 11/2009, once the minimum holding periods have elapsed, subject to compliance with its main corporate purpose. The remaining profits must be reinvested in other real estate or stakes subject to compliance with the aforementioned corporate purpose, within a deadline of three years following the date of transfer.

At least 80% of the remaining profits obtained.

When the distribution of dividends is charged to reserves from profits earned in a year in which the special tax regime had been applied, said distribution must be carried out as described above.

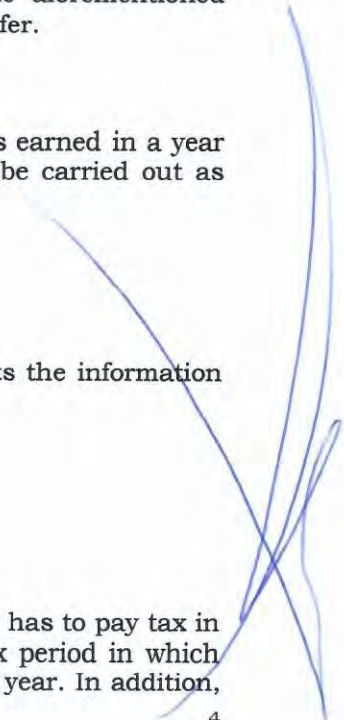
**Reporting information.**

REITs must include in the notes to their annual accounts statements the information required by the tax regulations governing the special regime for REITs.

**Minimum share capital.**

The minimum share capital is hereby set at 5 million euros.

Breach of any of the foregoing conditions will mean that the Company has to pay tax in accordance with the general regime governing Corporation Tax from the tax period in which said breach is reported, unless this is rectified during the following financial year. In addition,



the Company will be obliged to deposit, together with the amount of the foregoing tax period, the difference between the tax payable through application of the general regime and the amount paid as a consequence of applying the special tax regime in the previous tax periods. This is without prejudice to default interest, surcharges and fines which may be applicable.

The tax rate for REITs with regard to Corporation Tax is set at 0%. However, should profits be distributed to shareholders who own at least 5% of the share capital of the REIT and who are either exempt from tax or are taxed at a rate less than 10% on such dividends, then the REIT will have to pay a special corporate tax of 19% on the dividends distributed to those shareholders. Where applicable, this special taxation must be paid by the REIT within a deadline of two months from the date of dividend distribution.

Effective for tax periods beginning on or after 1 January 2021, a special tax rate of 15% will be applied to undistributed income obtained during the year that has not been distributed and which

- derives from income that has not been taxed at the general CT rate; and
- is not income subject to the reinvestment period foreseen for income derived from the transfer of real estate or shares in entities referred to in Art 2.1 of Law 11/2009 regulating REITs.
- (Other REITs, foreign entities with a regime equivalent to that of REITs, other entities dedicated to the leasing of urban real estate subject to requirements similar to REITs in terms of asset composition and profit distribution, etc.), that have met the 3-year permanence requirement)

## **1.2. Data for the financial year**

The financial year begins on 1 January and ends on 31 December. As an exception, the company's first financial year began on 27 February 2020.

The Annual Accounts, which have been prepared by the Directors, will be submitted for approval by the General Meeting of Shareholders.

The directors believe that this approval process will not result in any changes to the annual accounts.

## **1.3. Obligation to consolidate**

The Entity is not required to consolidate in accordance with the requirements established in Article 42 of the Commercial Code and in Rules 13 and 15 of Part Three of Royal Decree 1514/2007, which approved the General Chart of Accounts.

## **1.4. Functional currency data and presentation**

The functional currency of the Company is the euro and the annual accounts have been prepared in euros. Accordingly, transactions in currencies other than the euro are considered to be denominated in "foreign currency"



## **2. BASIS OF SUBMISSION OF THE ANNUAL ACCOUNTS**

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

The preparation and presentation of these annual accounts, prepared by the directors, which have been obtained from the accounting records of the company, have been based on all the accounting principles, rules and criteria for recording and measurement of obligatory application, established in the Corporate Enterprises Act and developed in the General Chart of Accounts (RD 1514/2007) approved on 16 November 2007, so that they show a true and fair view of the equity, its financial situation, the results of its operations, the changes in equity and the cash flows that have occurred in the company during the year, without it having been necessary to fail to apply any provision on accounting matters.

The most significant recording and measurement standards applied in the preparation of the annual accounts are summarized in **Note 4**.

All the rules and criteria established in the General Chart of Accounts in force at the time of preparation of these accounts have been followed without exception.

### **2.2. Non-mandatory accounting principles applied**

The Company's annual accounts have been prepared in accordance with all mandatory accounting principles established by current mercantile legislation (*Commercial Code and General Chart of Accounts*), namely: going concern, accrual, consistency, prudence, non-offsetting and relative importance.

No non-mandatory accounting principles have been applied.

### **2.3. Critical aspects of measuring and estimating uncertainty**

The Company has prepared its annual accounts statements on a going concern basis, with no significant risks that could result in significant changes in the value of assets or liabilities in the following year.

The preparation of the annual accounts requires management to make significant accounting estimations, judgments, estimates and assumptions that could affect the accounting policies adopted and the reported amounts of assets, liabilities, income, expenses and related disclosures.

The estimates and assumptions made are based, inter alia, on historical experience or other facts considered reasonable in view of the circumstances at the closing date, the result of which represents the basis for judgment on the carrying amount of assets and liabilities not immediately determinable.

Actual results may differ from the estimated results. These estimates and judgments are continually evaluated.

Certain accounting estimates are considered significant if the nature of the estimates and assumptions is material and if the impact on the financial position or operating performance is material.

Although these estimates were made by the Company's management based on the best information available at the end of each year, applying its best estimate and knowledge of the market, it is possible that future events may force the Company to modify them in the following



years. In accordance with prevailing legislation, the effects of the change in estimate will be recognized prospectively in the income statement.

a) Key assumptions about the future: as a newly formed company resulting from the spin-off of two companies with real estate leasing assets, we have worked with the sum of the individual forecasts of both spun-off companies.

b) In the annual accounts for the year ended 31 December 2020, there have been no significant changes in accounting estimates that affect the year to which the annual accounts refer, or that may affect future years.

c) Management does not believe that there are material uncertainties that cast significant doubt on the company's ability to continue as a going concern. For this reason, the entity's annual accounts have been prepared under the going concern principle.

#### **2.4. Comparison of information**

The principle of uniformity has been observed and the accounting criteria have not been varied. It has not been possible to compare the annual accounts for the year with those of the preceding year, since the company started operations in 2020.

#### **2.5. Pooling of entries**

In order to present the balance sheet, the profit and loss statement, the statement of changes in equity and the statement of cash flows, the criteria established by the General Chart of Accounts has been followed with regard to the pooling of amounts of various items, and therefore the annual accounts do not contain any items that have been grouped together.

#### **2.6. Elements included in several items**

There are no assets and liabilities recorded in two or more balance sheet items.

#### **2.7. Changes in accounting criteria**

The principle of uniformity has been observed in the preparation of the annual accounts.

#### **2. Correction of misstatements**

During the year to which these annual accounts refer, no misstatements were detected that had to be corrected, and therefore the annual accounts for 2020 do not include adjustments made as a result of misstatements detected during the year.

#### **2.9. Relative importance**

In determining the information to be disclosed in these annual accounts on the various items in the annual accounts or other matters, the Company, in accordance with the Conceptual Framework of the General Chart of Accounts, has taken into account relative importance in relation to the annual accounts for 2020.



### **3. APPLICATION OF PROFITS (LOSSES)**

#### **3.1. Proposal for application**

In the current financial year, the following profit has been obtained: 423,423.30 euros

The Board of Directors proposes to the General Meeting of Shareholders the approval of the application of profits indicated below:

ALLOCATION BASIS		FY 2020	FY 2019
Balance of the profit and loss statement	91000	423,423.30	
Surplus	91001		
Voluntary reserves	91002		
Other unrestricted reserves	91003		
TOTAL ALLOCATION BASIS = TOTAL APPLICATION	91004	423,423.30	
APPLICATION TO		FY 2020	FY 2019
Legal reserve	91005	42,342.33	
Capitalization reserve	91013		
Equalization reserve	91014		
Special reserves	91007		
Voluntary reserves	91008	10,710.60	
Dividends	91009	370,370.37	
Surplus and others	91010		
Offsetting of prior years' losses	91011		
TOTAL APPLICATION = TOTAL ALLOCATION BASIS	91012	423,423.30	

The distribution of profits complies with the requirements and limitations established in the Company's Articles of Association and in current legislation.

#### **3. interim dividends**

370,370.37 euros of interim dividends have been distributed during the current financial year.

The company's liquidity was sufficient to be able to proceed with the distribution of the interim dividend, as shown in the interim statement.

#### **3.3. Limitations on the distribution of dividends**

In 2020, there were no limitations on the distribution of dividends.

### **4. RECORDING AND MEASUREMENT RULES**

The main measurement, recording and accounting principles that have been or will be applied, as the case may be, in the preparation and formulation of the annual accounts for 2020 and future years are as follows:

#### **4.1. Intangible fixed assets**

Intangible assets are those non-monetary and specifically identifiable assets that have been acquired from third parties or have been developed by the company. Only those whose cost can be estimated objectively and from which future economic benefits are expected to be obtained are recognized for accounting purposes. They are recorded at acquisition and/or production cost and are stated at their book value corresponding to their cost less, as



appropriate, the related amortization and/or impairment losses. These assets will be amortized over their useful lives.

Those that are considered to have an “indefinite useful life” are those for which it is concluded that they will contribute indefinitely to the generation of profits.

**-Research and development:** this type of specific expenses are not specific to the Company's business activity and therefore it is not necessary to outline measurement rules for them.

**-Industrial Property:** this type of specific expenses are not specific to the company's business activity and therefore it is not necessary to outline measurement rules for them.

**-Goodwill:** this item includes, where appropriate, the amount delivered in the context of an acquisition for consideration, in the context of a business combination.

For this purpose, goodwill will be considered as the excess of the cost of the business combination over the fair value of the identifiable assets acquired less the liabilities assumed.

Subsequent to initial recognition, goodwill is measured at acquisition cost less accumulated amortization and, if applicable, the accumulated amount of recognized impairment losses.

Goodwill will be amortized over its useful life, estimated at 10 years (unless there is evidence to the contrary), and will be recovered on a straight-line basis. This useful life will be determined separately for each cash-generating unit to which goodwill has been allocated.

The cash-generating units to which goodwill has been allocated are subject, at least annually, to an analysis of whether there are signs of impairment and, if so, to an impairment test, proceeding, where appropriate, to the recording of the measurement adjustment for impairment.

**-Transfer rights:** the amounts actually paid by the company as consideration for the acquisition of the right to operate leased premises are mainly included in this account.

**-IT Applications:** this refers to computer programs acquired from third parties/produced by the company itself, and is recorded at acquisition cost (or production cost if developed by the company itself), including the cost of developing Websites.

