SAGAX REAL ESTATE SOCIMI, SA

Financial Statements for the year ended 31 December 2023 and Directors' Report

BALANCE SHEET AT 31 DECEMBER 2023

(Euros)

ASSETS	Notes to the Directors' Report	31.12.2023	31.12.2022	EQUITY AND LIABILITIES	Notes to the Directors' Report	31.12.2023	31.12.2022
NON-CURRENT ASSETS		**417.299.476**	**381.559.637**	**EQUITY**	**Note 10**	**386.830.312**	**340.211.087**
Property, plant and equipment	**Note 5**	**43.400**	**51.798**	**SHAREHOLDER'S EQUITY-**		**386.830.312**	**340.211.087**
Property investments-	**Note 6**	**182.938.826**	**307.808.707**	**Share Capital**		**325.000.000**	**325.000.000**
Land		69.289.982	129.616.865	**Reserves**		**2.352.647**	**891.762**
Buildings		111.963.244	178.191.842	**Loss from previous years**		**(289.520)**	**(289.520)**
Property investment prepayments		1.685.600	-	**Year's profit/(loss)**		**59.767.185**	**14.608.845**
Long-term investments with group companies and associates	**Note 8**	**231.631.325**	**70.042.017**				
Equity instruments		97.550.071	62.331.775	**NON-CURRENT LIABILITIES**		**31.668.935**	**39.094.029**
Debts with group companies and affiliates	**Notes 8 and 14**	134.081.254	7.710.242	**Long-term debt-**	**Note 11**	**28.670.231**	**22.576.899**
Long-term financial investments	**Note 8**	**2.685.925**	**3.657.115**	Other financial liabilities		3.670.231	4.576.899
				Long-term debts with banks	**Notes 11 and 14**	25.000.000	18.000.000
				Long-term debts with group companies and affiliates	**Notes 11 and 14**	**2.998.704**	**16.517.130**
CURRENT ASSETS		**6.842.547**	**3.186.646**	**CURRENT LIABILITIES**		**5.642.776**	**5.441.167**
Trade debtors and other accounts receivable-		**832.434**	**308.923**	**Short-term debts with group companies and affiliates**	**Notes 11 and 14**	**172.957**	**3.197.590**
Receivables from sales and services	**Note 8**	832.434	308.923	**Trade creditors and other accounts payable-**		**318.857**	**951.000**
Short-term investments in Group companies and affiliates	**Notes 8 and 14**	**5.041.103**	**2.552.675**	Suppliers	**Note 11**	**5.150.962**	**1.292.577**
Short term other assets	**Note 8**	**83.600**	**90.201**	Miscellaneous creditors		520.666	496.990
Short term asset accruals		**537.266**	**180.407**	Other payables to Public Entities	**Note 12.1**	604.974	336.549
Cash and cash equivalents	**Note 9**	**348.144**	**54.440**	Other creditors	**Nota 12.1**	4.025.322	459.038
				Short term liability accruals		-	**0**
TOTAL ASSETS		**424.142.023**	**384.746.283**	**TOTAL EQUITY AND LIABILITIES**		**424.142.023**	**384.746.283**

Notes 1 to 19 and the Annexes described in the Directors' Report attached hereto are an integral part of the Statement of Changes in Equity at 31 December 2023.

SAGAX REAL ESTATE SOCIMI, S.A.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(Euros)

	Notes	2.023	2.022
ONGOING TRANSACTIONS:			
Net turnover	**Note 13.1**	**17.662.402**	**22.761.323**
Leasing revenue		17.662.402	22.761.323
Personnel expenses	**Note 13.2**	**(748.447)**	**(725.762)**
Salaries, wages and similar		(648.243)	(633.222)
Employee benefits expense		(100.204)	(92.540)
Other operating expenses-	**Note 13.3**	**(8.120.726)**	**(3.916.611)**
Outsourced services		(2.765.504)	(2.462.099)
Taxes		(5.234.676)	(1.408.673)
Losses, impairment and changes in provisions for trade operations	**Note 8**	(120.546)	(45.839)
Amortisation/depreciation of PPE	**Notes 5 and 6**	**(4.494.239)**	**(5.792.570)**
Results of sold property investments		47.344.855	-
Results of assets sold	**Note 5**	**47.344.855**	-
RESULTADO DE EXPLOTACIÓN		**51.643.845**	**12.326.380**
Financial revenue-		**8.580.116**	**2.984.770**
From shares in equity instruments	**Note 8**	4.022.539	2.709.783
From debts with group companies and affiliates	**Note 13.4**	4.557.577	274.987
Financial expenses-		**(456.776)**	**(702.305)**
From shares in equity instruments	**Note 8**	(257.576)	(594.305)
From debts with group companies and affiliates	**Note 13.4**	(199.200)	(108.000)
FINANCIAL PROFIT/LOSS		**8.123.340**	**2.282.465**
PROFIT/(LOSS) BEFORE TAXES	**Note 12.2**	**59.767.185**	**14.608.845**
Corporation tax		**-**	**-**
YEAR'S PROFIT/(LOSS)		**59.767.185**	**14.608.845**

SAGAX REAL ESTATE SOCIMI, S.A.

TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2022
(Euros)

	Ejercicio 2023	Ejercicio 2022
PROFIT/(LOSS) OF THE INCOME STATEMENT (I)	**59.767.185**	**14.608.845**
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	-	-
TOTAL TRANSFERS TO THE INCOME STATEMENT (III)	-	-
TOTAL RECOGNISED INCOME AND EXPENSES (I+II+III)	**59.767.185**	**14.608.845**

SAGAX REAL ESTATE SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(Euros

	Capital Escriturado	Reservas y Resultados de ejercicios anteriores	Resultado ejercicio	Total
BALANCE AT THE END OF 2021	**325.000.000**	-	**6.145.596**	**331.145.596**
Total recognised income and expenditure	-	-	14.608.845	**14.608.845**
Operations with shareholders and other variations in equity				
- Distribution of profit/(loss)	-	6.145.596	(6.145.596)	-
- To dividends	-	(5.531.036)	-	**(5.531.036)**
- Capital increase (Note 10)	-	(12.318)		**(12.318)**
BALANCE AT THE END OF 2022	**325.000.000**	**602.242**	**14.608.845**	**340.211.087**
Total recognised income and expenditure	-	-	59.767.185	**59.767.185**
Operations with shareholders and other variations in equity				
- Distribution of profit/(loss)	-	14.608.845	(14.608.845)	-
- To dividends	-	(13.147.960)	-	**(13.147.960)**
- Capital increase (Note 10)	-	-		-
BALANCE AT THE END OF 2023	**325.000.000**	**2.063.127**	**59.767.185**	**386.830.312**

SAGAX REAL ESTATE SOCIMI, S.A.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31st, 2023

	Directors' Report Notes	2.023	2.022
CASH FLOWS FROM OPERATING ACTIVITIES		**19.894.584**	**19.200.559**
Year's profit/(loss) before tax		**59.767.185**	**14.608.845**
Adjustments to profit/(loss):		**(50.853.410)**	**6.265.727**
- PPE amortisation (+)	**Notes 5 and 6**	4.494.239	5.792.570
- Resultados por bajas y enajenaciones del inmovilizado (+/-)	**Nota 6**	(47.344.855)	
- Finance expenses (+)	**Notes 11 and 13.4**	456.776	702.305
- Financial income (-)	**Notes 11 and 13.4**	(8.580.116)	(274.987)
- Losses, impairment and changes in provisions for trade operations	**Note 8**	120.546	45.839
Changes in working capital		**2.857.469**	**(971.708)**
- Debtors and other receivables (+/-)	**Note 8**	(644.057)	(81.526)
- Other current assets (+/-)		(356.859)	(117.745)
- Creditors and other accounts payable (+/-)	**Note 11**	3.858.385	(772.437)
Other cash flows from operating activities		**8.123.340**	**(702.305)**
- Interest payments (-)	**Note 11**	(456.776)	(702.305)
- Interest (+)		4.557.577	
- Dividend payments (+)		4.022.539	
CASH FLOWS FROM INVESTMENT ACTIVITIES		**4.628.950**	**(34.903.224)**
Assets sold (+)			
- Property investments	**Note 6**	190.000.000	-
- Other		487.224	
Payments for investments (-)			
- Group companies and associates	**Note 8**	(164.077.736)	-
- Property, plant and equipment	**Note 5**	(10.057)	(6.820)
- Property investments	**Note 6**	(21.777.082)	(34.904.563)
- Other financial assets	**Note 8**	6.601	8.159
CASH FLOWS FROM FINANCING ACTIVITIES		**(24.229.830)**	**15.319.132**
Cobros y pagos por instrumentos de pasivo financiero			
- Emisión (+) / devolución y amortización (-)			
Repayment and amortisation of Debts with group companies and associates (-)	**Note 11**	(16.543.059)	1.001.867
Debts with group companies and associates (+)			897.301
Other financial liabilities (+)	**Nota 11**	(906.668)	18.951.000
Other financial liabilities (+)	**Nota 11**	6.367.857	
Payments of dividends and remunerations from other equity instruments	**Note 3**	**(13.147.960)**	**(5.531.036)**
IMPACT FROM EXCHANGE RATE VARIATIONS		**-**	**-**
NET INCREASE/DECREASE OF CASH OR EQUIVALENT		**293.704**	**(383.533)**
Cash or equivalents at start of FY		**54.440**	**437.973**
Cash or equivalents at end of FY		**348.144**	**54.440**

1. Company Activity

Sagax Real Estate SOCIMI, SA (hereinafter the Company) with CIF A-67228676, was established as a limited liability company in Barcelona on May 24, 2018 under the name "Casebix XXI SL", for an indefinite period of time, being registered in the Mercantile Registry of Barcelona on May 24, 2018 with CIF B-67228676. On January 15, 2019, the company name was changed to Sagax Real Estate SLU, a Sole Proprietorship with registered office in Barcelona, Roc Boronat street number 147, 10th floor, 08018 Barcelona.

On September 28, 2020, the Board of Directors of the Company agrees to move the registered office of the Company to Carrer del Mestre Nicolau, 19, Planta 3, 08021, Barcelona. On March 23, 2022, it modifies its name to Sagax Real Estate SOCIMI, SA

Its corporate purpose until fiscal year 2019 included:

- The purchase, sale, rental, subdivision and urbanization of plots, land and properties of any nature, being able to proceed with the construction of the same and their disposal, integrally, partially or in a horizontal property regime, CNAE 6810.