**-Other intangible assets and rights:** this statement includes administrative concessions, commercial rights, intellectual property or licences.

**-Impairment of intangible assets:** in each financial year, the Company will assess the possible existence of impairment losses that would make it necessary to reduce the book value of its intangible assets, in the event that their recoverable value is lower than their carrying value. The recoverable amount is determined as the higher of net sales value and value in use. The value in use will be calculated based on estimated cash flows, discounted at a rate that reflects current market valuations of the value of money and the specific risks associated with the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the latter is reduced to its recoverable amount by recognizing the related write-down through the profit and loss statement.





If an impairment loss subsequently reverses, the carrying amount of the asset is increased up to the limit of the original carrying amount at which the asset was carried prior to the recognition of the impairment loss.

Intangible assets are shown in the balance sheet at their book value.

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

Assets included in property, plant and equipment acquired from a third party are measured at their acquisition price, which includes the purchase invoice, transportation, insurance, customs, if any, non-recoverable indirect taxes, installation and start-up costs. Work performed by the company for its own property, plant and equipment is measured at production cost.

Only financial expenses accrued prior to start-up will be capitalized for those fixed assets that have been in use for more than one year.

Provisions for dismantling, retirement or rehabilitation of property, plant and equipment are recorded as an increase in the value of fixed assets.

Any acquisitions made free of charge and those resulting from non-cash capital contributions are measured at market value.

Repairs that do not lead to an extension of the useful life of the asset will be taken directly to the profit and loss statement. Improvements and extensions that result in a longer life of the asset will be capitalized as an increase in the value of the asset, following the same criterion as for acquisitions.

Depreciation of these assets will begin when they are ready for their intended use. The annual depreciation charge will be established systematically using the straight-line method, based on their useful life and on the acquisition cost less their residual value.

The annual depreciation charge is recognized in the income statement and is basically equivalent to the depreciation rates determined on the basis of the years of estimated useful life.

In the case of land, it is considered to have an indefinite useful life and, therefore, is not subject to depreciation.

Residual values and useful lives are reviewed and adjusted, if necessary, at each balance sheet date.

- **Impairment of property, plant and equipment:** each year, the company will evaluate the possible existence of impairment losses that would make it necessary to reduce the book value of its property, plant and equipment, if their recoverable value is lower than their carrying value. The recoverable amount is determined as the higher of net sales value and value in use. The value in use will be calculated based on estimated cash flows, discounted at a rate that reflects current market valuations of the value of money and the specific risks associated with the asset.

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If an impairment loss subsequently reverses, the book value of the asset is increased up to the limit of the original carrying amount at which the asset was carried prior to the recognition of the impairment loss.

Items of property, plant and equipment are shown in the balance sheet at their book value.

#### **4.3. Investment properties**

Since Apodaca de Inversiones Inmobiliarias S.A. is a company whose core activity is the leasing of housing and premises, the properties assigned to this activity are recorded in tangible fixed asset subaccounts and, therefore, it is not necessary to mention any circumstance in this section.

In the case of land, it is considered to have an indefinite useful life and, therefore, is not subject to depreciation.

#### **4.4. Leases**

**-Finance leases and other transactions of a similar nature:** leases will be classified as finance leases whenever the terms of the lease substantially transfer the risks and rewards of ownership to the lessee. The others will be classified as operational. When the company acts as lessee, it will record the asset in accordance with its nature (tangible or intangible) and a financial liability for the same amount, without including the applicable taxes.

The total finance charge will be distributed over the term of the contract and will be charged to the profit and loss statement for the year in which they accrue, by applying the effective interest rate, based on the amortization of the debt.

These assets will be amortized and written down in accordance with the policies adopted for property, plant and equipment and similar intangible assets for own use.

For **operating leases**, lease payments made during the year will be recorded as expenses for the year and will be charged to profit and loss.

#### **4.5. Swaps**

During the year to which the annual accounts refer, there have been no swaps.

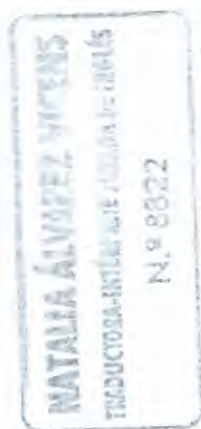
#### **4.6. Value updates performed**

Where appropriate, the criteria used in the value adjustments made will be indicated, with an indication of the items affected.

#### **4.7. Financial instruments**

**4.7.1. Financial assets:** the company recognizes financial assets in its balance sheet when it has become a debtor in a contract or legal transaction.

**a) Classification and measurement criteria:** financial assets are classified in the following categories, in accordance with the Chart of Accounts measurement standard No. 9: cash and cash equivalents; trade receivables; receivables from third parties; debt securities of other companies; equity instruments; derivatives with a favourable valuation for the company and other financial assets.



For valuation purposes, they are classified in the following categories:

1. **Loans and receivables:** this category includes assets arising from the sale of goods and the rendering of services in the company's ordinary course of business, as well as other assets arising from non-trade operations, which are receivable for a determined or determinable amount.

They are initially measured at fair value, which includes the transaction price plus directly attributable transaction costs. Trade receivables maturing within one year and without a contractual interest rate are measured at their nominal value. Subsequently, those assets initially measured at fair value are measured at amortized cost.

2. **Held-to-maturity investments:** this category includes non-derivative financial assets that generate fixed or determinable payments, are traded in an active market and have a fixed maturity when the company has the intention and the financial capacity to hold them to maturity.

They are initially measured at fair value, which includes the transaction price plus directly attributable transaction costs. Later they will be measured at their amortisation cost.

3. Financial assets classified as **held for trading:** this category includes hybrid financial assets and other financial assets that the Company considers appropriate to include in this category at the time of their initial recognition. They are measured at fair value. Initially at the transaction price, equivalent to the fair value of the consideration given. Directly attributable transaction costs are recognized in the profit and loss statement for the year. In the case of equity instruments, the initial measurement includes the amount of preemptive subscription rights and similar previously acquired. At the end of the accounting period, changes in fair value are charged to the profit and loss statement for the year.

4. **Available-for-sale financial assets:** this category includes equity instruments and debt securities issued by other companies that have not been included in another category.

They are initially measured at fair value, which includes the transaction price without deducting any transaction costs that might be incurred on disposal. At the end of the accounting period, changes in fair value are recorded directly in equity. Only the total amount recognized in net income is charged to the profit and loss statement.

**Hedging derivatives:** this category includes financial assets that have been designated to hedge a specific risk that may have an impact on the income statement due to changes in the fair value or cash flows of the hedged items.

These assets are measured and recorded according to their nature.

b) **Criteria for determining impairment losses:** each year, the company assesses the possible existence of impairment that would make it necessary to reduce the book value of its receivables and held-to-maturity investments. The risks arising from the debtor's insolvency, which may result in a reduction or delay in the estimated future cash flows, are evaluated. An impairment loss is considered for these assets when their book value exceeds the present value of future cash flows estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition, or, in the absence thereof, the market value of these assets, which is considered sufficiently reliable. Impairment losses and reversals of impairment are recognized as an expense or income, respectively, in the profit and loss statement.

c) **Derecognition criteria:** the Company will derecognize its financial assets when the rights derived therefrom have expired or the contractual rights to the cash flows have been assigned and have been transferred by means of a firm sale.

d) **Information on investments with related parties:** They are measured at cost less any accumulated impairment losses. However, when there is an investment prior to qualification as a group, jointly-controlled company or associate company, the carrying value



prior to that rating is considered as the investment cost. The previous value adjustments entered directly against equity are kept until these are written off.

If there is objective evidence that the carrying amount is not recoverable, the appropriate measurement adjustments are made for the difference between the book value and the recoverable amount, understood as the higher of fair value less costs to sell and the present value of the cash flows derived from the investment. Unless there is better evidence of the recoverable amount, the estimate of the impairment of these investments takes into consideration the equity of the investee company adjusted by the unrealized gains existing at the measurement date. The restatement and, if appropriate, its reversion is booked to the profit and loss statement in the financial year in which it occurs.

**e) *Income recognition criteria:*** interest and dividends on financial assets accrued after the time of acquisition are recognized as income in the profit and loss statement. Interest according to the effective interest rate method and dividends when the right to receive it has been declared.

Both accrued and unmatured explicit interest and dividends agreed by the competent body at the time of acquisition of the financial assets are recorded separately. On the other hand, dividends distributed from results generated prior to the date of acquisition are recorded as a reduction of the carrying amount of the investment.

**4.7.2. *Financial liabilities:*** the Company recognizes financial liabilities in its balance sheet when it becomes a creditor party to a contract or legal transaction, provided that it must deliver cash or another financial asset to settle the liability.

**a) *Classification and measurement criteria:*** financial liabilities are classified in the following categories, in accordance with Chart of Accounts measurement standard No. 9: trade payables; bank borrowing, bonds and other marketable securities issued; derivatives with unfavourable valuation for the company; debts with special characteristics and other financial liabilities.

For measurement purposes, they are classified into three categories:

1. ***Debits and payables:*** this category includes financial liabilities arising from the purchase of goods and services for commercial transactions and those that are not derivative instruments and are not commercial.

They are initially measured at fair value adjusted for directly attributable transaction costs. Later they will be measured at their amortised cost. Accrued interest is recognized in the profit and loss statement at the effective interest rate.

Debts from commercial transactions maturing in less than one year and without contractual interest rate, as well as disbursements required by third parties on investments maturing in the short term, are measured at their nominal value, which is maintained until they are reimbursed.

Interest-bearing bank loans and overdrafts are recorded at the amount received, net of direct issue costs. Financial expenses, including settlement or redemption premiums and direct issue costs, are recognized on an accrual basis in the profit and loss statement at the effective interest rate, increasing the carrying amount of the liability to the extent that they are not settled in the period in which they are recognized.

Loans are classified as current provided that the company is able to repay the liability during at least twelve months after the balance sheet date.

2. Financial liabilities classified as ***held for trading*** are initially measured at fair value, which is determined as the fair value of the consideration received. Directly

attributable transaction costs are recognized in the profit and loss statement for the year. At the end of the accounting period, changes in fair value are charged to the profit and loss statement for the year.

3. Financial liabilities classified as **other financial liabilities at fair value through profit or loss**: this category includes hybrid financial liabilities, i.e. those that combine a non-derivative host contract and a financial derivative and other financial liabilities that the Company considers appropriate to include in this category at the time of their initial recognition.

They are initially measured at fair value, which is determined as the fair value of the consideration received. Directly attributable transaction costs are recognized in the profit and loss statement for the year. At the end of the accounting period, changes in fair value are also charged to the profit and loss statement for the year.

**b) Derecognition criteria:** the company derecognizes its financial liabilities when the obligation is extinguished. Financial liabilities in which there is an exchange of financial instruments with substantially different conditions are also derecognized. The difference between the book value of the financial liability or part thereof derecognized and the consideration paid, including attributable transaction costs, is recognized in the profit and loss statement for the year.