- The purchase, subscription, exchange and sale of national and foreign securities, shares and social participations, on its own account and without intermediation activity. Exceptions are made to activities expressly reserved by the Law to Collective Investment institutions, as well as what is expressly reserved by the Securities Market Law to Securities and Exchange Agencies and/or Companies, CNAE 6420.

The company may develop the activities that make up the corporate purpose, specified in the previous paragraphs, in whole or in part, directly or indirectly, through the ownership of shares and/or participations in companies or other types of entities, with or without legal personality, residents in Spain or abroad, with the identical or analogous object.

As of fiscal year 2020, the tax regime regulated by Law 11/2009, of October 26, which regulates Listed Investment Companies in the Real Estate Market ("SOCIMI"), applies to the Company. having opted for the application of this special tax regime on June 30, 2020 by decision of its Sole Partner on that date, AB Sagax . On September 25, 2020, the Sole Partner of the Company formally notified the State Tax Administration Agency of the option to apply the aforementioned special tax regime for SOCIMIs with effect from January 1, 2020.

Due to the adoption of the legal and tax regime of the Listed Public Limited Investment Companies in the Real Estate Market (SOCIMI), article 2 of the Bylaws referring to the corporate purpose of the Company is modified, leaving it as follows:

- The acquisition and promotion of urban real estate for rental.

- The holding of shares in the capital of the Listed Investment Companies in the real estate market (SOCIMI) or in that of other non-resident entities in Spanish territory that have the same corporate purpose as those and that 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, resident or not in Spanish territory, whose main corporate purpose is the acquisition of real estate of an urban nature for leasing and that are subject to the same regime established for SOCIMIs regarding the mandatory, legal or statutory, profit distribution policy and meet the investment requirements required for these companies.

- The holding of shares or participations in Real Estate Collective Investment Institutions regulated in Law 35/2003, of November 4, on Collective Investment Institutions, or the rule that replaces it in the future.

The individual annual accounts for the financial year 2023 have been prepared by the Directors, at a meeting of their Board of Directors held on March 29, 2024.

As of December 31, 2023 and 2022, the sole shareholder of the Company is AB Sagax of Swedish nationality, holder of the shares representing 100% of the share capital of the Company, duly constituted and existing in accordance with the laws in force in Sweden, legally domiciled at Engelbrektsplan 1, 6 tr. 114 34, Stockholm, and registered under company number 556520-0028, holder of NIE number N0304120I and listed on the Stockholm Stock Exchange.

The Company does not present provisions or contingencies of an environmental nature at the end of the period that could be significant in relation to its equity, financial situation and results because it has not incurred any actions from which any implicit or implicit obligation may arise. small cup.

The fiscal year of the Company begins on January 1 and ends on December 31 of each year.

SOCIMI Regime

Law 11/2009, of October 26, which regulates the Listed Public Limited Investment Companies in the Real Estate Market (“SOCIMI”), establishes the requirements for companies that opt for the special tax regime for SOCIMIs, to know:

1. <u>Obligation of corporate purpose (for SOCIMI,s) </u>. Their main corporate purpose must be the possession of urban real estate for rent, ownership of shares in other REITs or companies with a similar corporate purpose and with the same dividend distribution regime, as well as in Collective Investment Institutions.

2. <u>Investment obligation.</u>

    - They must invest 80% of the assets in real estate of an urban nature intended for leasing, in land for the promotion of real estate that will be used for this purpose as long as the promotion begins within three years following its acquisition and in participations in the capital of other entities with a corporate purpose similar to that of SOCIMIs.

      This percentage will be calculated on the consolidated balance sheet in the event that the Company is the parent of a group according to the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated annual accounts. This group will be made up exclusively of the SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Law.

      There is the option of replacing the book value of the assets with their market value. The treasury/credit rights arising from the transfer of said assets will not be computed as long as the established maximum reinvestment periods are not exceeded.

    - Likewise, 80% of its income for the tax period, excluding those derived from the transfer of real estate and corporate interests affecting its main corporate purpose, must come from the income corresponding to: (i) leasing of the real estate; and (ii) dividends from participations in the entities described in article 2.1.c) that affect their main corporate purpose. This percentage will be calculated on the consolidated balance sheet in the event that the Company is the parent of a group according to the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated annual accounts. This group will be made up exclusively of the SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Law.

    - The real estate must remain leased for at least three years (for the calculation, up to one year may be added to the period that they have been offered for lease). The shares must remain active for at least three years.

3. Obligation to trade in a regulated market . The SOCIMI must be admitted to trading in a Spanish regulated market or in a Spanish multilateral trading system or in that of any other Member State of the European Union or the European Economic Area, or in a regulated market of any country or territory with that there is effective exchange of tax information, uninterrupted throughout the tax period . The shares must be registered. However, the Sub-SOCIMI or entities that choose to apply the SOCIMI tax regime and that are 100% subsidiaries of a listed SOCIMI or of a non-resident entity with a regime similar to that of SOCIMIs, as is the case of the Company, They do not have to comply with this listing admission requirement.

4. Obligation to distribute the result . Companies must distribute as dividends, once commercial obligations have been fulfilled, the profit obtained during the year, and their distribution must be agreed upon within six months after the conclusion of each year, in the following manner :

    - 100% of the profits from dividends or participation in profits distributed by the entities referred to in section 1 of article 2 of the SOCIMI Law.

    - At least 50% of the benefits derived from the transfer of real estate and shares or participations referred to in section 1 of article 2 of the SOCIMI Law, carried out once the minimum holding periods have elapsed, affected by the fulfillment of its corporate purpose. major. The rest of these profits must be reinvested in other properties or shares assigned to the fulfillment of said object, within three years after the date of transfer.

    - At least 80% of the rest of the profits obtained. When the distribution of dividends is made from reserves derived from profits from a year in which the special tax regime has been applied, their distribution will be mandatory in the manner described above.

5. Information obligation . SOCIMIs and Sub-SOCIMIs must include in their annual accounts the information required by the tax regulations that regulate the special tax regime for SOCIMIs.

6. Minimum capital. The minimum share capital of the SOCIMI (in this case the Parent Company) is established at 5 million euros. This requirement does not apply to Sub-SOCIMIs.

As established in the first transitional provision of the SOCIMI Law, the application of the special tax regime may be opted for in the terms established in article 8 of said Law, even when the requirements demanded therein are not met, provided that such requirements are met within two years following the date of the option to apply said regime.

Non-compliance with any of the above conditions will mean that the Company will be taxed under the general corporate tax regime from the tax period in which said non-compliance occurs, unless, for any of said requirements, it is corrected in the year. following. Furthermore, the Company will be obliged to pay, together with the fee for said tax period, the difference between the fee for said tax resulting from applying the general regime and the fee paid that resulted from applying the special tax regime in previous tax periods. , without prejudice to late payment interest, surcharges and penalties that, where appropriate, may be applicable.

The tax rate for SOCIMIs in Corporate Tax is set at 0%. However, when the dividends that the SOCIMI distributes to its partners with a participation percentage equal to or greater than 5% are exempt or are taxed at an effective rate of less than 10%, the SOCIMI will be subject to a special tax of 19%, which It will be considered a share of Corporate Tax on the amount of the dividend distributed to said partners. If applicable, this special tax must be paid by the SOCIMI within a period of two months from the day of the profit distribution agreement by the general meeting of shareholders or equivalent body.

At the close of fiscal year 2023, the Company's Directors state that the Company complies with all the requirements of the SOCIMI tax regime.

2. Basis for presentation of the annual accounts

2.1 Regulatory framework of financial information applicable to the Company

These annual accounts have been prepared by the Company's Directors in accordance with the regulatory framework of financial information applicable to the Company, which is established in:

- Commercial Code and the remaining commercial legislation.
- The General Accounting Plan approved by RD 1514/2007, its sectoral Adaptations and, in particular, the Sectoral Adaptation of the General Accounting Plan for Real Estate Companies, as well as the Standards for the Formulation of Annual Accounts approved by RD 1159/2010, RD 602/2016 and RD 1/2021.
- The mandatory standards approved by the Accounting and Auditing Institute in development of the General Accounting Plan and its complementary standards.
- Law 11/2009, of October 26, modified by Law 16/2012, of December 27, which regulates Listed Investment Companies in the Real Estate Market (SOCIMI).
- The rest of the Spanish accounting regulations that are applicable.

2.2 Fair image

The attached annual accounts have been obtained from the Company's accounting records and are presented in accordance with the regulatory framework of financial information that is applicable and, in particular, the accounting principles and criteria contained therein, so that they show the image faithful representation of the equity, financial situation and results and cash flows of the Company during the corresponding year. These annual accounts, which have been prepared by the Company's Directors, will be submitted for approval by the Sole Partner, and it is estimated that they will be approved without any modification. On the other hand, the annual accounts for the year ending December 31, 2022, were approved by the Sole Shareholder on April 20, 2023.

2.3 Comparison of information

The annual accounts present, for comparative purposes, each of the items in the balance sheet, the profit and loss account, the statement of changes in equity, the statement of cash flows and the memory, in addition to the figures for fiscal year 2023, those corresponding to fiscal year 2022.

2.4 Non-mandatory accounting principles applied

Non-mandatory accounting principles have not been applied. Additionally, the Company's Directors have prepared these annual accounts taking into consideration all the mandatory accounting principles and standards that have a significant effect on said annual accounts. There is no accounting principle that, although mandatory, has ceased to be applied.

2.5 Critical aspects of the assessment and estimation of uncertainty

In preparing the annual accounts for the year 2023, estimates made by the Company's Directors have been used to value some of the assets, liabilities, income, expenses and commitments recorded therein. Basically these estimates refer to:

- The useful life of the real estate assets (see Notes 4.2 and 6).
- The evaluation of the deterioration of its real estate investments that could arise from a lower value obtained from real estate appraisals carried out by independent third-party experts with respect to the recorded book value of said assets, or through internal valuations applying similar parameters (see Notes 4. 3 and 6).

- The fair value of certain financial instruments (see Note 4.5)

- The evaluation of the requirements of the SOCIMI regime (see Note 1).

- The assumptions used in the calculation of provisions and the evaluation of litigation, commitments, and contingent assets and liabilities (see Note 4.8).

Although these estimates have been made based on the best information available at the end of the year, it is possible that events that may take place in the future may require them to be modified (upwards or downwards) in future periods or years. which would be done, if applicable, prospectively, recognizing the effects of the change in estimate in the corresponding profit and loss account.

2.6 Going concern principle

As of December 31, 2023, the Company presents positive net equity in the amount of 386,830,312 euros (positive net equity in the amount of 340,211,087 euros as of December 31, 2022) and negative working capital in the amount of 1,798,933 euros (negative working capital in the amount of 2,254,521 euros as of December 31, 2022). The Sole Partner will provide the necessary financial support to enable compliance with the commitments and payment obligations contracted by the Company and ensure the continuity of its operations.

Therefore, the Company's Directors have prepared these annual accounts under the going concern principle, assuming that the Company's activity will continue in the future and therefore that the assets will be realized and the liabilities settled for the amounts and classification with which they appear in these annual accounts.

2.7 Grouped items

Certain items of the accompanying balance sheet, profit and loss account, statement of changes in equity and statement of cash flows are presented grouped together to facilitate their understanding, although, to the extent significant, , the disaggregated information has been included in the corresponding notes of the report.

2.8 Correction of errors

In the preparation of the attached annual accounts, no significant error has been detected that would have led to the re-statement of the amounts included in the annual accounts for the 2022 financial year.

2.9 Change in accounting criteria

During fiscal year 2023, there have been no significant changes in accounting criteria with respect to the criteria applied in fiscal year 2022.

2.10 Functional currency

These annual accounts are presented in euros, as this is the functional currency of the main economic environment in which the Company operates.

3. Distribution of the result

The proposal for the distribution of the results for the year ended December 31, 2023, formulated by the Company's Directors, pending approval by the Sole Shareholder, is as follows:

	Euros
Distribution basis:	
Result of the exercise	59,767,185
Application:	
Other reserves	18,292,207
To legal reserve	5,976,718
Negative results from previous years	289,520
To dividends (for the sole shareholder)	35,208,740
	59,767,185

The distribution of the results for fiscal year 2022 approved by the Sole Shareholder was as follows:

	Euros
Distribution basis:	
Result of the exercise	14,608,845
Application:	
To legal reserve	1,460,885
Negative results from previous years	-
To dividends (for the sole shareholder)	13,147,960
	14,608,845

Limitations on the distribution of dividends

The SOCIMIs and Sub-SOCIMIs are obliged to distribute in the form of dividends to their Shareholders, once the corresponding commercial obligations have been fulfilled, the profit obtained in the year, and their distribution must be agreed upon within six months after the conclusion of each exercise, in the following way:

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

- At least 50 percent of the benefits derived from the transfer of real estate and shares or participations referred to in section 1 of article 2 of Law 11/2009, carried out after the deadlines referred to in section 3 of the Article 3 of Law 11/2009, for the purposes of fulfilling its main corporate purpose. The rest of these profits must be reinvested in other properties or shares assigned to the fulfillment of said object, within three years after the date of transfer. Failing that, said profits must be distributed in their entirety together with the profits, if applicable, that come from the year in which the reinvestment period ends. If the elements subject to reinvestment are transferred before the maintenance period, those benefits must be distributed in their entirety together with the benefits, if applicable, that come from the year in which they have been transferred. The obligation to distribute does not extend, if applicable, to the part of these profits attributable to years in which the Company did not pay taxes under the special tax regime established in Law 11/2009.

- At least 80 percent of the rest of the profits obtained.

- When the distribution of dividends is made from reserves derived from profits from a year in which the special tax regime has been applied, their distribution will be mandatory in the manner described above.

The legal reserve of companies that have opted for the application of the special tax regime established in Law 11/2009 may not exceed 20 percent of the share capital. The statutes of these companies may not establish any other unavailable reserve other than the previous one.

Given its inclusion in the SOCIMI tax regime and, as stated in article 29 of its bylaws, the Company will be obliged to distribute in the form of dividends to its Sole Partner, once the corresponding commercial obligations have been fulfilled, the profit obtained in the year in accordance with the provisions of article 6 of the SOCIMI Law.

Once the attention provided for by the Law or the statutes has been covered, dividends may only be distributed from the profit for the year, or from freely available reserves, if the value of the net assets is not or, as a result of the distribution, is not lower than the social capital.

For these purposes, profits attributed directly to net worth may not be distributed, directly or indirectly. If there are losses from previous years that make the value of the Company's net worth lower than the share capital figure, the profit will be used to compensate for these losses.

4. Registration and valuation standards

As indicated in Note 2, the Company has applied the accounting policies in accordance with the accounting principles and standards included in the Commercial Code, which are developed in the General Accounting Plan in force (PGC 2007), as well as the rest of the commercial legislation in force at the closing date of these annual accounts. In this sense, only those policies that are specific to the Company's activity and those considered significant based on the nature of its activities are detailed below.

4.1 Property, plant and equipment

Tangible assets are initially valued at their acquisition price or production cost. It is subsequently valued at cost less the corresponding accumulated amortization and, where applicable, impairment losses, if any. These assets are amortized over their useful lives. In this case, the company estimated a useful life of 25 years for all property, plant and equipment. Amortization for the 2023 financial year has amounted to 18,455 euros (15,528 euros in 2022).

4.2 Real estate investments

The “Real estate investments” heading of the balance sheet includes the values of land and buildings that are maintained either to be exploited on a rental basis or to obtain a capital gain on their sale as a result of the increases that occur in the future in their respective prices. of market.

These assets are initially valued at their acquisition price or production cost, and are subsequently reduced by the corresponding accumulated amortization and impairment losses, if any, in accordance with the criteria mentioned in Note 4.3.

The conservation and maintenance expenses of the different elements that make up the real estate investments are charged to the profit and loss account of the year in which they are incurred. On the contrary, the amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of said assets are recorded as their higher cost.

The society amortizes real estate investments following the linear method, applying annual amortization percentages calculated based on the years of estimated useful life of the respective assets. The estimated useful life of these assets is 33 years and, therefore, the amortization percentage applied is 3%.

As previously indicated, the Company amortizes the assets in accordance with the years of estimated useful life already mentioned, considering as the amortization base the historical cost values of the same increased by the new investments that are being made and that represent an increase in the their added value or their estimated useful life.

For those real estate investments that require a period of time greater than one year to be in conditions of use, the capitalized costs include the financial expenses that have been accrued before the asset was put into operating condition and that have been issued by the supplier. or correspond to loans or other types of external financing, specific or generic, directly attributable to the acquisition or manufacture thereof. There are no capitalized financial costs.

Profits or losses arising from the sale or retirement of an asset are determined as the difference between its net book value and its sale price, and are recognized under the heading “Impairment and result from disposals of fixed assets” in the profit and loss account. attached.

4.3 Impairment of value of real estate investments

Whenever there are indications of loss of value, or at least at the end of each financial year, the Company proceeds to estimate, using the so-called “Impairment Test”, the possible existence of value losses that reduce the recoverable value of said assets to a lower amount. that of its book value, which is why it makes the appropriate provisions for depreciation of real estate investments when the recoverable value is lower than the recorded cost. For the purposes of determining the recoverable value, the Directors have considered the valuations carried out by independent third-party experts (Savills Aguirre Newman).

These valuations were carried out using the “Term & Reversion Method” methodology, which has been carried out following the Red Book “RICS (Royal Institute Chartered Surveyor) Valuation – Professional Standards”, published in 2021. According to this method, the market value is obtained by capitalizing the current income during the period of the duration of the current contracts, together with the valuation of each subsequent new income received after the revisions of market rents discounted to present value. The interest applied to the different categories of income reflects all the prospects and risks associated with the income stream and the investment.

Interests are derived from a combination of analysis of completed transactions of comparables and market knowledge.

The valuation methodology carried out by the independent third party expert has been carried out based on individual valuations without inspection of the properties. For the valuation of each property, the cash flow discounting method has been adopted as these are assets placed in profitability. Depending on the occupancy status of the assets, the valuation has been carried out based on a discount of flows with the income generated by the rental income and the costs inherent to the maintenance of said asset (taxes, maintenance), as well as an estimate of the cost of rehabilitation of the asset once the lease contract has ended and prior to its marketing for sale. This projection has been made considering the period of the lease contract plus an estimated marketing period in which the asset will be divested within a period of 10 years at a terminal value or exit price.

In relation to the terminal value or starting price, the methodology used has been the Comparison Method, in order to obtain market witnesses for sale in the area of influence of the property.

The recoverable amount is determined as the greater of the fair value less costs to sell and the value in use. Value in use is the present value of expected future cash flows, using risk-free market interest rates, adjusted for the specific risks associated with the asset. For those assets that do not generate cash flows, largely independent of those derived from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which said assets belong.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased by the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had it not been recognized no impairment loss in previous years.

At the end of the 2023 financial year, the Company has not recorded any impairment losses on its real estate assets in the attached profit and loss account, given that their recoverable amount is above their book value.

4.4 Leases

Leases are classified as financial leases whenever it is deduced from their conditions that substantially the risks and benefits inherent to ownership of the asset that is the subject of the contract are transferred to the lessee. Other leases are classified as operating leases. The society does not carry out financial leasing operations.

Operating lease

Income and expenses derived from operating lease agreements are charged to the income statement in the year or period in which they accrue and on a straight-line basis.

Likewise, the acquisition cost of the leased asset is presented in the balance sheet according to its nature, increased by the amount of the directly attributable contract costs, which are recognized as an expense over the term of the contract, applying the same criteria used for the recognition of rental income.

Any collection or payment that may be made when contracting an operating lease will be treated as a collection or advance payment that will be charged to results throughout the lease period, as the benefits of the leased asset are transferred or received.

4.5 Financial instruments

4.5.1 Financial assets

Classification

The financial assets held by the Company are classified into the following categories:

a. Financial assets at amortized cost: includes financial assets, including those admitted to trading on an organized market, for which the Company maintains the investment with the objective of receiving the cash flows derived from the execution of the contract, and the contractual conditions of the asset. They give rise, on specified dates, to cash flows that are solely collections of principal and interest on the outstanding principal amount.

In general, they are included in this category:

i) Credits for commercial operations: originated from the sale of goods or the provision of services for traffic operations with deferred collection, and

ii) Credits for non-commercial operations: they come from loan or credit operations granted by the Company whose collections are of a determined or determinable amount.

b. Financial assets at cost: equity instruments of Group, jointly controlled and associated companies are included in this category. Group companies are considered those linked to the Company by a control relationship, and associated companies are those over which the Company exercises significant influence. Additionally, the category of jointly controlled group includes those companies over which, by virtue of an agreement, joint control is exercised with one or more partners.