**c) Criteria for determining expenses:** interest on financial liabilities accrued subsequent to the recognition of the obligation is recognized as an expense in the profit and loss statement using the effective interest method.

#### **4.7.3. Treasury stock held by the company**

In the event that there were equity instruments (shares) held by the company, they would be recorded as a reduction in the value of shareholders' equity. Expenses arising from their acquisition, such as legal, notary and registry fees; printing of reports, bulletins and certificates; taxes; advertising; commissions and other placement expenses, would be recorded directly as a reduction in the value of reserves, directly reducing equity.

Expenses arising from a discontinued or abandoned equity transaction would be recognized in the profit and loss statement.

#### **4.8. Hedge accounting**

In fair value hedges, changes in the value of the hedging instrument and the hedged item attributable to the hedged risk are recognized in the profit and loss statement.

The part of the gain or loss on the cash flow hedging instrument is recognised temporarily in the net equity, being charged to the profit and loss statement in the year or years in which the planned hedged transaction affects the result. That is, unless the hedge corresponds to an intended transaction that ends in the recognition of a non-financial asset or liability, in which case the amounts registered in the equity are included in the cost of the asset or liability when it is acquired or incurred.

Hedging transactions of net investments in foreign operations in subsidiaries, jointly controlled entities and associates are treated as fair value hedges for the exchange rate component.

#### **4.9. Inventories**

Given the characteristics of the company's activity, no circumstances need to be mentioned in this section.

#### **4.10. Transactions in foreign currency**

The annual accounts are presented in euros. Consequently, all possible balances and transactions denominated in currencies other than the euro will be considered to be denominated in "foreign currency". The translation into functional currency of the balances of monetary and non-monetary items will be made by applying the exchange rate in effect at the time of the corresponding transaction.

For monetary items, at each balance sheet date, assets and liabilities denominated in foreign currencies are translated at the rate in effect at the balance sheet date. Differences arising as a result of fluctuations in exchange rates at the closing date, both positive and negative, are recognized in the profit and loss statement. Differences arising on liquidation of assets and liabilities denominated in foreign currencies are also recorded in the income statement, whether positive or negative, except for those that form part of the investment in a foreign operation, which are recognized directly in equity until the time of sale.

Non-monetary items measured at historical cost are valued at the exchange rate at the date of the transaction. The depreciation charge for these assets is calculated on the amount in functional currency using the exchange rate at the date on which the asset was initially recorded.

For non-monetary items measured at fair value, the differences arising as a result of fluctuations in exchange rates at the closing date, both positive and negative, are recognized in the profit and loss statement, provided that the changes in the fair value of the related item have also been recognized in the profit and loss statement. However, for assets in which changes in fair value have been charged directly to equity, the differences arising as a result of both positive and negative fluctuations will also be recognized directly in equity.

#### **4.11. Income taxes**

##### **General regime**

The income tax expense for the year is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences with the taxable income and reduced by any tax credits and deductions.

Deferred tax assets and liabilities are recognized using the balance sheet method, in relation to the resulting temporary differences (deductible and taxable) between the carrying value of assets and liabilities in the annual accounts and the corresponding tax base used in the calculation of the taxable income for the year.

Deferred tax assets and liabilities are measured at the tax rates in effect at the balance sheet date and expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets and tax credits arising from tax loss carryforwards are recognized when it is probable that the Company will be able to recover them in the future. Deferred tax assets and liabilities are not offset and are classified as non-current assets (liabilities) in the balance sheet.

At the end of each accounting period, the deferred taxes recorded (both assets and liabilities) are reviewed to verify that they are still valid, and the appropriate adjustments are made in accordance with the results of the analyses performed and based on the tax rate in effect for the period to which they relate.

The income tax expense represents the sum of the current income tax settlement for the year and the deferred tax expense, less or increased by the adjustments made (see note 10)

#### **4.12. Income and expenses**

All revenues and expenses, in general, and with the exceptions described in other notes to the annual accounts, are recorded on an Accrual basis, i.e., when the actual flow of goods and services they represent occurs, regardless of when the resulting monetary or financial flow arises.

Revenues are measured at the fair value of the consideration received or receivable and represent the amounts receivable for goods delivered and services rendered in the ordinary course of business, less discounts, VAT and other recoverable sales-related taxes.

Sales of goods are recognized when substantially all risks and rewards have been transferred. Services rendered have been considered as revenues according to their percentage of realization.

Expenses are recognized in the profit and loss statement when there is a decrease in future economic benefits related to a decrease in an asset, or an increase in a liability, that can be measured reliably. An expense is recognized immediately when a disbursement does not generate future economic benefits or when it does not meet the requirements for recognition as an asset. An expense is also recognized when a liability is incurred and no asset is recorded.

Interest expense and interest income are accrued on a time proportion basis, based on the principal outstanding/payable and the effective interest rate applicable.

#### **4.13. Provisions and contingencies**

The Company's annual accounts will include all significant provisions for which the probability that an obligation will arise is high, and therefore, in the accounts that include provisions, those debts whose amount or time of payment is uncertain will be recorded, differentiating those maturing in the long term from those whose maturity is expected to occur in a period of less than twelve months.

Provisions are recognized only on the basis of present or past events that generate future obligations. They are quantified based on the best information available on the consequences of the event giving rise to them and are estimated at each accounting close. They are used to meet the specific obligations for which they were initially recognized. These provisions are fully or partially reversed when the obligations cease to exist or decrease.

The company follows the practice of provisioning the estimated amounts for liabilities arising from litigation in progress, indemnities or obligations as well as guarantees and sureties granted that may involve a payment obligation (legal or implicit) for the entity, against the results of the year according to a reasonable estimate of their amount.

#### **4.14. Environmental assets**

The Company has no environmental assets.

#### **4.15. Personnel expenses**

Personnel expenses include all mandatory or voluntary social security obligations and credit items arising from time to time, recognizing obligations for extraordinary payments, holidays or variable credit items and their associated expenses.



Except for cases of justified dismissal, the companies are obliged to compensate employees when they are dismissed.

As there is no anticipated need for abnormal termination of employment, and given that employees who retire or voluntarily leave their job do not receive indemnification, the indemnification payments, where applicable, are charged to expenses at the time when the decision to dismiss an employee is taken.

#### **4.16. Share-based payments**

The Company does not make share-based payments.

#### **4.17. Grants, gifts and bequests**

The Company has not received any grants, gifts or bequests.

#### **4.18. Business combinations**

The Company has not carried out any transactions of this nature during the year.

#### **4.19. Joint ventures**

There is no jointly controlled economic activity with another individual or legal entity.

#### **4.20. Related-party transactions**

During the year, there have been no transactions between related parties.

#### **4.21. Non-current assets held for sale**

During the year, no non-current assets have been reclassified to current assets held for sale, and consequently there are no associated liabilities.

#### **4.22. Discontinued operations**

There have not been any during the year.

#### **4.23. Greenhouse gas emission allowances**

There are no circumstances to report in this section.





## 5. PROPERTY, PLANT AND EQUIPMENT

### 5.1. Detail of movements

In this section we will proceed to analyse the movement corresponding to the current and previous years (except for the first year) with regard to the items of property, plant and equipment that make up heading A-II) of the Assets, according to the **Normal Balance Sheet**, and their respective depreciation, accumulated depreciation and accumulated impairment losses:

a) Statement of movements in property, plant and equipment		Land and buildings	Technical facilities and other property, plant and equipment	Fixed assets under construction and advances	TOTAL
		2	3	4	5
A) GROSS OPENING BALANCE, 2019	90520				
(+) Acquisitions through business combinations	90521				
(+) Non-monetary contributions	90522				
(+) Enlargements and improvements	90523				
(+) Valuation adjustments due to restatement (1)	90531				
(+) Remaining additions	90524				
(-) Removals, retirements or reductions	90525				
(-/+ Transfers to/from non-current assets held for sale or discontinued operations	90527				
(-/+ Transfers to/from other entries	90526				
B) GROSS CLOSING BALANCE, 2019	90528				
C) GROSS OPENING BALANCE, 2020	90520				
(+) Acquisitions through business combinations	90521				
(+) Non-monetary contributions	90522				
(+) Enlargements and improvements	90523				
(+) Valuation adjustments due to restatement (1)	90531				
(+) Remaining additions	90524	36,068,909.70			36,068,909.70
(-) Removals, retirements or reductions	90525				
(-/+ Transfers to/from non-current assets held for sale or discontinued operations	90527				
(-/+ Transfers to/from other entries	90526				
D) GROSS CLOSING BALANCE, 2020	90528	36,068,909.70			36,068,909.70
E) ACCUMULATED DEPRECIATION, OPENING BALANCE, 2019	90510				
(+) Allocation to depreciation for the year	90511				
(+) Increases by acquisitions or transfers	90512				
(+) Increase in accumulated depreciation due to restatement effect	90515				
(-) Decreases for disposals, retirements, reductions or transfers	90513				
F) ACCUMULATED DEPRECIATION, CLOSING BALANCE, 2019	90514				
G) ACCUMULATED DEPRECIATION, OPENING BALANCE, 2020	90510				
(+) Allocation to depreciation for the year	90511				
(+) Increases by acquisitions or transfers	90512	182,111.70			182,111.70
(+) Increase in accumulated depreciation due to restatement effect	90515				
(-) Decreases for disposals, retirements, reductions or transfers	90513				
H) ACCUMULATED DEPRECIATION, CLOSING BALANCE, 2020	90514	182,111.70			182,111.70
I) VALUE ADJUSTMENTS FOR IMPAIRMENT, OPENING BALANCE, 2019	90500				
(+) Valuation adjustments for impairment recognized in the period	90501				
(-) Reversal of impairment adjustments	90502				
(-) Decreases for disposals, retirements, reductions or	90503				

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a) Statement of movements in property, plant and equipment		Land and buildings	Technical facilities and other property, plant and equipment	Fixed assets under construction and advances	TOTAL
		2	3	4	5
transfers					
J) VALUE ADJUSTMENTS FOR IMPAIRMENT, CLOSING BALANCE, 2019	90504				
K) VALUE ADJUSTMENTS FOR IMPAIRMENT, OPENING BALANCE, 2020	90500				
(+) Valuation adjustments for impairment recognized in the period	90501				
(-) Reversal of impairment adjustments	90502				
(-) Decreases for disposals, retirements, reductions or transfers	90503				
L) VALUE ADJUSTMENTS FOR IMPAIRMENT, CLOSING BALANCE, 2020	90504				

### 5. Value adjustments due to restatement

When restatements have been made under Law 16/2012, of 27 December, this must be indicated:

- Amount of the restatement of the various restated balance sheet items and the effect of the restatement on depreciation.
- In the case of updated properties, a distinction will be made between the value of the land and the value of the construction.