Initial assessment

Financial assets are generally recorded initially at the fair value of the consideration given plus directly attributable transaction costs. However, the transaction costs directly attributable to the assets recorded at fair value with changes in the profit and loss account will be recognized in the profit and loss account for the year.

Likewise, in the case of investments in the assets of Group companies that grant control over the subsidiary, the fees paid to legal advisors or other professionals related to the acquisition of the investment are charged directly to the profit and loss account.

Subsequent assessment

Financial assets at amortized cost will be recorded applying said valuation criterion, allocating the accrued interest to the profit and loss account by applying the effective interest rate method.

At least at the end of the year, the necessary valuation corrections for impairment are made if there is objective evidence that not all amounts owed will be collected.

The amount of the impairment loss is the difference between the carrying value of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. Value corrections, as well as their reversal, if applicable, are recognized in the profit and loss account.

Investments classified in category b) above are valued at their cost, less, where applicable, by the accumulated amount of valuation corrections for impairment. These corrections are calculated as the difference between its book value and the recoverable amount, understood as the greater amount between its fair value less selling costs and the present value of the future cash flows derived from the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, the net equity of the investee entity is taken into consideration, corrected by the tacit capital gains existing on the date of valuation, net of the tax effect.

In subsequent years or periods, reversals of impairment are recognized, to the extent that there is an increase in the recoverable value, with the limit of the book value that the investment would have if the impairment had not been recognized. The loss or reversal of the impairment is recognized in the profit and loss account, except in those cases in which it must be allocated to equity.

The Company derecognises financial assets when they expire or the rights to the cash flows of the corresponding financial asset have been transferred and the risks and benefits inherent to their ownership have been substantially transferred, such as in firm sales of assets, transfers of commercial credits in “factoring” operations in which the company does not retain any credit or interest risk or securitization of financial assets in which the transferring company does not retain subordinate financing or grant any type of guarantee or assume any other type of risk.

On the contrary, the Company does not derecognize the financial assets, and recognizes a financial liability for an amount equal to the consideration received, in the transfers of financial assets in which the risks and benefits inherent to their ownership are substantially retained, such as such as discounting of bills, “factoring with recourse”, sales of financial assets with repurchase agreements at a fixed price or at the sale price plus interest and securitization of financial assets in which the transferring company retains subordinated financing or other types of guarantees that absorb substantially all expected losses.

Deposits delivered

In the guarantees provided for operating leases, the difference between their fair value and the amount disbursed will be considered as an advance payment or collection for the lease or provision of the service, which is charged to the profit and loss account during the lease period. The same criteria will apply to the deposits received. The Administrators consider that the effect of the discount on the deposits delivered and received is not significant.

4.5.2 Financial liabilities

The financial liabilities assumed or incurred by the Company are classified into the following valuation categories:

a. Financial liabilities at amortized cost: are those debits and items payable that the Company has and that have originated in the purchase of goods and services through the company's traffic operations, or those that, without having a commercial origin, are not instruments derivatives, come from loan or credit operations received by the Company.

These liabilities are initially valued at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, these liabilities are valued according to their amortized cost.

Assets and liabilities are presented separately in the balance sheet and are only presented for their net amount when the company has the enforceable right to offset the recognized amounts and, in addition, they have the intention to settle the amounts net or to realize the asset and cancel the liability simultaneously.

The Company derecognises financial liabilities when the obligations that generated them are extinguished.

4.6 Cash and other equivalent liquid assets

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

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

Cash and other liquid equivalent assets include cash on hand and demand bank deposits with credit institutions. Other highly liquid short-term investments are also included under this concept as long as they are easily convertible into specified amounts of cash and are subject to an insignificant risk of changes in value.

For these purposes, investments with maturities of less than three months from the date of acquisition are included. This heading includes balances deposited in banking entities.

As of December 31, 2023, the balances under the heading “Cash and other equivalent liquid assets” of the attached balance sheet correspond to balances that the Company has deposited in current accounts with banking entities.

4.7 Current and non-current items

Current assets are considered those linked to the normal operating cycle, which is generally considered to be one year, as well as those other assets whose maturity, disposal or realization is expected to occur in the short term from the closing date of the financial year, assets financial instruments held for trading, with the exception of financial derivatives whose settlement period exceeds one year and cash and other equivalent liquid assets. Assets that do not meet these requirements are classified as non-current.

Likewise, current liabilities are those linked to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period is greater than one year and in general all obligations whose maturity or extinction will occur in the short term. Otherwise, they are classified as non-current.

4.8 Provisions and contingencies

When preparing the annual accounts, the Company's Directors differentiate between:

- Provisions: credit balances that cover current obligations derived from past events, whose cancellation is likely to give rise to an outflow of resources, but which are indeterminate as to their amount and/or timing of cancellation.

- Contingent liabilities: possible obligations arising as a consequence of past events, whose future materialization is conditional on the occurrence or non-occurrence of one or more future events independent of the will of the Company.

These annual accounts include all provisions with respect to which it is estimated that the probability that the obligation will have to be met is greater than otherwise. Unless they are considered remote, contingent liabilities are not recognized in the financial statements, but are reported on in the notes to this report.

The provisions are valued at the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about the event and its consequences, and recording the adjustments that arise from updating said provisions as a financial expense as it accrues.

The compensation to be received from a third party at the time of settling the obligation, provided there is no doubt that said reimbursement will be received, is recorded as an asset, except in the event that there is a legal link through which part of the obligation has been externalized. risk, and by virtue of which the Company is not obliged to respond; In this situation, the compensation will be taken into account to estimate the amount for which, if applicable, the corresponding provision will appear.

4.9 Profits Tax

General regime

The income tax expense or income includes the part related to the current tax expense or income and the part corresponding to the deferred tax expense or income.

The current tax is the amount that the Company pays as a result of the tax settlements of the Income Tax relating to a financial year. Deductions and other tax advantages in the tax payment, excluding withholdings and payments on account, as well as compensable tax losses from previous years and effectively applied in this one, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the book amounts of assets and liabilities and their tax value, as well as negative tax bases pending compensation and credits for deductions. taxes not applied fiscally.

These amounts are recorded by applying to the temporary difference or credits that would correspond the type of tax to which they are expected to be recovered or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities in a transaction, other than a business combination.

For their part, deferred tax assets are only recognized to the extent that it is considered probable that the Company will have future taxable profits against which to make them effective.

Deferred tax assets and liabilities, arising from operations with direct debits or credits to equity accounts, are also recorded with a counterpart in equity.

At each accounting closing, the recorded deferred tax assets are reconsidered, and the appropriate corrections are made to the extent that there are doubts about their future recovery. Likewise, at each closing, deferred tax assets not recorded in the balance sheet are evaluated and these are recognized to the extent that their recovery with future tax benefits becomes probable.

SOCIMI Regime

On September 25, 2020, and with effect from January 1, 2020, the Company has notified the Delegation of the State Tax Administration Agency of its tax domicile of the option, adopted by decision of its previous Sole Partner, to benefit from the special SOCIMI tax regime.

Under the SOCIMI Law, entities that meet the requirements defined in the regulations and opt for the application of the special tax regime provided for in said Law will be taxed at a tax rate of 0% in Corporate Tax. In the case of generating negative tax bases, article 26 of Law 27/2014, November 27, on Corporate Tax, will not apply.

Likewise, the regime of deductions and bonuses established in Chapters II, III and IV of Title VI of said regulation will not apply. In everything else not provided for in the SOCIMI Law, what is established in Law 27/2014, on Corporate Tax, will be additionally applicable.

The Company will be subject to a special tax of 19% on the full amount of dividends or shares in profits distributed to partners whose participation in the share capital of the entity is equal to or greater than 5%, when said dividends, at the headquarters of its partners, are exempt or pay taxes at an effective tax rate of less than 10%.

At the close of fiscal year 2023, the Company's Directors state that the Company complies with all the requirements of the SOCIMI tax regime.

4.10 Income and expenses

In accordance with the accrual principle, income is recorded when the transfer of control over the promised goods or services to the client occurs, and expenses are recorded when they occur, regardless of the date of collection or payment.

For the accounting record of income, the Company follows a process that consists of the following successive stages:

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

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

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

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

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

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

Specifically, income from the sale of goods is recognized when the transfer of control to the client occurs, in accordance with the delivery conditions agreed with the client.

Ordinary income from the sale of goods and the provision of services is valued at the monetary amount or, where applicable, at the fair value of the consideration received or expected to be received. The counterparty is the agreed price for the assets to be transferred to the client, deducting: the amount of any discount, price reduction or other similar items that the Company may grant, as well as the interest incorporated into the face value of the credits .

Interest received on financial assets is recognized as income in the income statement using the effective interest rate method as long as it has been accrued after the acquisition of the associated financial assets.

Dividends received are recognized as income in the profit and loss account except when they unequivocally come from results generated prior to the date of acquisition of the associated financial asset, in which case, they will reduce the cost of the investment.

Specific lease conditions

The lease contracts include certain specific conditions linked to incentives or rent-free periods offered by the Company to its clients. The Company recognizes the aggregate cost of the incentives it has granted as a reduction in fee income over the lease period using a linear system. The effects of grace periods are recognized during the minimum duration of the lease contract.

Finally, compensation paid by lessees to cancel their lease contracts before their minimum termination date is recognized as income in the profit and loss account on the date of payment.

4.11 Heritage elements of an environmental nature

Assets of an environmental nature are considered assets that are used on a long-term basis in the Company's activity, whose main purpose is the minimization of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future pollution.

The Company's activity, by its nature, does not have a significant environmental impact.

4.12 Transactions with related parties

The Company carries out all its operations with related persons or entities at market prices.
Additionally, the transfer prices are adequately supported, so the Company's Directors consider that there are no significant risks in this regard from which significant liabilities may arise in the future.

4.13 Net equity

The share capital of the Company is represented by ordinary shares, all of the same class.

The costs of issuing new shares or options are presented directly against equity, as lower reserves.

In the case of the acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental costs, is deducted from the equity until its cancellation, reissue or disposal. When these shares are subsequently sold or reissued, any amount received, net of any directly attributable incremental transaction costs, is included in equity.

5 . Property, plant and equipment

The movement in this balance sheet heading during fiscal year 2023 and fiscal year 2022, as well as the most significant information that affects this heading, has been the following:

Fiscal Year 2023

	In euros				
	Balance as of 12/31/2022	**Additions/ Endowments**	**Transfers**	**Low**	**Balance as of 12/31/2023**
Cost:					
Technical installations and another PPE	77,458	10,057	0	0	87,515
Total cost	**77,458**	**10,057**	**0**	**0**	**87,515**
Accumulated amortization:					
Technical installations and another PPE	(25,660)	(18,455)	0	0	(44,115)
Total accumulated amortization	**(25,660)**	**(18,455)**	**0**	**0**	**(44,115)**
Total property, plant and equipment	**51,798**	**(8,398)**	**0**	**0**	**43,400**

Fiscal Year 2022

	In euros				
	Balance as of 12/31/2021	**Additions/ Endowments**	**Transfers**	**Low**	**Balance as of 12/31/2022**
Cost:					
Technical installations and another PPE	70,638	6,820	-	-	77,458
Total cost	**70,638**	**6,820**	**-**	**-**	**77,458**
Accumulated amortization:					
Technical installations and another PPE	(10,132)	(15,528)	-	-	(25,660)
Total accumulated amortization	**(10,132)**	**(15,528)**	**-**	**-**	**(25,660)**
Total property, plant and equipment	**60,506**	**(8,708)**	**-**	**-**	**51,798**

6. Property investments

The movement in this heading of the balance sheet during the years 2023 and 2022, as well as the most significant information that affects this heading, has been the following:

Fiscal Year 2023

	In euros				
	Balance as of 12/31/2022	**Additions/ Endowments**	**Transfers**	**Low**	**Balance as of 12/31/2023**
Cost:					
Land	129,616,865	7,887,010	-	(68,213,893)	69,289,982
buildings	193,523,100	12,204,472	-	(81,906,895)	123,820,677
Advances for fixed assets	-	1,685,600	-	-	1,685,600
Total cost	**323,139,965**	**21,777,082**	**0**	**(150,120,788)**	**194,796,259**
Accumulated amortization:					
buildings	(15,331,258)	(4,475,784)	0	7,949,609	(11,857,433)
Total accumulated amortization	**(15,331,258)**	**(4,475,784)**	**0**	**7,949,609**	**(11,857,433)**
Total real estate investments	**307,808,707**	**17,301,298**	**0**	**(142,171,179)**	**182,938,826**

Fiscal Year 2022

	In euros				
	Balance as of 12/31/2021	**Additions/ Endowments**	**Transfers**	**Low**	**Balance as of 12/31/2022**
Cost:					
Land	113,981,847	15,635,018	-	-	129,616,865
buildings	172,753,555	19,269,545	1,500,000	-	193,523,100
Advances for fixed assets	1,500,000	-	(1,500,000)	-	-
Total cost	**288.235.402**	**34,904,563**	**-**	**-**	**323,139,965**
Accumulated amortization:					
buildings	(9,554,216)	(5,777,042)	-	-	(15,331,258)
Total accumulated amortization	**(9,554,216)**	**(5,777,042)**	**-**	**-**	**(15,331,258)**
Deterioration:					
Land	-	-	-	-	-
buildings	-	-	-	-	-
Total real estate investments	**278,681,186**	**29,127,521**	**-**	**-**	**307,808,707**

During fiscal year 2023, the Company has mainly made the following acquisitions:

- On 04/2023, it acquired an industrial warehouse located in Madrid for 1,700,000 euros.
- On 06/2023, it acquired an industrial warehouse located in Barcelona for 1,500,000 euros.
- On 07/2023, it acquired an industrial warehouse located in Barcelona for 6,100,000 euros.
- On 07/2023, it acquired an industrial warehouse located in Madrid for an amount of 2,000,000 euros.
- On 07/2023, it acquired an industrial warehouse located in Barcelona for 6,300,000 euros.

During fiscal year 2022, the Company has mainly made the following acquisitions:

- On 01/14/2022, it acquired an industrial warehouse located in Madrid for an amount of 9,400,000 euros, of which 1,500,000 euros were registered as advances as of December 31, 2021.

- On 02/01/2022, it acquired an industrial warehouse located in Barcelona for an amount of 1,200,000 euros.
- On 03/01/2022, it acquired an industrial warehouse located in Barcelona for an amount of 1,500,000 euros.
- On 03/30/2022, it acquired an industrial warehouse located in Barcelona for an amount of 1,415,446 euros.
- On 04/21/2022, it acquired an industrial warehouse located in Barcelona for an amount of 2,775,000 euros.
- On 05/26/2022, it acquired an industrial warehouse located in Barcelona for an amount of 4,875,000 euros.
- On 05/26/2022, it acquired an industrial warehouse located in Barcelona for an amount of 5,602,500 euros.
- On 06/14/2022, it acquired an industrial warehouse located in Barcelona for an amount of 4,950,000 euros.

In fiscal year 2023, the income derived from income from real estate investments owned by the Company amounts to 17,662,402 euros (22,761,323 euros in fiscal year 2022).

At the end of fiscal year 2023, there was no type of restriction for making new real estate investments or for collecting the income derived from them, nor in relation to the resources obtained from said future disposal.

On April 19, 2023, the Company carried out a sale of 36 assets whose net book value as of December 31, 2022 was 142,171 thousand euros. The sale price was 190,000 thousand euros with a result from the sale of fixed assets of 47,344 thousand euros, recorded under the heading "Results from disposals and others" of the attached profit and loss account.

There are no commitments to purchase real estate investments or elements outside the national territory as of December 31, 2023.

The Company's Directors evaluate periodically and at least at the end of the year the existence of impairments in its real estate assets based on what is described in Note 4.3. As a result of this analysis, at the end of fiscal year 2023, the Company has not recorded any losses due to impairment of its real estate assets in the attached profit and loss account for fiscal year 2023.

The Company's policy is to formalize insurance policies to cover the possible risks to which real estate investments are subject. As of December 31, 2023, the Company's Directors estimated that the coverage of these policies was sufficient.

7. Operating leases

At the end of fiscal year 2023, the Company has contracted with the tenants the following minimum lease payments, in accordance with the current contracts in force, without taking into account the impact of common expenses, future increases by CPI, or future updates of contractually agreed rents:

Operating leases Minimum installments	Euros	
	2023	**2022**
Less than a year	13,828,282	21,025,834
Between one and five years	31,907,419	52,151,003
More than five years	9,464,807	17,333,301
Total	**55,200,508**	**90,510,138**

8. Financial assets

The balance of financial assets, except investments in the equity of group companies, classified entirely in the category of "Financial assets at amortized cost" as of December 31, is as follows:

	Euros	
	2023	**2022**
Long-term financial investments-		
Loans with Group companies and long-term associates (Note 14.1)	134,081,254	7,710,242
Deposits delivered	2,685,925	3,657,115
	136,767,179	**11,367,357**
Short-term financial investments-		
Commercial debts and others bills to receive the pay (*)	832,434	308,923
Short-term loans with Group companies and associates (Note 14.1)	5,041,103	2,552,675
Other short-term financial assets	83,600	90,201
	5,957,137	**2,951,799**
TOTAL	**142,724,316**	**14,319,156**

(*) Does not collect balances with Public Administrations

As of December 31, 2023 and 2022, the heading "Loans with Group companies and associates in the long and short term" includes balances with related group companies (see detail in Note 14.1), with the credit with SAGAX AB being the following:

Year	**Amount pending collection**	**Expiration**	**Type of interest**	**Earned Financial Income**
2023	69,223,947 -	01/31/2025	4.0%	3,321,074

Investments in Group companies and long-term associates

The balance and movement of the heading "Long-term investments in Group companies and associates" at the end of fiscal years 2023 and 2022 is as follows:

Fiscal Year 2023

	Euros			
	Balance to 12/31/2022	**Additions**	**Low**	**Balance to 12/31/2023**
Cost	62,331,775	35,218,296	-	97,550,071
Valuation corrections due to impairment	-	-	-	-
Total	**62,331,775**	**35,218,296**	**-**	**97,550,071**

Fiscal Year 2022

	Euros			
	Balance as of 12-31-2021	**Additions**	**Low**	**Balance as of 12-31-2022**
Cost	62,331,775	-	-	62,331,775
Valuation corrections due to impairment	-	-	-	-
Total	**62,331,775**	**-**	**-**	**62,331,775**

During fiscal year 2023 and 2022, there has been no movement related to valuation corrections of the company's portfolio of investees.

On July 25, 2023, the Company acquired 100% of the shares in the companies Phoenix (Spain) Propco II SL for an amount of 11,309,089 euros and Phoenix (Spain) Propco V for a net amount of 7,328,891 euros and through the cancellation of previous loans of the company for 45,857,017 euros, the total price being 64,494,997 euros, the amount of which has been fully disbursed.

Legal information	**12/31/2023**	**12/31/2022**
Denomination	**Phoenix (Spain) Propco II, SLU**	
Country	Spain	
Activity	Real estate promotion, purchase and sale of properties	
Participation Percentage	100%	100%
Net worth		
Capital	3,000	3,000
Legal reserve	600	600
Result of previous exercises	90,304	90,304
Other contributions from business partners	8,924,474	8,876,751
Result of the excersice	337,510	347,722
Data in array		
Book value of investment	11,309,089	

Legal information	12/31/2023	12/31/2022
Denomination	**Phoenix (Spain) Propco V, SLU**	
Country	Spain	
Activity	Real estate promotion, purchase and sale of properties	
Participation Percentage	100%	100%
Net worth		
Capital	3,000	3,000
Legal reserve	600	600
Other reserves	23,804	23,804
Other contributions from business partners	5,706,276	5,582,031
Result of the excersice	82,531	241,714
Interim dividend		-200,000
Data in array		
Book value of investment	7,328,891	

On November 13, 2023, the Company acquired 100% of the shares in the company Divial 10 SA for a net amount of 16,580,316 euros with a total price of 28,717,094 euros and through the cancellation of previous loans of the society for 12,136,778 euros, fully paid.