### 5.3. Other information

As mentioned above, the company arose from a process of spin-off of two companies, and the spin-off was subject to the *Special Regime for Mergers, Spin-offs, Contributions of Assets, Exchange of Securities and Change of Registered Office established in Chapter VIII of Title VII of the Consolidated Text of Corporate Income Tax (Royal Legislative Decree 4/2004)*. For this reason, in application of the aforementioned regulations, the properties transferred from the spun-off companies were contributed at their actual value, not at the carrying value.

For the appropriate purposes, the approved appraisal company AESVAL, LÓGICA DE VALORACIONES, S.A., prepared the corresponding appraisal report for all the properties to be contributed to APODACA, as follows:

PROPERTY		APPRAISAL VALUATION		
PONZANO 76	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
FLAT 1A	0975214VK4707F0001UI	305,171.86	150,188.28	455,360.14
FLAT 1B	0975214VK4707F0001UI	271,785.72	141,950.32	413,736.04
FLAT 1C	0975214VK4707F0001UI	386,106.84	184,200.43	570,307.27
FLAT 2A	0975214VK4707F0001UI	315,293.28	159,921.62	475,214.90
FLAT 2B	0975214VK4707F0001UI	331,130.76	132,606.62	463,737.38
FLAT 2C	0975214VK4707F0001UI	319,298.16	161,952.96	481,251.12
FLAT 3A	0975214VK4707F0001UI	315,293.29	159,921.62	475,214.91
FLAT 3B	0975214VK4707F0001UI	331,130.76	50,918.58	382,049.34
FLAT 3C	0975214VK4707F0001UI	319,298.16	116,119.50	435,417.66
FLAT 4A	0975214VK4707F0001UI	315,293.28	164,673.77	479,967.05
FLAT 4B	0975214VK4707F0001UI	331,130.76	172,945.49	504,076.25
FLAT 4C	0975214VK4707F0001UI	189,732.09	71,010.65	260,742.74
PREMISES 1	0975214VK4707F0001UI	217,979.28	71,982.46	289,961.74
PREMISES 2	0975214VK4707F0001UI	97,932.72	39,196.40	137,129.12

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PREMISES 3	0975214VK4707F0001UI	107,410.08	42,989.60	150,399.68
PREMISES 4	0975214VK4707F0001UI	107,410.08	42,989.60	150,399.68
		<b>4,261,397.12</b>	<b>1,863,567.90</b>	<b>6,124,965.02</b>



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PROPERTY		APPRAISAL VALUATION		
CASTELLANA 103	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
00 LEFT	1485413VK4718E0001WB	1,495,174.52	417,122.72	1,912,297.24
00 CENTRE	1485413VK4718E0002EZ	366,740.92	149,218.52	515,959.44
00 RIGHT	1485413VK4718E0003RX	2,023,120.24	512,658.06	2,535,778.30
01 LEFT	1485413VK4718E0004TM	762,083.92	475,682.48	1,237,766.40
01 RIGHT	1485413VK4718E0005YQ	762,083.92	475,682.48	1,237,766.40
		<b>5,409,203.52</b>	<b>2,030,364.26</b>	<b>7,439,567.78</b>

PROPERTY		APPRAISAL VALUATION		
APODACA 5	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
1A	0657011VK4705F0005OQ	282,495.28	133,228.89	415,724.17
1B	0657011VK4705F0006PW	326,005.61	153,748.99	479,754.60
1C	0657011VK4705F0007AE	315,213.23	148,659.15	463,872.38
2A	0657011VK4705F0008SR	282,495.28	133,228.89	415,724.17
2B	0657011VK4705F0009DT	326,005.61	153,748.99	479,754.60
2C	0657011VK4705F0010AE	315,213.23	148,659.15	463,872.38
3A	0657011VK4705F0011SR	282,495.28	133,228.89	415,724.17
3B	0657011VK4705F0012DT	326,005.61	153,748.99	479,754.60
3C	0657011VK4705F0013FY	315,213.23	148,659.15	463,872.38
4A	0657011VK4705F0014GU	282,495.28	133,228.89	415,724.17
4B	0657011VK4705F0015HI	326,005.61	153,748.99	479,754.60
4C	0657011VK4705F0016JO	315,213.23	148,659.15	463,872.38
BOXROOM 01	0657011VK4705F0005OQ	0.00	1,402.05	1,402.05
BOXROOM 02	0657011VK4705F0006PW	0.00	1,388.40	1,388.40
BOXROOM 03	0657011VK4705F0007AE	0.00	1,429.33	1,429.33
BOXROOM 04	0657011VK4705F0008SR	0.00	1,388.40	1,388.40
BOXROOM 05	0657011VK4705F0009DT	0.00	1,429.33	1,429.33
BOXROOM 06	0657011VK4705F0010AE	0.00	1,402.05	1,402.05
BOXROOM 07	0657011VK4705F0011SR	0.00	1,483.91	1,483.91
BOXROOM 08	0657011VK4705F0012DT	0.00	1,483.91	1,483.91
BOXROOM 09	0657011VK4705F0013FY	0.00	1,483.91	1,483.91
BOXROOM 10	0657011VK4705F0014GU	0.00	1,483.91	1,483.91
BOXROOM 11	0657011VK4705F0015HI	0.00	1,483.91	1,483.91
BOXROOM 12	0657011VK4705F0016JO	0.00	1,552.15	1,552.15
00 01	0657011VK4705F0002YZ	339,831.40	130,131.45	469,962.85
00 02	0657011VK4705F0003UX	337,847.37	44,011.50	381,858.87
00 03	0657011VK4705F0004IM	283,960.75	116,170.56	400,131.31
		<b>4,656,496.00</b>	<b>2,050,272.89</b>	<b>6,706,768.89</b>

PROPERTY		APPRAISAL VALUATION		
ORTEGA Y GASSET 67	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
PREMISES LEFT	2959216VK4725H0001QM	898,526.52	248,178.82	1,146,705.34
PREMISES CENTRE	2959216VK4725H0001QM	88,743.36	55,971.17	144,714.53
PREMISES RIGHT	2959216VK4725H0001QM	499,181.40	208,661.40	707,842.80
1st LEFT	2959216VK4725H0001QM	389,770.02	319,022.64	708,792.66

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1st RIGHT	2959216VK4725H0001QM			
1st CENTRE	2959216VK4725H0001QM			
2nd LEFT	2959216VK4725H0001QM	697,516.60	227,926.01	925,442.61
2nd RIGHT	2959216VK4725H0001QM	601,372.42	226,686.22	828,058.64
3rd LEFT	2959216VK4725H0001QM	709,204.72	207,182.59	916,387.31
3rd RIGHT	2959216VK4725H0001QM	601,372.42	28,697.91	630,070.33
FLAT 4A	2959216VK4725H0001QM	533,732.16	229,151.67	762,883.83
FLAT 4B	2959216VK4725H0001QM	226,485.53	145,797.58	372,283.11
FLAT 4C	2959216VK4725H0001QM	374,472.16	214,299.98	588,772.14
FLAT 5A	2959216VK4725H0001QM	396,604.17	255,309.59	651,913.76
FLAT 5B	2959216VK4725H0001QM	308,528.56	220,661.47	529,190.03
TERRACE 5A	2959216VK4725H0001QM		17,528.39	17,528.39
TERRACE 5B	2959216VK4725H0001QM		25,434.14	25,434.14
TERRACE 4B	2959216VK4725H0001QM		4,891.18	4,891.18
		<b>6,325,510.04</b>	<b>2,635,400.76</b>	<b>8,960,910.80</b>



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PROPERTY		APPRAISAL VALUATION		
FÉLIX BOIX 9	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
01 01	1896902VK4719F0014FP	986,485.76	614,702.40	1,601,188.16

PROPERTY		APPRAISAL VALUATION		
EMILIO CASTELAR 17	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
	2004308VJ8620S0001HT	629,275.00	173,812.50	803,087.50

PROPERTY		APPRAISAL VALUATION		
RAMÓN Y CAJAL 5	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
	2004303VJ8620S0001JT	242,607.95	464,054.73	706,662.68

PROPERTY		APPRAISAL VALUATION		
ALONSO HEREDIA 18	LAND REGISTRY REF.	LAND	SPREAD	APPRAISAL VALUE
-1 RIGHT	3064411VK4736C0002FM	161,481.30	78,926.77	240,408.07
-1 LEFT	3064411VK4736C0003GQ	262,802.90	120,124.94	382,927.84
01 RIGHT	3064411VK4736C0006KR	208,975.80	121,999.02	330,974.82
01 LEFT	3064411VK4736C0007LT	240,638.80	129,050.04	369,688.84
02 RIGHT	3064411VK4736C0008BY	208,975.80	118,689.27	327,665.07
02 LEFT	3064411VK4736C0009ZU	240,638.80	125,238.82	365,877.62
03 RIGHT	3064411VK4736C0010LT	208,975.80	112,069.78	321,045.58
3RD LEFT	3064411VK4736C0011BY	240,638.80	121,427.59	362,066.39
00 RIGHT	3064411VK4736C0004HW	199,129.60	79,555.20	278,684.80
00 LEFT	3064411VK4736C0005JE	121,966.88	62,383.12	184,350.00
4	3064411VK4736C0012ZU	44,759.00	42,468.25	87,227.25
		<b>2,138,983.48</b>	<b>1,111,932.80</b>	<b>3,250,916.28</b>

Consequently, the former properties are recorded in the company's property, plant and equipment measured at the restated amounts indicated above, not at the net carrying value as reflected in the companies now spun-off.

All the properties listed are located in Madrid, except for the properties located in Emilio Castelar and Ramón y Cajal, which are in Alcázar de San Juan (Ciudad Real).

b) The **annual depreciation charge** has been systematically and rationally established on the basis of its useful life and residual value and has been calculated by the straight-line method and based on the following coefficients:

Element:	Depreciation method used	Estimated useful life in years	% of annual depreciation
Buildings	straight line	50	2%
Technical Plant	straight line	20	10%
Machinery	straight line	18	12%
Tooling	straight line	8	25%
Other facilities	straight line	14	15%
Furniture	straight line	10	20%

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IT Equipment	straight line	25	8%
Vehicles	straight line	14	16%
Other property, plant and equipment	straight line	10	10%

In the case of land, it is considered to have an indefinite useful life and, therefore, is not subject to depreciation.

## 6. INTANGIBLE FIXED ASSETS

### 6.1.1. Detail of movements

This year the Company did not have any intangible fixed assets to report; however, in future years this section will analyze the movement in the current and previous years with respect to the intangible fixed asset items included in caption A-I) of the Assets, according to the **Normal Balance Sheet**, and their respective amortization, accumulated amortization and impairment losses.

### 6.2. Goodwill

There is no goodwill recorded in the company's books.