Legal information	12/31/2023	12/31/2022
Denomination	**Divial 10, SA**	
Country	Spain	
Activity	Industrial premises rentals	
Participation Percentage	100%	100%
Net worth		
Capital	60,000	60,000
Bookings	3,096,243	-80,998
Results of past exercises	258,195	258,195
Member contributions	200,000	200,000
Result of the excersice	2,119,242	-2,143,032
Data in array		
Book value of investment	16,580,356	

The information relating to the rest of the Group's companies, obtained from their 2023 and 2022 statements, is as follows:

Legal information	12/31/2023	12/31/2022
Denomination	**Huan, SL**	
Country	Spain	
Activity	Industrial premises rentals	
Participation Percentage	100%	100%
Net worth		
Capital	66,953	66,953
Share premium	1,133,186	1,133,186
Legal reserve	13,391	13,391
Other reserves	6,925,052	6,925,052
Result of the excersice	1,362,498	1,188,132
Data in array		
Book value of investment	20,860,000	20,860,000

On June 20, 2023, the Company, as Sole Partner of Huan, SL, approved the distribution of the results for the 2022 financial year, allocating it entirely to dividends, collecting an amount of 1,188,132 euros in the heading “Financial income from participations in equity instruments”. equity” in the attached profit and loss account for fiscal year 2023 (919,858 euros in fiscal year 2022).

Legal information	12/31/2023	12/31/2022
Denomination	**Parque Empresarial Butarque, S.L.**	
Country	Spain	
Activity	Purchase, rental and exploitation of real estate	
Participation Percentage	100%	100%
Net worth		
Capital	90,000	90,000
Legal reserve	18,000	18,000
Other reserves	1,213,910	1,213,910
Result of the excersice	414,882	331,500
Data in array		
Book value of investment	4,657,214	4,657,254

On June 20, 2023 , the Company, as Sole Partner of Parque Empresarial Butarque, SL, approved the distribution of the results for the 2022 financial year, allocating it entirely to dividends, collecting an amount of 331,500 euros in the heading “Financial income from participations in securities instruments”. equity” in the attached profit and loss account for fiscal year 2023 (266,981 euros in fiscal year 2022).

Legal information	12/31/2023	12/31/2022
Denomination	**Montajes y equipamientos, S.L.**	
Country	Spain	
Activity	Industrial premises rentals	
Participation Percentage	100%	100%
Net worth		
Capital	24,044	24,044
Legal reserve	12,022	12,022
Other reserves	5,943,055	5,768,096
Result of the excersice	2,479,486	2,205,617
Data in array		
Book value of investment	36,814,521	36,814,521

On June 20, 2023, the Company, as Sole Partner of Montajes yequipamientos, SL, approved the distribution of the results for the 2022 financial year, allocating an amount of 2,502,907 euros to dividends included in the heading “Financial income from participations in equity instruments” in the attached profit and loss account for fiscal year 2023 (1,522,944 euros in fiscal year 2022).

The Company's Directors evaluate periodically and at least at the end of the year the existence of impairments in their investments in Group companies based on what is described in Note 4.5. As a result of this analysis, at the end of fiscal year 2023, the Company has not recorded losses due to impairment of any of its investments in Group companies in the attached profit and loss account for fiscal year 2023.

Deposits delivered

The item “Deposits provided” includes the deposits received from the properties leased and deposited by the Company in the different official organizations according to their geographical location.

Commercial debts and others bills to receive the pay

The balances of the heading “Trade debtors and other accounts receivable” as of December 31, 2023 and 2022, are detailed below.

	Euros	
	2023	**2022**
Clients for sales and service provision	832,434	308,923
Other credits with Public Administrations	-	-
TOTAL	**832,434**	**308,923**

This heading includes ordinary current balances pending collection from tenants.

At the end of the year, the Company evaluates, through an individualized estimate of the risk of unpaid loans when the period of six months has elapsed since the maturity of the loan, the need to provide a provision for the deterioration of commercial loans. As a result of this analysis, the Company has recorded impairment losses on commercial credits in the amount of 120,546 euros included in the heading “Losses, impairment and variation in provisions for commercial operations” of the attached profit and loss account for the year 2023 (impairment losses amounting to 45,839 euros in 2022).

9 . Cash and other equivalent liquid assets

The balances of the "Cash and other equivalent liquid assets" heading at the end of fiscal years 2023 and 2022 are detailed below:

	In euros	
	12/31/2023	**12/31/2022**
Treasury	348,144	54,440
Cash and other equivalent liquid assets	**348,144**	**54,440**

As of December 31, 2023 and 2022, the balances under the heading "Cash and other equivalent liquid assets" of the attached balance sheet correspond to balances that the Company has deposited in current accounts with banking entities.

Information on the nature and level of risk of financial instruments

The management of the Company's financial risks is centralized in the Company's Financial Management, which has established the necessary mechanisms to control exposure to variations in exchange rates, as well as credit and liquidity risks.

Below are the main financial risks that impact the Company:

a) Credit risk

The main financial assets of the Company are cash balances, trade debtors and other accounts receivable and investments in Group companies. These represent the Company's maximum exposure to credit risk in relation to financial assets, 241,159,797 euros in 2023 (76,885,778 euros in 2022).

The Company's credit risk is mainly attributable to investments in group companies. Regarding commercial debts, they are shown net of provisions for bad debts, estimated based on experience and its assessment of the current economic environment. Receipts to tenants are issued on a monthly basis and there is no relevant concentration of risk with third parties.

At the end of the year, the Company evaluates, through an individualized estimate of the risk of unpaid loans when the period of six months has elapsed since the maturity of the loan, the need to provide a provision for the deterioration of commercial loans.

b) Liquidity risk

Taking into account the current situation of the financial market, the treasury position as of December 31, 2023 and the estimates of the Company's Directors regarding the Company's cash-generating capacity, they estimate that it has sufficient capacity to obtain financing from third parties. if necessary to make new investments.

Consequently, in the medium term, there is no sufficient indication that the Company will have liquidity problems. Liquidity is assured by the nature of the investments made, the high credit quality of the tenants and the collection guarantees existing in the agreements in force.

c) Exchange rate risk

Regarding exchange rate risk, the Company, as of December 31, 2023, does not have significant assets or liabilities in foreign currency, so there is no risk in this regard.

d) Interest rate risk

Regarding interest rate risk, the Company, as of December 31, 2023, maintains a policy for an amount of 25,000,000 euros with a financial entity that is referenced to Euribor. The rest of the Company's financing corresponds to the financing received from the group or its sole Shareholder.

e) Real estate business risks

Changes in the economic situation, both nationally and internationally, growth rates in occupancy and employment indices, interest rates, tax legislation and consumer confidence have a significant impact on real estate markets. Any unfavorable change in these or other economic, demographic or social variables in Europe, and in Spain in particular, could translate into a decrease in real estate activity in these countries.

In this sense, 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 behavior of the real estate market, and in particular that of the rentals that make up the investment activity. principal of the Group.

f) Tax risk

As mentioned in Note 1, the Company is covered by the special tax regime of the Listed Public Limited Investment Companies in the Real Estate Market (SOCIMI). Once the transitional period has ended, compliance with all the requirements established by the regime (see Notes 1 and 12) have become mandatory. Among the obligations that the Company must comply with, some are identified in which a more formalistic nature predominates, such as the incorporation of the term SOCIMI to the corporate name, the inclusion of certain information in the individual annual accounts report, the listing on a market. stock market, etc., and others that additionally require the making of estimates and the application of judgment by the Administrators (determination of tax income, income test, asset test, etc.) that could have a certain complexity, especially considering that the SOCIMI Regime is relatively recent and its development has been carried out, fundamentally, through the response by the General Directorate of Taxes to the queries raised by different companies.

On the other hand, and in order to also consider the financial effect of the Regime, it should be noted that according to the provisions of article 6 of Law 11/2009, of October 26, 2009, modified by Law 16/2012, of October 27, December the SOCIMI, the companies that have opted for said regime are obliged to distribute in the form of dividends to their shareholders, once the corresponding commercial obligations have been fulfilled, the profit obtained in the year, and their distribution must be agreed upon within the following six months at the conclusion of each fiscal year and be paid within the month following the date of the distribution agreement.

In the event that the Company does not comply with the requirements of the SOCIMI tax regime and does not remedy said non-compliance, it will be taxed under the general Corporate Tax regime at the rate of 25%.

10. Equity and shareholders equity

10.1 Share capital

On May 24, 2018, the Company was incorporated with a share capital of 3,500 euros, represented by 3,500 shares, with a nominal value of 1 euro each, numbered consecutively from 1 to 3,500, both inclusive, cumulative and indivisible, with the same political and economic rights, which may not be incorporated into negotiable securities or called shares. Said share capital was fully subscribed and paid up.

On July 10, 2019, the Sole Shareholder of the Company agreed to a capital increase for a total amount of 32,290,127 euros, through the issuance of 32,286,127 new shares of 1 euro nominal value.

On October 1, 2019, the Sole Shareholder agreed to a capital increase for a total amount of 3,846,000 euros, through the issuance of 3,846,000 new shares of 1 euro nominal value.

On June 8, 2020, the Sole Shareholder agreed to a capital increase for a total amount of 38,860,373 euros, through the issuance of 38,860,373 new shares of 1 euro nominal value.

On October 29, 2021, the Sole Shareholder agrees to a capital increase for a total amount of 250,000,000 euros, through the issuance of 250,000,000 new shares of 1 euro nominal value that have been disbursed by offsetting fully liquid credits, due and payable with the Sole Partner. This capital increase has been made public on December 16, 2021.

As of December 31, 2023 and 2022, the subscribed capital of the Company is made up of 325,000,000 shares of 1 euro nominal value each, indivisible and cumulative, fully assumed and paid up, which represents a registered share capital. of 325,000,000 euros.

The Company complies with all legal requirements in relation to its sole status.

10.2 Legal reserve

In accordance with the consolidated text of the Capital Companies Law, an amount equal to 10% of the profit for the year must be allocated to the legal reserve until it reaches at least 20% of the share capital. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital, this reserve may only be used to compensate for losses and provided that there are no other reserves available sufficient for this purpose.

As of December 31, 2023, the legal reserve amounts to 2,352,647 euros (as of December 31, 2022, the legal reserve was 891,762 euros).

11. Current and non-current financial liabilities

The balances of financial liabilities as of December 31, classified entirely in the category of "Financial liabilities at amortized cost", are as follows:

	2023				2022			
	Debts with Group Companies	Debts with credit institutions	Long term debts	Total	Debts with Group Companies	Debts with credit institutions	Long term debts	Total
Long-term debts and items payable	2,998,704	25,000,000	3,670,231	31,668,935	16,517,130	18,000,000	4,576,899	39,094,028

	2023				2022			
	Debts with Group Companies	Debts with credit institutions	Trade creditors (*)	Total	Debts with Group Companies	Debts with credit institutions	Trade creditors (*)	Total
Debits and items to pay short term	172,957	318,857	1,125,640	1,617,454	3,197,590	951,000	833,539	4,982,129

(*) Does not collect balances with Public Administrations

The "Long-term debts" item includes an amount of 3,670,231 euros as of December 31, 2023, mainly the guarantees received from clients (4,576,899 euros as of December 31, 2022).

The item "Long-term debts with credit institutions" includes, in its non-current component, the principal of a loan granted to the Company in June 2022 for an amount of 18,000,000 euros by a financial institution. At the maturity of this loan, set on January 21, 2024, its increase to 25,000,000 euros was specified and the first 5,000,000 euros matured on July 31, 2025 and the remaining amount on January 31, 2026. The interest rate is variable (Euribor +1.2%) throughout the validity period and payable quarterly. The amortization of the principal of the loan will be carried out at the time of maturity, although the possibility of partial amortizations is contemplated. The interest accrued in fiscal year 2023 amounts to 199,200 euros (108,000 euros in fiscal year 2022).

The item "Debts with credit institutions" in the short term includes, in its current component, a drawn balance of 318,857 euros in one of the Company's operating current accounts.

Debts with Group companies and associates

The detail of the items that form part of the heading “Long-term debts with Group companies and associates” including interest pending payment is as follows:

	Outstanding amount	Expiration	Type of interest	Accrued Financial Expenses
2023	3,171,661	01/31/2025	4.0%	111,882
2022	17,050,359	01/31/2025	2.7%	533,229

During fiscal year 2019, a line of credit was formalized with the parent company of AB Sagax for a maximum amount of 500,000,000 euros. This line of credit accrues market interest and expires on January 31, 2025.

The amount drawn from the credit line with AB Sagax amounts to 0 euros (in 2022, 17,050,359 euros). The interest accrued as of December 31, 2023 amounts to 145,694 euros (533,229 euros as of December 31, 2022 that had not been paid).

As of December 31, 2023, the heading “Short-term debts with Group companies and associates” includes current account balances with subsidiaries (see Note 14.1).

12. Public Administrations and fiscal situation

12.1 Current balances with Public Administrations

	2023		2022	
	Debtors	Creditors	Debtors	Creditors
Public Treasury through personal income tax	-	26,374	-	13,852
Public Treasury withholding for dividends	-	3,516,000	-	-
Public Treasury for VAT and others	-	482,948	-	445,186
TOTAL		**4,025,322**	**0**	**459,038**

12.2 Breakdown of Corporate Tax expense and Reconciliation of accounting results and taxable base

The reconciliation between the accounting result and the tax base (tax result) of the Corporate Tax in the years 2023 and 2022 is as follows:

	In euros	
	12/31/2023	**12/31/2022**
Accounting result before taxes	59,767,185	14,608,845
Permanent differences	-	-
Temporal differences:		
Non-deductible financial expenses (art. 20. LIS)	-	-
Taxable base	**59,767,185**	**14,608,845**
General tax tax base	**-**	**-**
Tax base SOCIMI regime	**59,767,185**	**14,608,845**

The Corporate Tax is calculated from the economic or accounting result, obtained by the application of generally accepted accounting principles, which does not necessarily have to coincide with the tax result, understood as the tax base of the tax.

Since the Company is covered by the SOCIMI regime (0% tax rate), no deferred tax assets or liabilities have been recorded.

12.3 Exercises pending verification and inspection actions

As established by current legislation, taxes cannot be considered definitively settled until the returns submitted have been inspected by the tax authorities or the four-year statute of limitations has elapsed. At the close of fiscal year 2023, the Company's Directors consider that the settlements of the aforementioned taxes have been adequately carried out, therefore, even if discrepancies arise in the current regulatory interpretation due to the tax treatment granted to the operations, the Any resulting liabilities, if they materialize, would not significantly affect the accompanying annual accounts.

13. Income and expenses

13.1 Net amount of turnover

The total net amount of the turnover corresponding to the annual years ended December 31, 2023 and 2022 is broken down by activity as follows:

	Euros	
	2023	2022
Income from provision of services	17,662,402	22,761,323
TOTAL	**17,662,402**	**22,761,323**

All of the Company's income has been obtained in national territory.

13.2 Personnel expenses

The detail of this heading for the years 2023 and 2022 is as follows:

	Euros	
	2023	2022
Wages and salaries	648,243	633,222
Social Security	100,204	92,540
TOTAL	**748,447**	**725,762**

As of December 31, 2023, the Company has 8 employees, 6 men and 2 women (as of December 31, 2022, it had 6 employees, 5 men and 1 woman).

13.3 Other operating expenses

The detail of this heading for the year ended December 31, 2023 and 2022 is as follows:

	Euros	
	2023	2022
Lease	120,090	107,131
Maintenance and repairs	200,382	267,760
Services of independent professionals	2,016,986	1,614,772
Insurance premiums	114,523	169,684
Bank fees	60,800	79,990
Supplies	243,310	188,021
Other services	9,413	34,741
Taxes (Withholding on dividends and Real Estate Taxes)	5,234,676	1,408,673
Losses, impairment and variation in provisions for commercial operations	120,546	45,839
TOTAL	**8,120,726**	**3,916,611**

It is worth highlighting in fiscal year 2023 the expenses of "Independent professional services" include fees accrued from appraisers, auditors, notaries, legal services and asset management tasks.

The rest of the headings fundamentally include the expenses in relation to the real estate investments owned by the Company, the expenses of the community of owners and the municipal taxes levied on the real estate owned by the Company.

13.4 Income and expenses and financial income

The breakdown of financial income for the year (balances in note 11) is as follows:

	Euros	
	2023	2022
Interest income with AB Sagax (Note 8)	3,321,074	-
Interest income with Montajes y Equipamientos, SA (Note 8)	372,339	274,987
Interest income with Phoenix (Spain) Propco II, SLU (Note 8)	486,177	-
Interest income with Phoenix (Spain) Propco V, SLU (Note 8)	314,802	-
Interest income with Divial 10, SA (Note 8)	63,185	-
TOTAL	**4,557,577**	**274,987**

The breakdown of financial expenses for the year (balances in note 11) is as follows:

	Euros	
	2023	2022
Interest expense on intragroup loan (Note 11)	-	594,305
Interest expense with AB Sagax (Note 11)	145,694	-
Interest expense with Huan, SLU (Note 11)	90,793	-
Interest expense with Parque Empresarial Butarque, SLU (Note 11)	21,089	-
Loan interest expense from financial institutions (Note 11)	199,200	108,000
TOTAL	**456,776**	**702.305**

13.5 Audit fees

During the years 2023 and 2022, the fees related to the annual accounts audit services and other services provided by the company's auditor have been the following:

	In euros	
	Fiscal Year 2023	**Fiscal Year 2022**
Audit Services	53,188	46,870
Other verification services	-	-
Total	**53,188**	**46,870**

14. Transactions and balances with related parties

14.1 Balances with related parties

The amount of the balances on the balance sheet with related parties as of December 31, 2023 and December 31, 2022 is as follows:

	Euros	
	31-12-2023	**31-12-2022**
Entidad dependiente - Empresa del Grupo (Montajes y Equipamientos, S.L.U.)		
Inversiones en empresas del Grupo y asociados a largo plazo (Nota 8)	8.775.470	7.710.242
Inversiones en empresas del Grupo y asociados a corto plazo (Nota 8)	855.865	2.552.675
Entidad dominante - Socio Único (AB Sagax)		
Deudas en empresas del Grupo y asociados a largo plazo (Nota 11)		16.517.130
Deudas en empresas del Grupo y asociados a corto plazo (Nota 11)		533.229
Entidad dependiente - Empresa del Grupo (Parque Empresarial Butarque, S.L.U.)		
Deudas en empresas del Grupo y asociados a largo plazo (Nota 11)	587.581	480.289
Deudas en empresas del Grupo y asociados a corto plazo (Nota 11)	33.376	
Entidad dependiente - Empresa del Grupo (Huan, S.L.U.)		
Deudas en empresas del Grupo y asociados a largo plazo (Nota 11)	2.411.123	2.186.470
Deudas en empresas del Grupo y asociados a corto plazo (Nota 11)	139.581	
Entidad dominante - Socio Único (AB Sagax)		
Inversiones en empresas del Grupo y asociados a largo plazo (Nota 8)	69.223.947	
Inversiones en empresas del Grupo y asociados a corto plazo (Nota 8)	3.321.074	
Entidad dependiente - Empresa del Grupo (Phoenix (Spain) Propco II, S.L.U.)		
Inversiones en empresas del Grupo y asociados a largo plazo (Nota 8)	26.743.286	
Inversiones en empresas del Grupo y asociados a corto plazo (Nota 8)	486.177	
Entidad dependiente - Empresa del Grupo (Phoenix (Spain) Propco V, S.L.U.)		
Inversiones en empresas del Grupo y asociados a largo plazo (Nota 8)	17.197.024	
Inversiones en empresas del Grupo y asociados a corto plazo (Nota 8)	314.802	
Entidad dependiente - Empresa del Grupo (Divial 10, S.A.)		
Inversiones en empresas del Grupo y asociados a largo plazo (Nota 8)	12.141.529	
Inversiones en empresas del Grupo y asociados a corto plazo (Nota 8)	63.184	

	Nature of the connection
AB Sagax	Parent company of the group
Parque Empresarial Butarque, SLU	Group company
Huan, S.L.U.	Group company
Montajes y equipamientos, SLU	Group company
Phoenix (Spain) Propco II, SLU	Group company
Phoenix (Spain) Propco II, SLU	Group company
Divial 10, SA	Group company

14.2 Operations with related parties

The details of operations carried out with related parties during the years 2023 and 2022 are detailed in note 13.4.

14.3 Remuneration to the Board and Senior Management

The Company considers senior management personnel to be those people who perform functions related to the general objectives of the Company, such as planning, directing and controlling activities, carrying out their functions with autonomy and full responsibility, only limited by the criteria and instructions from the legal owners of the Company or the governing and administrative bodies that represent said owners. The Company has two employees on its staff who can be considered senior management according to the definition set forth above.