## 7. FINANCIAL INSTRUMENTS

### 7.1. Information on the relevance of financial instruments on the company's financial position and results of operations

#### a) Long-term financial assets, except investments in the equity of group, jointly-controlled and associate companies

		CLASSES						TOTAL	
		Equity instruments		Debt representative securities		Credits, derivatives and others			
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
		2	29	3	39	4	49	5	59
<b>Assets at fair value through profit and loss:</b>									
Held for trading	90907								
Others	90908								
Investments held until maturity	90909								
Loans and receivables	90910								
<b>Available-for-sale financial assets:</b>									
Measured at fair value	90911								
Measured at cost	90912								
Hedging derivatives	90913								
<b>TOTAL</b>	<b>90914</b>								



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**b) Short-term financial assets, except for investments in the equity of group, jointly-controlled and associate companies**

		CLASSES							
		Equity instruments		Debt representative securities		Credits, derivatives and others		TOTAL	
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
		7	79	8	89	10	19	11	99
<b>Assets at fair value through profit and loss:</b>									
Held for trading	90907								
Others	90908								
Investments held until maturity	90909								
Loans and receivables	90910								
<b>Available-for-sale financial assets:</b>									
Measured at fair value	90911	1,066.00				150,778.23		151,844.23	
Measured at cost	90912								
Hedging derivatives	90913								
<b>TOTAL</b>	<b>90914</b>	<b>1,066.00</b>				<b>150,778.23</b>		<b>151,844.23</b>	

\* Cash and cash equivalents are not included in the table

**c) Long-term financial liabilities**

		CLA				SSES		TOTAL	
		Bank borrowing		Bonds and other marketable securities		Derivatives and others			
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
		2	29	3	39	4	49	5	59
Debts and accounts payable	90932								
<b>Liabilities at fair value through profit or loss</b>									
Held for trading	90933								
Others	90934	2,610,223.92						2,610,223.92	
Hedging derivatives	90935					51,616.79		51,616.79	
<b>TOTAL</b>	<b>90936</b>	<b>2,610,223.92</b>				<b>51,616.79</b>		<b>2,661,840.71</b>	

**d) Current financial liabilities**

		CLA				SSES		TOTAL	
		Bank borrowing		Bonds and other marketable securities		Derivatives and others			
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
		7	79	8	89	10	19	11	99
Debts and accounts payable	90932								
<b>Liabilities at fair value through profit or loss</b>									
Held for trading	90933								
Others	90934	544,066.64				1,389.36		545,456.00	
Hedging derivatives	90935								
<b>TOTAL</b>	<b>90936</b>	<b>544,066.64</b>				<b>1,389.36</b>		<b>545,456.00</b>	

**e) Financial assets and financial liabilities at fair value through profit or loss**

	Assets at fair value through profit and loss	Liabilities at fair value through profit or loss
Change in fair value in 2020		
Accumulated change in fair value since designation		
Change in fair value in 2019		
Accumulated change in fair value since designation		

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**f) Reclassifications of financial assets**

	Reclassified to					
	FY 2020			FY 2019		
	Investments held until maturity	Investment in the equity of group, jointly-controlled and associate companies	Available-for-sale assets	Investments held until maturity	Investment in the equity of group, jointly-controlled and associate companies	Available-for-sale assets
Investments held until maturity						
Financial assets held for trading						
Other financial assets at fair value through profit or loss						
Investment in the equity of group, jointly-controlled and associate companies						
Available-for-sale financial assets						

**g) Maturity of financial asset instruments at year-end 2020**

		Maturity in years						TOTAL
		One	Two	Three	Four	Five	More than 5	
		02	03	04	05	06	07	
Short term investments in group companies and associates	90971							
Loans to companies	90977							
Debt representative securities	90978							
Derivatives	90979							
Other financial assets	90980							
Other investments	90981							
<b>Financial investments</b>	90972	31,080.29						<b>31,080.29</b>
Loans to third parties	90982							
Debt representative securities	90983							
Derivatives	90984							
Other financial assets	90985	31,080.29						<b>31,080.29</b>
Other investments	90986							
<b>Non-current trade receivables</b>	90974							
Advances to suppliers	90975							
<b>Trade and other receivables</b>	90973	185,510.98						<b>185,510.98</b>
Trade receivables for sales and services	90987	185,510.98						<b>185,510.98</b>
Clients, group companies and associates	90988							
Sundry receivables	90989							
Personnel	90990							
Shareholders (partners) for called capital	90991							
<b>TOTAL</b>	<b>90976</b>	<b>216,591.27</b>						<b>216,591.27</b>



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**h) Maturity of financial liability instruments at year-end 2020**

		Maturity in years						
		One 02	Two 03	Three 04	Four 05	Five 06	More than 5 07	TOTAL 08
<b>Debts</b>	90919	545,456.00					2,661,840.71	3,207,296.71
Bonds and other marketable securities	90918							
Bank borrowing	90920	544,066.64					2,610,223.92	3,154,290.56
Finance lease creditors	90921							
Derivatives	90922							
Other financial liabilities	90923	1,389.36					51,616.79	53,006.15
<b>Debts with group companies and associates</b>	90924							
<b>Non-current trade payables</b>	90925							
<b>Trade and other payables</b>	90915	1,486.59						1,486.59
Suppliers	90926							
Suppliers, group companies and associates	90927							
Sundry payables	90928	1,476.86						1,476.86
Personnel	90930	9.73						9.73
Customer advances	90931							
Debts with special features	90916							
<b>TOTAL</b>	90917	<b>546,942.59</b>					<b>2,661,840.71</b>	<b>3,208,783.30</b>

**i) Transfer of financial assets (transferred and not yet derecognized)**

	Book value of transferred assets FY 2020		Continued involvement of assets*		
	Value of assets	Value of associated liabilities	Initial value	Current value	Associated liabilities
Equity instruments					
Debt representative securities					
Credits, derivatives and others					
<b>TOTAL</b>					

**j) Financial assets pledged as collateral**

	Book value FY 2020	
Equity instruments		
Debt representative securities		
Credits, derivatives and others		
<b>TOTAL</b>		

**k) Assets (financial or otherwise) pledged as collateral, which the company may dispose of even if the default has not occurred**

	Fair value
Assets received as collateral	
Assets received as collateral disposed of	



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**1) Impairment adjustments arising from credit risk**

		Classes of financial assets					
		Debt representative securities		Loans, derivatives and other (3)		TOTAL	
		Long term	Short term	Long term	Short term	Long term	Short term
		03	08	04	10	05	11
Impairment loss at the beginning of 2019	9330						
(+) Valuation adjustment for impairment	9331						
(-) Reversal of impairment	9332						
(-) Disposals and reductions	9333						
(+/-) Transfers and other variations (business combinations, etc.)	9334						
Impairment loss at the end of 2019	9335						
(+) Valuation adjustment for impairment	9331						
(-) Reversal of impairment	9332						
(-) Disposals and reductions	9333						
(+/-) Transfers and other variations (business combinations, etc.)	9334				47,295.18		47,295.18
Impairment loss at the end of 2020	9335						

(3) including impairment adjustments arising from credit risk in "Trade and other receivables"

**m) Information related to the profit and loss statement and shareholders' equity**

**m.1) Assets**

CATEGORIES		Net profit or loss		Interest income from application of the effective interest rate	
		FY 2020	FY 2019	FY 2020	FY 2019
		<b>Assets at fair value through profit or loss, of which</b>			
	- Held for trading				
	- Others				
	<b>Investments held until maturity</b>				
	<b>Loans and receivables</b>				
	<b>Available-for-sale assets, of which</b>				
	- Measured at fair value				
	- Measured at cost				
	<b>Hedging derivatives</b>				
	<b>TOTAL</b>				

CLASSES		- Valuation adjustments due to impairment		Interest income recognized in P&L related to these assets	
		FY 2020	FY 2019	FY 2020	FY 2019
		Equity instruments			
Debt representative securities					
Credits, derivatives and others					
<b>TOTAL</b>					



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**m.2) Liabilities**

CATEGORIES		Net profit or loss		Interest expense from application of the effective interest rate	
		FY	FY	FY	FY
		Debits and accounts payable			
	Liabilities at fair value through profit or loss, of which:				
	- Held for trading				
	- Others				
	Hedging derivatives				
	<b>TOTAL</b>				

**n) Fair value and changes in the value of financial assets measured at fair value**

	FY 2020		FY 2019	
	Assets	Liabilities	Assets	Liabilities
Fair value hedges				
Cash flow hedges				
Hedge of net investments in foreign operations				
<b>TOTAL</b>				

**ñ) Cash flow hedges: amounts recognized during the period**

	FY 2020	FY 2019
Amount recognized in equity		
Amount attributed to gains and losses from equity		
Amount reduced from equity and included in the initial valuation of a non-financial asset or liability (the hedged item is a highly probable transaction)		

**o) Fair value hedges: amounts of gains or losses, attributable to the hedged risk**

	FY 2020		FY 2019	
	Losses	Gains	Losses	Gains
From the hedging instrument				
From the hedged item				
<b>TOTAL</b>				

**p) Cash flow hedges and hedges of net investment in foreign operations: ineffectiveness recorded in profit or loss**

	FY 2020	FY 2019
Cash flow hedges		
Hedge of net investments in foreign operations		
<b>TOTAL</b>		



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**q) Comparison of fair value and book value for financial instruments, derecognition and recognized earnings**

**q.1) Financial assets**

CLASSES		FY 2020		FY 2019		FY 2020		FY 2019	
		Disposals							
		Fair value	Book value	Fair value	Book value	Book value	Recognized gain or loss	Book value	Recognized gain or loss
	Equity instruments								
	Debt representative securities								
	Credits, derivatives and others								
	<b>TOTAL</b>								

**q.2) Financial liabilities**

CLASSES		FY 2020		FY 2019		FY 2020		FY 2019	
		Disposals							
		Fair value	Book value	Fair value	Book value	Book value	Recognized gain or loss	Book value	Recognized gain or loss
	Bank borrowing								
	Bonds and other marketable securities								
	Derivatives and others								
	<b>TOTAL</b>								

**Group, jointly-controlled and associate companies:**

**r) Information on group companies in 2020**

There is no group or group companies according to the criteria of article 42 of the Commercial Code.

**s) Information on associate companies in 2020**

There are no associate companies according to the criteria of article 42 of the Commercial Code.

**t) Information on jointly controlled entities in 2020**

There are no jointly controlled companies according to the criteria of article 42 of the Commercial Code.

**u) Information on related companies in 2020**

There are five companies related to APODACA INVERSIONES INMOBILIARIAS, S.A., for the purposes of Article 42 of the Commercial Code, since the shareholders and members of the Boards of Directors of the five companies are the same individuals. Four of them come from the aforementioned spin-off operation; the fifth company (INVERSIONES JUMARAMA, S.L.) was incorporated in 1979.



*[Handwritten signature in blue ink]*

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TAX ID NO.	Name	Registered office	Legal Form	Activities
				NATIONAL BUSINESS ACTIVITY CODE - CNAE
B88567094	ALJIBESLLANOS, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B88567037	AÑAVETE, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	111
B88567060	SOCITELLO, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B88567078	LAIROCSE, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	6499
B28575678	INVERSIONES JUMARAMA, S.L.	CL Ponzano 76 - Madrid 28003	Limited Liability Company	0170

**v) Information on companies in which significant influence is not exercised, even if more than 20% of the capital is owned. FY 2020**

There are no companies to review with these characteristics.

**w) Measurement adjustments for impairment recorded in the various equity investments**

Since the Company does not hold any interests in other companies, no adjustments should be made in this section.

**x) Gain or loss on disposal of investments in group companies, jointly controlled entities and associates**

As the Company does not have any shareholdings in other companies, nothing should be indicated in this section.

**8. SHAREHOLDER EQUITY**

The detail and movements of shareholder equity are shown in the Statement of Changes in Shareholder Equity for 2020.

**8.1. Share Capital**

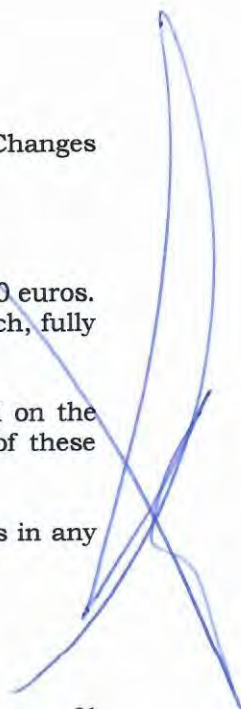
The share capital of the Company at the close of 2020 amounts to 32,712,120.00 euros. It consists of a total of 545,202 registered shares with a nominal value of 60 euros each, fully subscribed and paid up.

All of the shares are represented by the book-entry system and are not listed on the stock exchange or on any secondary securities market at the date of preparation of these annual accounts.

To date, there are no different classes of shares or equity units, nor restrictions in any of the existing ones, with respect to voting rights.

**8. Capital Increases**

No capital increase was carried out during the year.



### 8.3. Availability of reserves

There are no limitations to the availability of reservations.

**Share premium and voluntary reserves:** these are freely distributable for the distribution of dividends except for the amount corresponding to research and development expenses recorded on the assets side of the balance sheet.

**Legal reserve:** the company is obliged to allocate 10% of the profits of each year to a reserve fund until it reaches at least 20% of the share capital. This reserve is not distributable to shareholders and may only be used to cover, if no other reserves are available, the debit balance of the income statement for the year.

### 8.4. Treasury stock

The company has no treasury stock.

## 9. FOREIGN CURRENCY

No transactions were carried out in currencies other than the euro during 2020. If they were to occur, the valuation of such transactions would follow the guidelines laid down in note 4.10 of the Measurement Standards.

## 10. TAX SITUATION

### 4.11. Income taxes

#### Calculation and recording of income tax

Income tax has been calculated on the basis of the income for the year before taxes, considering the differences between the accounting income and the taxable income and distinguishing between permanent and temporary differences for the purpose of determining the income tax accrued in the year.

Corporate income tax expense and current tax were calculated as follows:

A) CALCULATION OF CORPORATE INCOME TAX			
A) ACCRUED TAX		2020	2019
EBT	912001	576,881.64	
+/- Permanent Differences	912002	10,471.13	
+/- Capitalization reserve	912054		
<b>ADJUSTED ACCOUNTING PROFIT</b>	912003	587,352.77	
Tax rate	912004	25	
<b>GROSS TAX</b>	912005	146,838.19	
- Allowances	912006		
- Deductions	912007		
<b>ACCRUED TAX</b>	912008	146,838.19	
B) CURRENT TAX AND TAX PAYABLE			
EBT	912009	576,881.64	
+/- Permanent Differences	912010	10,471.13	
<b>ADJUSTED ACCOUNTING PROFIT</b>	912011	587,352.77	
+/- Temporary differences	912012	26,480.58	
<b>PRIOR TAXABLE BASE</b>	912052	613,833.35	
- Capitalization reserve	912053		
- Offset of tax loss carryforwards	912013		

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<b>TAXABLE BASE</b>	912014	613,833.35	
+/- Equalization Reserve	912055		
<b>TAXABLE BASE AFTER EQUALIZATION RESERVE</b>	912056	613,833.35	
Tax rate	912015	25	
<b>FULL AMOUNT PAYABLE</b>	912016	153,458.34	
+ Increase for noncompliance Equalization reserve	912057		
- Allowances	912017		
- Deductions	912018		
<b>LIQUID AMOUNT: CURRENT TAX</b>	912019	153,458.34	
- Withholdings and prepayments	912020	4,287.87	
<b>TAX FOR THE YEAR</b>	912021	149,170.47	
- Interim payments	912058		
<b>DIFFERENTIAL AMOUNT</b>	912059	149,170.47	
+ Increase due to tax loss carryforwards	912060		
- Credit for R&D&I deductions due to insufficient quota	912063		
<b>LIQUID TO BE PAID/REBATED</b>	912061	149,170.47	

The entries to which these calculations have given rise are as follows:

<b>B) ACCOUNTING RECORDS FOR CORPORATE INCOME TAX</b>		<b>DEBIT</b>	<b>CREDIT</b>
<b>a) Current tax</b>			
(6300) Current tax	912022	153,458.34	
(4709) Exchequer, receivables for tax rebates	912023		
(473) Exchequer, withholdings and interim payments	912024		4,287.87
(4752) Exchequer, Corporate Tax Payables	912025		149,170.47
<b>b) Deferred tax</b>			
(6301) Deferred tax	912026		
(479) Liabilities for temporary tax differences	912027		
(479) Liabilities for temporary differences Equalization reserve	912062		
(4740) Assets from deductible temporary differences	912028		
(4745) Credits for losses to be offset	912029		
(4742) Deductions/allowances pending application	912064		
<b>c) Adjustments</b>			
(479) Liabilities for temporary tax differences	912030		
(4740) Assets from deductible temporary differences	912031		
(4742) Deductions/allowances pending application	912032		
(4745) Credits for losses to be offset	912033		
(633) Negative income tax adjustments	912034		
(638) Positive income tax adjustments	912035		

**a) Reconciliation of the net amount of income and expenses for the year with the taxable income for income tax purposes**

	Profit and loss statement		Income and expenses recognized directly in equity		Reserves		TOTAL
	Amount for 2020		Amount for 2020		Amount for 2020		
	Increases	Decreases	Increases	Decreases	Increases	Decreases	
Income and expenditure balance for the year	1,202,481.22	472,141.24					730,339.98
Corporate Tax		153,458.34					153,458.34
Permanent differences	10,471.13						10,471.13
Temporary differences:	67,206.71	40,726.13					26,480.58
- originating in the financial year	67,206.71	40,726.13					26,480.58
- originating in previous years							

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- Equalization Reserve						
Capitalisation reserve						
Offsetting of tax loss carryforwards						
Taxable income (tax result)	1,280,159.06	666,325.71				613,833.35

## 10.2. Deferred tax information: temporary differences and tax loss carryforwards

a) Those **temporary differences** are detailed in the accompanying table, indicating their nature and amount.

ASSETS FOR DEDUCTIBLE TEMPORARY DIFFERENCES	ORIGINATING IN THE YEAR	ORIGINATING IN PRIOR YEARS
Non-operating expenses	10,163.65	
Fines and Penalties	307.48	
<b>Total</b>	<b>10,471.13</b>	

LIABILITIES FOR TAXABLE TEMPORARY DIFFERENCES	ORIGINATING IN THE YEAR	ORIGINATING IN PRIOR YEARS
Difference between accounting and tax depreciation	26,480.58	
<b>Total</b>	<b>26,480.58</b>	

## 10.3. Tax incentives applied during the year

The Company has not applied any tax incentive, and therefore has not assumed any commitment for its application.

## 10. Information on permanent differences

As we have already mentioned, the company arose from a process of total spin-off of two companies. Since the spin-off was carried out under the Special Regime for Mergers, Spin-offs and Contribution of Assets of Chapter VII of the Corporate Income Tax Law, a discrepancy arises between the tax value and the carrying value of the assets contributed to the spun-off companies.

This discrepancy arises, on the one hand, from application of Article 78 of the Corporate Income Tax Law, which obliges to maintain for tax purposes the same values that the assets transferred had in the companies of origin and, on the other hand, to IAS 19 and 20 of the General Chart of Accounts, which requires the assets to be measured for accounting purposes at their "actual value", for which purpose, as also mentioned above, the company obtained the corresponding appraisal of the contributed real estate carried out by an approved appraisal company.

The aforementioned temporary difference amounted to 26,480.58 euros and the origin of this amount is the table below, which details the accounting depreciation and the tax depreciation allowed for each of the properties:



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1563	30-12-20	END.	DEFR.	JOYG	4C	CAS-041	4,286.00	357.17	3,571.67	2,157.62	1,798.02	1,773.65
1563	30-12-20	END.	DEFR.	JOYG	5A + TERR	CAS-042	5,456.76	454.73	4,547.30	2,453.24	2,044.37	2,502.93
1563	30-12-20	END.	DEFR.	JOYG	5B + TERR	CAS-043	4,921.91	410.16	4,101.59	2,032.49	1,683.74	2,407.85
											Adj -	-40,726.13
											Adj +	67,206.71
											Total	26,480.58

**NATALIA ÁLVAREZ VICENS**  
 TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS  
 N.º 8322

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## 10.5. Other information

The other taxes caption totalling 89,589.34 euros is broken down as follows:

REAL ESTATE TAX (IBI)	71,707.40
RUBBISH COLLECTION FEES	3,741.53
TAX ON BUSINESS ACTIVITY (IAE)	14,140.41

The Company has pending verification by the tax authorities of the main taxes applicable to it for 2020.

## 11. INCOME AND EXPENSES

### 11.1. Detail of the profit and loss statement

All expenses inherent to the purchases have been considered as a higher amount of the purchase, including the non-deductible VAT. Discounts on purchases included in the invoice have been considered as a reduction of the purchase price. Purchase rebates have been considered separately. Cash discounts, whether on invoice or not, have been considered as a reduction of their acquisition price.

The purchase returns account includes discounts and similar items after receipt of the invoice due to noncompliance with delivery dates or quality defects.

All these measurement rules have also been applied to inventories in the rendering of services.