During fiscal years 2023 and 2022, the Company's Senior Management has received a remuneration of 335,000 euros and 325,000 euros respectively and has not carried out operations with the Company outside of ordinary traffic or under conditions other than market conditions.

During the years 2023 and 2022, the Board of Directors of the Company has not received remuneration from the company for said work and has not carried out operations with the Company outside of ordinary traffic or under conditions other than market conditions.

During fiscal years 2023 and 2022, the Company's Board has not received any remuneration or other remuneration in the form of per diems or remuneration for participation in profits or share premiums. They have not received shares or share options from the company during the year, nor have they exercised options nor do they have options pending to be exercised. Likewise, no contributions have been made to pension funds or plans.

At the end of fiscal year 2023 and at the date of preparation of these annual accounts, the Company's Board of Directors consists of 3 individuals.

In relation to article 229 of the Capital Companies Law, the Board of Directors communicates that they have no situations of conflict with the interest of the Company.

15. Information requirements derived from the status of SOCIMI, Law 11/2009

a) Reserves from years prior to the application of the tax regime established in Law 11/2009.

   Not applicable

a) Reserves from years in which the tax regime established in Law 11/2009 has been applied, differentiating the part that comes from income subject to the tax rate of zero percent, or 19 percent, with respect to those that, if applicable, have been taxed at the general tax rate.

   Legal reserve in the amount of 2,075,445 euros.

b) Dividends distributed from the profits of each fiscal year in which the tax regime established in this Law has been applicable, differentiating the part that comes from income subject to the tax rate of zero percent or 19 percent, with respect to those that , if applicable, have been taxed at the general tax rate.

   Distribution of 100% of dividends charged to the results for fiscal year 2022.

c) In the case of distribution of dividends charged to reserves, designation of the year from which the applied reserve comes and whether they have been taxed at the tax rate of zero percent, 19 percent or the general rate.

Not applicable

d) Date of agreement to distribute the dividends referred to in letters c) and d) above.

The distribution of the results for the 2022 financial year, allocating an amount of 13,147,960 euros to dividends, was approved on June 30, 2023.

e) Date of acquisition of the properties intended for rental referred to in section 1 of article 2 of Law 11/2009.

Indicated in Note 6.

f) Identification of the asset that counts within the 80 percent referred to in section 1 of article 3 of Law 11/2009.

The market value of the real estate assets in the consolidated balance sheet amounts to 409,325,000 euros.

g) Reserves from years in which the special tax regime established in Law 11/2009 has been applicable , which have been drawn down in the tax period , other than for distribution or not to offset losses , identifying the year from which said reserves come.

It is not applicable.

16. Staff structure

The details of the people employed by the Company distributed by categories are as follows:

	Number of people employed end of the year			Average number of people employed in the exercise	Average number of people with disability > 33% of the total employees in exercise
	Men	Women	Total		
Fiscal Year 2023					
Senior managers	2	-	2	2	-
Engineers and technicians	4	2	6	6	-
	6	2	8	8	-
Fiscal Year 2022					
Senior managers	2	-	2	2	-
Engineers and technicians	3	1	4	5	-
	5	1	6	7	-

17. Information about the environment

Given the activity to which the Company is dedicated, it has no responsibilities, expenses, assets, provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial situation and results. For this reason, specific breakdowns are not included in this report of the annual accounts regarding information on environmental issues. The Company has not received environmental subsidies during the years 2023 and 2022.

18. Information on the average payment period to suppliers

In relation to the information required by the third additional provision of Law 15/2010, from July 5, to December 31, 2022, the balance pending payment to suppliers accumulates a slight deferral greater than the legally established period. The information on payment deferrals to suppliers for fiscal year 2023 is as follows:

	2023	**2022**
	Days	**Days**
Average payment period to suppliers	22	33
Ratio of paid operations	22	33
Ratio of operations pending payment	77	111
Amount	(In euros)	(In euros)
Total payments made	8,567,561	16,593,183
Total pending payments	65,039	100,675

The monetary volume and number of invoices paid within the established legal period are detailed below:

	2023	**2022**
Monetary volume (thousands of euros)	6,733,241	10,517,915
Percentage of total payments made	79%	63%
Number of invoices	1,579	1,325
Percentage of total invoices	72%	60%

In accordance with the ICAC Resolution, to calculate the average payment period to suppliers in these annual accounts, the commercial operations corresponding to the delivery of goods or services accrued from the date of entry into force of the resolution have been taken into account. Law 31/2014, of December 3.

Suppliers are considered, for the exclusive purposes of providing the information provided for in this Resolution, to commercial creditors for debts with suppliers of goods or services, included in the items "suppliers" and "other accounts payable" of the current liabilities of the balance sheet. situation.

“Average payment period to suppliers” is understood to be the period that elapses from the delivery of the goods or the provision of the services by the supplier and the material payment for the operation.

19. Subsequent events

During the months that have elapsed from 2023 until the formulation, no relevant events have occurred that are not detailed in these annual accounts.

Management report corresponding to the annual year ended December 31, 2023

This Management Report corresponding to the year 2023 is presented by the Company's Directors, in compliance with the provisions of articles 253 and 262 of the Consolidated Text of the Capital Companies Law, for approval by the shareholders.

1 . Group Situation

Organizational structure and operation

Sagax Real Estate SOCIMI, SA (hereinafter the Company), was established as a limited liability company in Barcelona on May 24, 2018 under the name “Casebix XXI SL”, for an indefinite period of time.

The Company is included within the regime regulated by Law 11/2009, of October 26, which regulates Listed Investment Companies in the Real Estate Market (“SOCIMI”), by benefiting from this special regime on October 29. July 2020 by means of a deed granted before a Notary and registered in the Commercial Registry of Madrid. On September 25, 2020, the Sole Shareholder of the Company has formally communicated to the State Tax Administration Agency the option to apply the aforementioned special regime for REITs with effect from January 1, 2020.

During the current fiscal year, the Company has carried out its activity in a single segment of activity, that of leasing urban properties for the use of industrial warehouses in multiple geographical areas of the national territory.

As of December 31, 2022, the Company owns the properties described in Note 6 of the attached annual accounts.

2. Evolution and business results

The net book value of the real estate assets (including shares) acquired by the Company amounts to 280,489,000 euros as of December 31, 2023 (370,140,000 euros as of December 31, 2022).

As of December 31, 2023, the average occupancy rate of the Company's assets destined for leasing is 98% based on the leased square meters (98% occupancy as of December 31, 2022).

In fiscal year 2023, the income derived from income from real estate investments owned by the Company amounts to 17,662,402 euros (22,761,323 euros in fiscal year 2022).

3. Environmental issues

Given the activity to which the Company is dedicated, it has no responsibilities, expenses, assets, nor provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial situation and results. For this reason, specific breakdowns are not included in this report of the consolidated annual accounts regarding information on environmental issues.

4. Liquidity and capital resources

In order to ensure liquidity and be able to meet all payment commitments arising from its activity, the Company has the treasury shown in its attached balance sheet and the financing lines with the Sole Shareholder mentioned in the attached Report.

5 . Important circumstances that occurred after the close of the fiscal year

During the months since 2023 until the formulation of this management report, no events of relevance to it have occurred.

6. R&D&i activities

The Company has not incurred any research and development expenses during the years 2023 and 2022.

7. Acquisition and disposal of own shares

The Company has not operated with own shares during the years 2023 and 2022.

8. Other relevant information

8.1 Dividend payment policy

SOCIMIs have been regulated by the special tax regime established in the SOCIMI Law. They will be obliged to distribute in the form of dividends to their Shareholders, once the corresponding commercial obligations have been fulfilled, the profit obtained during the year, and their distribution must be agreed upon within six months after the conclusion of each year, in the following manner:

a) He 100 for 1 00 of the benefits coming of dividends or shares in benefits distributed by the entities to the that HE refers he pulled apart 1 of the article 2 of this law.

b) At least 50 percent of the benefits derived from the transfer of real estate and shares or participations referred to in section 1 of article 2 of this Law, carried out once the deadlines referred to in section 3 of article 3 have elapsed of this Law, affected by the fulfillment of its main corporate purpose. The rest of these profits must be reinvested in other properties or shares assigned to the fulfillment of said object, within three years after the date of transfer. Failing that, said profits must be distributed in their entirety together with the profits, if applicable, that come from the year in which the reinvestment period ends. If the elements subject to reinvestment are transferred before the maintenance period, those benefits must be distributed in their entirety together with the benefits, if applicable, that come from the year in which they have been transmitted. The obligation to distribute does not extend, where applicable, to the part of these profits attributable to years in which the Company will not be taxed under the special tax regime established in said Law.

c) To the less he 80 by percent of the rest of the profits obtained.

When the distribution of dividends is made from reserves from profits from a year in which the special tax regime has been applied, their distribution will be mandatory with the agreement referred to in the previous 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 statutes of these companies may not establish any other unavailable reserve other than the previous one.

8.2 Average payment period to suppliers

In relation to the information required by the third additional provision of Law 15/2010, of July 5, as of December 31, 2023 and 2022, the balance pending payment to suppliers accumulates a slight postponement to the legally established period. The information on payment deferrals to suppliers for fiscal year 2023 is as follows :

	2023	2022
	Days	**Days**
Average payment period to suppliers	22	33
Ratio of paid operations	22	33
Ratio of operations pending payment	77	111
Amount	(In euros)	(In euros)
Total payments made	8,567,561	16,593,183
Total pending payments	65,039	100,675

The monetary volume and number of invoices paid within the established legal period are detailed below:

	2023	**2022**
Monetary volume (thousands of euros)	6,733,241	10,517,915
Percentage of total payments made	79%	63%
Number of invoices	1,579	1,325
Percentage of total invoices	72%	60%

Formulation of Annual Accounts
corresponding to the annual financial year ending on
December 31, 2023

The administrators of the Company SAGAX REAL ESTATE SOCIMI SA, on March 29, 2024 and in compliance with the requirements established in articles 253 of the Capital Companies Law and article 37 of the Commercial Code, proceed to prepare the accounts annual accounts for the financial year 2023. The accounts are made up of 39 pages in the annexed documents that precede this writing.

Eva Agneta Segerhammar

Administrator

Bjorn Mathias Garat

Administrator

Carlos Galofre Maristany

Administrator

Barcelona, March 29, 2024