Detail of the profit and loss statement		FY 2020	FY 2019
1. Consumption of goods	95000		
a) Purchases, net of returns and any discounts, of which:	95001		
• national	95002		
• intra-community acquisitions	95003		
• imports	95004		
b) Variation in inventories	95005		
2. Raw materials and other consumables used	95006		
a) Purchases, net of returns and any discounts, of which	95007		
• national	95008		
• intra-community acquisitions	95009		
• imports	95010		
b) Variation in inventories	95011		
3. Employee benefit charges	95012	17,790.75	
a) Social security to be paid by the company	95013	17,790.75	
b) Pension contributions and endowments	95014		
c) Other employee benefit charges	95015		
4. Sale of goods and rendering of services produced by exchange of nonmonetary goods and services	95019	1,202,481.22	
5. Profit or loss arising outside the company's ordinary course of business included in "Other profit or loss"	95020	2,760.73	
6. Costs associated with a restructuring:	95021		
a) Personnel expenses	95022		
b) Other operating expenses	95023		
c) Impairment and gains or losses on disposals of fixed assets	95024		
d) Other gains or losses associated with the restructuring	95025		

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### 11.2. Turnover

The turnover, included in heading 1 of the profit and loss statement, for 2020 totals 1,202,481.22 euros, and is broken down as follows:

Statement	TURNOVER	AMOUNT
700	Sales of goods	
701	Sales of finished products	
702	Sales of semi-finished products	
703	Sales of by-products and waste	
704	Sales of containers and packaging	
705	Leases	1,202,481.22
(706)	Cash discounts on sales for prompt payment	
(708)	Sales returns and similar transactions	
(709)	Sales rebates	

This amount is reflected net of returns and discounts.

### 11.3. Other gains or losses

As indicated in the third part of the General Chart of Accounts on the rules for the preparation of the annual accounts, an item called "Other gains or losses" has been added to the profit and loss statement, which forms part of the operating results, and which includes income and expenses of an exceptional nature and significant amount arising outside the company's normal activity, as detailed below.

(678) EXCEPTIONAL EXPENSES	AMOUNT
SURCHARGES	780.80
<b>TOTAL</b>	<b>780.80</b>

(778) EXCEPTIONAL INCOME	AMOUNT
CLAIMS SETTLEMENTS	3,541.53
<b>TOTAL</b>	<b>3,541.53</b>

### 12. PROVISIONS AND CONTINGENCIES

There is no amount to report in this section.

### 13. ENVIRONMENTAL INFORMATION

Given the Company's activity, it has no environmental liabilities, asset expenses or provisions and contingencies.

### 14. TRANSACTIONS WITH PAYMENTS BASED ON EQUITY INSTRUMENTS

During the year to which these annual accounts refer, the Company has not made any payments based on equity instruments.



#### **15. GRANTS, GIFTS AND BEQUESTS**

During the year to which these annual accounts refer, the Company has not made any grants, gifts or bequests.

#### **16. BUSINESS COMBINATIONS**

During the year to which these annual accounts refer, the Company has not carried out any business combination.

#### **17. JOINT VENTURES**

During the year to which these annual accounts refer, the Company has not carried out any joint ventures with other companies.

#### **18. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

During the year to which these annual accounts refer, the Company did not have any non-current assets held for sale or discontinued operations.

#### **19. POST-CLOSURE EVENTS**

On 16 February 2021, the company notified the tax authorities of the resolution adopted at the General Meeting held on 1 February 2021 to apply the special REITs regime.

At the date of preparation of these annual accounts, the Company's shares are not yet listed on a regulated market, however, it is still within the legal period of two years from the date of adoption of the agreement to comply with the requirements of Law 11/2009 of 26 October, as amended by Law 16/2012 of 26 December, which regulates REITs.



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## 20. RELATED PARTY TRANSACTIONS

### Related party transactions and their effects on the annual accounts

The appendix attached to the notes to the annual accounts shows all the information corresponding to the related party transactions carried out by the entity during 2020.

During 2020, the following transactions have taken place between the Company and its related parties:

a) Related party transactions in 2020	Parent company	Subsidiary companies	Joint ventures in which the company is one of the participants	Associate companies	Companies with joint control or a significant influence over the company	Key personnel of the company's management	Members of the administrative bodies
Sales of current assets, of which:							
Profits (+) / Losses (-)							
Sales of non-current assets, of which:							
Profits (+) / Losses (-)							
Purchase of current assets							
Purchases of non-current assets							
Provision of services, of which:							
Profits (+) / Losses (-)							
Receiving services							
Financial lease contracts, of which:							
Profits (+) / Losses (-)							
Research and development transfers, of which:							
Profits (+) / Losses (-)							
Income from interest charged				22,567.44			
Interest income accrued but unpaid							
Expenses due to interest paid							
Accrued but unpaid interest expense							
Expenses resulting from bad or doubtful accounts receivable							
Dividends and other distributed earnings							
Guarantees and sureties received							
Guarantees and sureties provided							
Remuneration and indemnification							
Contributions to pension plans and life insurance policies							
Benefits to be offset with own financial instruments							

Outstanding balances with related parties in 2020	Parent company	Subsidiary companies	Joint ventures in which the company is one of the participants	Associate companies	Companies with joint control or a significant influence over the company	Key personnel of the company's management	Members of the Administrative Bodies
A) NON-CURRENT ASSETS	9730						
1. Long-term financial investments	9783						
a. Equity instruments.	9759						
b. Loans to third parties	9760						
Valuation adjustments for doubtful accounts receivable	9732						
c. Debt representative securities	9761						
d. Derivatives.	9762						
e. Other financial assets	9763						
B) CURRENT ASSETS	9733						36,947.29
1. Trade and other accounts receivables	9784						

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Outstanding balances with related parties in 2020		Parent company	Subsidiary companies	Joint ventures in which the company is one of the participants	Associate companies	Companies with joint control or a significant influence over the company	Key personnel of the company's management	Members of the Administrative Bodies
a. Long-term receivables for sales and services rendered.	9735							
Restatements for doubtful trade receivables	9736							
b. Short-term trade receivables for sales and services, of which:	9737							
Valuation adjustments for doubtful short-term accounts receivable	9738							
c. Sundry debtors, of which:	9740							
Valuation allowances for other doubtful accounts receivable	9741							
d. Personnel	9764							
e. Shareholders (partners) for called-up disbursements	9739							
2. Short-term investments	9785							
a. Equity instruments.	9765							
b. Credits of which:	9766							
Valuation adjustments for doubtful credits	9743							
c. Debt representative securities	9767							
d. Derivatives.	9768							
e. Other financial assets	9769							36,947.29
<b>C) NON-CURRENT LIABILITIES</b>	9744							
1. Long-term debts.	9786							
a. Bonds and other marketable securities.	9770							
b. Bank borrowing.	9746							
c. Finance lease payables.	9747							
d. Derivatives.	9787							
e. Other financial liabilities.	9748							
2. Long-term debt with special characteristics	9749							
<b>D) CURRENT LIABILITIES</b>	9750					460,254.44		5,867.00
1. Short-term debts.	9788							
a. Bonds and other marketable securities.	9771							
b. Bank borrowing.	9752							
c. Finance lease payables.	9753							
d. Derivatives.	9754							
e. Other financial liabilities.	9772					460,254.44		5,867.00
2. Short-term debt with special characteristics	9758							
3. Trade and other accounts payable	9789							
a. Long-term suppliers	9773							
b) Short-term suppliers	9756							
c. Sundry payables	9757							
d. Personnel	9774							
e. Customer advances	9775							



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**20.6. Amounts received by senior management personnel and members of the administrative body**

**20.6.a) Salaries, allowances and other remuneration**

During the current year, no remuneration of any kind has been accrued to the members of the Board of Directors for these functions. Details of senior management personnel are shown in the table below.

<b>e) Amounts received by senior management personnel</b>		FY 2020	FY 2019
1. Salaries, allowances and other remuneration	977608	17,689.41	
2. Pension obligations, of which:	977708		
e) Obligations to former members of senior management	977705		
f) Obligations to current members of senior management	977704		
3. Life insurance premiums paid, of which:	977808		
a) Bonuses paid to former members of senior management	977805		
b) Bonuses paid to current members of senior management	977804		
4. Severance pay	977908		
5. Payments based on equity instruments	978008		
4. Advances and loans granted, of which:	978108		
Amounts reimbursed.	978208		
c) Obligations assumed on their behalf by way of a guarantee	978308		

**20.6.b)- Liability insurance premiums**

During the current year the company has not paid any amount for civil liability insurance premiums for any of the directors.

**20.6.c)- Advances, credits and guarantees provided**

During the current year no advances or credits have been granted to the members of the administrative body.

**20.7. Information on situations of conflict of interest provided for in section 1 and 2 of article 229 of the Consolidated Text of the Corporate Enterprises Act.**

In compliance with Article 229 of the Consolidated Text of the Corporate Enterprises Act (introduced by Law 26/2003, of 17 July), the directors of the company report that they do not have any shareholding in companies with the same, similar or complementary type of activity to that which constitutes the corporate purpose of APODACA INV. INMOBILIARIAS SA SOCIMI, nor do they exercise any position or function whatsoever.

They also state that no person related to them, as defined in Article 231 of the Consolidated Text of the Corporate Enterprises Act, holds any interest in the share capital or exercises any position or function in companies with the same, similar or complementary type of activity to that which constitutes the corporate purpose of APODACA INV. INMOBILIARIAS SA SOCIMI, nor do they exercise any position or function whatsoever.

Likewise, they report that there is no record that any member of the Board of Directors has carried out during 2020, nor is currently carrying out, on their own behalf or on behalf of others, activities of the same, similar or complementary type of activity to that which constitutes the corporate purpose of APODACA INV. INMOBILIARIAS SA SOCIMI.

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In addition, the Company's directors have stated that no conflict of interest situations have arisen during 2020 with respect to APODACA INV. INMOBILIARIAS SA SOCIMI

In compliance with the provisions of Article 229.2 of Royal Legislative Decree 1/2010, of 2 July, which approves the Consolidated Text of the Corporate Enterprises Act, there is no reason to detail the information required on the shareholdings in the capital, formation of part of the administrative bodies or performance of activities on their own behalf or on behalf of others in companies whose activity constitutes the same, similar or complementary to that which constitutes the corporate purpose of APODACA INV. INMOBILIARIAS SA SOCIMI, communicated in writing by the administrators.

Likewise, and in accordance with the requirements of the aforementioned legislation, it is not necessary to detail the information required regarding the shareholdings in the capital, the formation of part of the administrative bodies or the performance of activities on their own behalf or on behalf of others in companies whose activity constitutes the same, similar or complementary to that which constitutes the corporate purpose of APODACA INV. INMOBILIARIAS SA SOCIMI, in relation to the related parties of the directors (in accordance with the definition of relationship established in the aforementioned law), communicated in writing by the same.

## 21. OTHER INFORMATION

### 21.1. Average number of persons employed during the year, by category (adapted to the CNO-11)

The average number of employees during the year, both permanent and temporary, distributed by categories (adapted to the National Classification of Jobs-11), was as follows:

a) Average number of persons employed during the year, by category (adapted to NCJ-11)		FY 2020	FY 2019
CEOs and executive chairmen	94400		
Other directors and managers	94401	1	
Technicians and scientific and intellectual professionals and support professionals	94402		
Accountants, clerks and other office employees	94403	2	
Sales agents and similar	94404		
Other qualified personnel	94405	1	
Elementary occupations	94406		
<b>Total average employment</b>	<b>94407</b>	<b>4</b>	

b) Distribution of the company's personnel at the end of the year, by category and gender							
		Total		Men		Women	
		FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
		01	19	02	29	03	39
Board Members (1)	94408	6		5		1	
Chief executive officers and executive chairmen (non-directors)	94410						
Other directors and managers	94411						
Technicians and scientific and intellectual professionals and support professionals	94412						
Accountants, clerks and other office employees	94413	2		1		1	
Sales agents and similar	94414						
Other qualified personnel	94415						
Elementary occupations	94416						
<b>Total personnel at the end of the year</b>	<b>94417</b>	<b>8</b>		<b>6</b>		<b>2</b>	

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**21. information Regarding the Regime for Mergers, Spin-offs and Contribution of Assets**

In application of Article 86 of the Corporate Tax Law (LIS), the following accounting information must be included in the notes to the Annual Accounts of the companies benefiting from a merger or spin-off process:

- a) *Tax period in which the transferor acquired the transferred assets.*
- b) *Last balance sheet closed by the transferring entity.*
- c) *List of assets acquired that have been included in the accounting books at a value different from that at which they appeared in those of the transferring entity prior to the transaction, stating both values as well as the valuation adjustments made in the accounting ledgers of the two entities.*
- d) *List of tax benefits enjoyed by the transferring entity, with respect to which the entity must assume compliance with certain requirements in accordance with the provisions of Article 84(1) of this Law.*

For this reason, except for section d), which does not include any information, the following information is attached to these annual accounts.



A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke.

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Built-in asset element		Company of origin	Acquisition date	original carrying value as of 27/02/20				appraised value added to Apodaca			Difference between total original and contributed values
				land	building	depreciation	total	land	building	total	
ORTEGA Y GASSET 67	FLAT 4B	CASA RAJA S.L.	22/02/1999	33,219.68	157,778.22	-27,993.59	163,004.32	226,485.53	145,797.58	372,283.11	209,278.79
ORTEGA Y GASSET 67	FLAT 4C	CASA RAJA S.L.	22/02/1999	52,537.49	171,517.78	-33,000.81	191,054.46	374,472.16	214,299.98	588,772.14	397,717.68
ORTEGA Y GASSET 67	FLAT 5A	CASA RAJA S.L.	22/02/1999	58,171.77	175,525.09	-34,461.23	199,235.62	396,604.17	255,309.59	651,913.76	452,678.14
ORTEGA Y GASSET 67	FLAT 5B	CASA RAJA S.L.	22/02/1999	47,220.85	167,736.38	-31,622.72	183,334.50	308,528.56	220,661.47	529,190.03	345,855.53
ORTEGA Y GASSET 67	TERRACE 5A	CASA RAJA S.L.	22/02/1999	1,564.10	135,263.58	-19,788.38	117,039.30		17,528.39	17,528.39	-93,530.91
ORTEGA Y GASSET 67	TERRACE 5B	CASA RAJA S.L.	22/02/1999	2,269.55	135,765.32	-19,971.24	118,063.63		25,434.14	25,434.14	-92,629.63
ORTEGA Y GASSET 67	TERRACE 4B	CASA RAJA S.L.	22/02/1999	436.45	134,461.56	-19,496.09	115,401.92		4,891.18	4,891.18	-110,510.71
RAMON Y CAJAL 5		CASA RAJA S.L.	29/03/2005	364,981.33	97,030.35	-28,944.44	433,057.24	242,407.95	464,054.73	706,462.68	273,405.44
EMILIO CASTELAR 17		SAN JUAN DE LAS NIEVES, S.L.	29/03/2005	513,225.99	144,756.05	-144,756.05	513,225.99	629,275.00	173,812.50	803,087.50	289,861.51
FÉLIX BOKER		CASA RAJA S.L.	08/05/2018	7,049,742.63	2,39,211.78	-90,191.21	7,388,762.70	986,485.76	614,702.48	1,601,188.24	362,425.46
				<b>12,161,328.93</b>	<b>9,952,242.15</b>	<b>-3,095,001.91</b>	<b>19,018,569.27</b>	<b>24,649,958.87</b>	<b>10,944,108.24</b>	<b>35,594,067.11</b>	

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**BALANCE SHEET  
CASA RAJA, S.L.**

at 31.07.19

<b>A) NON-CURRENT ASSETS</b>	<b>31,200,051.33</b>	<b>A) EQUITY</b>	<b>29,924,627.17</b>
<b>I. Intangible fixed assets</b>	<b>0.00</b>	<b>A-1) Shareholder equity</b>	<b>29,924,627.17</b>
5. IT applications	0.00	<b>I. Share Capital</b>	18,595,566.00
<b>II. Property, Plant and Equipment</b>	<b>16,992,777.32</b>	<b>II. Issue premium</b>	409,207.18
1. Lands	10,076,480.95	<b>III. Reserves</b>	10,583,504.87
1. Buildings	6,752,026.00	<b>VII. Profit (loss) for the year</b>	336,349.12
2. Technical Installations and Other Property, Plant and Equipment	164,270.37		
<b>IV. Long-term investments in Group Companies and Associates</b>	<b>14,152,029.48</b>		
1. Equity Instruments	14,152,029.48	<b>B) NON-CURRENT LIABILITIES</b>	<b>3,875,478.28</b>
<b>V. L/T Financial Investments</b>	<b>55,244.53</b>	<b>II. Long-term debts</b>	<b>3,875,478.28</b>
1. Equity Instruments	53,444.53	2. Bank borrowing	3,686,708.28
5. Other Financial Assets	1,800.00	5. L/T Deposits Received	188,770.00
<b>B) CURRENT ASSETS</b>	<b>2,979,050.43</b>	<b>C) CURRENT LIABILITIES</b>	<b>378,996.31</b>
<b>III. Trade and other receivables</b>	<b>135,957.47</b>	<b>III. Short-term debts</b>	<b>90,689.94</b>
1. Customers	121,767.84	2. Bank borrowing	264,300.58
3. Receivables	2,270.19	5. Other financial liabilities	-173,610.64
6. Other Credits with Public Authorities	11,919.44	<b>V. Trade and other payables</b>	<b>288,306.37</b>
<b>IV. Short-term investments in group companies and associates</b>	<b>716,230.98</b>	3. Sundry payables	1,198.72
5. Other Financial Assets	716,230.98	4. Personnel	6,598.92
<b>V. Short-term financial investments</b>	<b>840,342.48</b>	6. Other Payables to Public Authorities	280,508.73
1. Equity Instruments	662,427.20		
5. Other Financial Assets	177,915.28		
<b>VII. Cash and cash equivalents</b>	<b>1,286,519.50</b>		
1. Cash on hand	1,286,519.50		
<b>TOTAL ASSETS (A+B)</b>	<b>34,179,101.76</b>	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>34,179,101.76</b>



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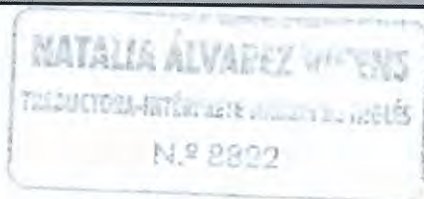
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## BALANCE SHEET

### SAN JUAN DE LAS NIEVES, S.L.

at 31.07.19

<b>A) NON-CURRENT ASSETS</b>	<b>2,132,505.46</b>	<b>A) EQUITY</b>	<b>3,320,850.95</b>
I. Intangible fixed assets	0.00	A-1) Shareholder equity	3,320,850.95
5. IT applications	0.00	I. Share Capital	1,114,968.00
<b>II. Property, Plant and Equipment</b>	<b>2,085,227.90</b>	II. Issue premium	3,485,694.15
1. Lands	1,124,322.96	III. Reserves	140,344.40
1. Buildings	955,110.38	V. Profits (losses) from previous years	-1,461,985.31
2. Technical Installations and Other Property, Plant and Equipment	5,794.56	VII. Profit (loss) for the year	41,829.71
<b>V. L/T Financial Investments</b>	<b>47,277.56</b>		
1. Equity Instruments	43,829.12	<b>B) NON-CURRENT LIABILITIES</b>	<b>31,000.00</b>
5. Other Financial Assets	3,448.44	II. Long-term debts	31,000.00
		5. L/T Deposits Received	31,000.00
<b>B) CURRENT ASSETS</b>	<b>1,266,374.45</b>	<b>C) CURRENT LIABILITIES</b>	<b>47,028.96</b>
III. Trade and other receivables	31,952.29	V. Trade and other payables	47,028.96
1. Customers	24,176.23	1. Suppliers	9,952.75
3. Receivables	106.57	3. Sundry payables	11,162.37
5. Current tax assets	7,500.68	4. Personnel	11,935.04
6. Other Credits with Public Authorities	168.81	6. Other Payables to Public Authorities	13,978.80
<b>IV. Short-term investments in group companies and associates</b>	<b>980,019.43</b>		
5. Other Financial Assets	980,019.43		
<b>V. Short-term financial investments</b>	<b>95,020.18</b>		
1. Equity Instruments	1,239.85		
3. Debt representative securities	60,000.00		
5. Other Financial Assets	33,780.33		
<b>VII. Cash and cash equivalents</b>	<b>159,382.55</b>		
1. Cash on hand	159,382.55		
<b>TOTAL ASSETS (A+B)</b>	<b>3,398,879.91</b>	<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>3,398,879.91</b>



*(Handwritten signature in blue ink)*

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## **22. INFORMATION ON GREENHOUSE GAS EMISSION ALLOWANCES**

There is no item in the company's balance sheet corresponding to greenhouse gas emission allowances.

## **23. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS DURING THE YEAR. ADDITIONAL PROVISION THREE. "DUTY OF INFORMATION" SET OUT IN LAW 15/2010, OF 5 JULY**

The following is information on:

- Average period for payment to suppliers:	1.19
- Total payments made:	226,301.80
- Total outstanding payments :	1,476.86

It is not considered necessary to include any additional information that is significant for the annual accounts to reflect a true and fair view of the Company .

**Date of preparation of the annual accounts:** 30 June 2021

[Illegible signature]  
Chairman of the Board of Directors  
Blas Quiralte Abelló National ID Card  
No. 00687966J

[Illegible signature]  
Secretary of the Board of Directors  
Álvaro Quiralte Abelló National ID Card  
No. 02527927C

[Illegible signature]  
Member of the Board of Directors  
Silvia Quiralte Abelló National ID  
Card No. 02528268Q

[Illegible signature]  
Member of the Board of Directors  
Pablo Quiralte Abelló National ID Card  
No. 00416530T

[Illegible signature]  
Member of the Board of Directors  
Jorge Quiralte Abelló National ID  
Card No. 02535662G

[Illegible signature]  
Member of the Board of Directors  
Rafael Fuentes del Río National ID  
Card No. 02192162D



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