Faifey Invest SOCIMI, S.A. and subsidiaries

Independent Auditor's Report, Consolidated Financial Statements for the year ended 31 December 2024

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Auditor's report on the audit of the consolidated annual accounts issued by an independent auditor

To the shareholders of Faifey Invest SOCIMI, S.A.:

Opinion

We have audited the consolidated financial statements of Faifey Invest SOCIMI, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024,
the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes to the financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements give, in all material respects, a true and fair view of the net assets and financial position of the Group as at 31 December 2024, and their consolidated results and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 5 to the consolidated financial statements) and, in particular, with the accounting principles and criteria contained therein.

Basis for the opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including independence requirements, applicable to our audit of the consolidated annual accounts in Spain as required by the regulations governing the audit activity. In this respect, we have not provided services other than auditing accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in such a way that it has been compromised.

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

Most relevant aspects of the audit

Most relevant aspects of the audit are those that, in our professional judgement, we considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements for the current period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on those risks.

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R. M. Madrid, page M-63.988, folio 75, volume 9.287. book 8.054, section 3º
Registered in the R.O.A.C. with the number S0242 - NIF: B-79031290

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit

Valuation of investment property

Investment property recorded in non-current assets as at 31 December 2024 represents approximately 97% of the Group's total assets and amounts to 290,137 thousand euros at that date.

The Group measures its investment property at acquisition or production cost less accumulated depreciation and any accumulated impairment losses, as described in note 6.2 to the consolidated financial statements.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In order to consider the recoverable amount of the investment property, an independent expert has been asked to value most of the investment property as at 31 December 2024.

This valuation has been carried out in accordance with international standards, the methodology of which is described in note 7 of the notes to the consolidated financial statements. In 2024, the Group did not recognise any impairment on its investment property.

In addition, the Group records the depreciation charge for these investment properties on a straight-line basis and on the basis of the estimated useful lives included in note 6.2 of the notes to the consolidated financial statements.

We consider the valuation of investment property to be the most relevant aspect of the audit mainly because of its significance in relation to the annual accounts as a whole and because there is a risk associated with the valuation of such investment property.

We assessed the deemed useful life of the investment property against the nature of the investment property and performed tests on the arithmetic calculation of the depreciation expense for the year.

With regard to impairment losses, we have obtained the valuation of investment property carried out by the Group's independent expert, on which we have performed the following procedures, among others:

- Verification of the competence, capacity and independence of the valuation expert by confirming and confirming his or her recognised reputation in the market.
- Verification that the valuation has been carried out in accordance with accepted methodology.
- Substantive testing to verify the accuracy of the most relevant data provided by the Group to the valuator and used in the valuation.

Finally, we have assessed the adequacy of the information disclosed in the annual accounts in relation to this aspect.

The result of the procedures performed was such that the audit objectives for which the procedures were designed were reasonably achievable.

Other matters

The figures for the previous year, 2023, which are included for comparative purposes in each of the statements of the consolidated financial statements for the year 2024, have not been audited.

Other information: Consolidated Management report

The other information comprises exclusively the consolidated management report for the financial year 2024, the preparation of which is the responsibility of the Parent Company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, as required by the regulations governing the audit activity, is to assess and report on the consistency of the consolidated management report with the consolidated financial statements, based on our knowledge of the Group obtained in *the* course of our audit of the consolidated financial statements, and to assess and report on whether the content and presentation of the consolidated management report comply with the applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report them.

Based on the work performed, as described in the previous paragraph, the information contained in the consolidated management report is consistent with that in the consolidated annual accounts for the financial year 2024 and its content and presentation are in accordance with the applicable regulations.

Directors' liability in relation to the consolidated annual accounts

The Parent Company's directors are responsible for the preparation of the accompanying consolidated annual accounts so that they present fairly the Group's consolidated equity, financial position and results, in accordance with the regulatory financial reporting framework applicable to the Group in Spain, as identified in note 2 to the accompanying consolidated financial statements, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue to operate as a going concern, disclosing, as appropriate, going concern matters and using the going concern basis of accounting unless the directors intend to liquidate the Group or cease operations, or there is no realistic alternative.

The auditor's responsibilities in relation to the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with Spanish auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated annual accounts.

As part of an audit in accordance with the regulations governing the auditing of accounts in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.

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

- We assessed the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's management.

- Conclude on the appropriateness of the Parent Company's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.

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

- We plan and perform the Group audit to obtain sufficient appropriate evidence regarding the financial information of the Group entities or business units as a basis for forming an opinion on the consolidated financial statements. We are responsible for directing, supervising and reviewing the work performed for the purposes of the Group audit. We are solely responsible for our audit opinion.

We communicate with the Parent Company's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify during the course of the audit.

Of the significant risks that have been reported to the directors of the parent company, we have identified those that were of most significance in the audit of the consolidated annual accounts for the current period and which are, consequently, the risks considered to be the most significant.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by María Callejo

Dosset (23866) 27 June 2025

FAIFEY INVEST SOCIMI, S.A.
AND SUBSIDIARIES

Consolidated financial statements and management report
for the year ended 31 December 2024

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Consolidated balance sheet at year-end 2024 (expressed in euros)

	ASSETS	NOTES	2024	2023(*)
A)	**NON-CURRENT ASSETS**		**290,452,647.77**	**290,381,494.52**
III.	**Investment property**	**7**	**290,137,465.36**	**289,944,848.05**
1.	Land		88,623,042.35	88,623,022.35
2.	Buildings		201,514,423.01	201,321,825.70
V.	**Long-term financial investments**	**9.2**	**315,182.41**	**436,646.47**
5.	Other financial assets		315,182.41	436,646.47
B)	**CURRENT ASSETS**		**10,017,509.31**	**11,943,391.73**
III.	**Trade and other receivables**		**2,061,615.91**	**3,026,406.21**
1.	Trade receivables for sales and services	9.2	2,036,978.29	2,231,321.64
5.	Current tax assets	12.1	7,260.53	-
6.	Other receivables from public authorities	12.1	17,377.09	795,084.57
V.	**Short-term financial investments**	**9.2**	**203,667.61**	**134,315.75**
5.	Other financial assets		203,667.61	134,315.75
VI.	**Short-term accruals and deferrals**		**77,134.25**	**112,726.25**
VII.	**Cash and cash equivalents**	**9.3**	**7,675,091.54**	**8,669,943.52**
1.	Cash and cash equivalents		7,675,091.54	8,669,943.52
TOTAL ASSETS (A + B)			**300,470,157.08**	**302,324,886.25**

	EQUITY AND LIABILITIES	NOTES	2024	2023(*)
A)	**SHAREHOLDERS' EQUITY**		**105,769,331.04**	**105,084,992.23**
A-1)	**Shareholders' equity**		**105,769,331.04**	**105,084,992.23**
I.	**Capital**	**11.1**	**5,060,000.00**	**5,060,000.00**
1.	Deeded capital		5,060,000.00	5,060,000.00
II.	**Share premium**	**11.2**	**93,690,662.85**	**93,690,662.85**
III.	**Reserves**	**11.3**	**(6,923,733.30)**	**(3,929,336.29)**
1.	Legal and statutory		1,012,000.00	1,012,000.00
2.	Other reserves		(7,935,733.30)	(4,941,336.29)
V.	**Results of previous years**		**(1.70)**	**(1.70)**
2.	(Negative results of previous years)		(1.70)	(1.70)
VI.	**Other contributions from shareholders**	**11.4**	**11,000,000.00**	**11,000,000.00**
VII.	**Result for the year**		**7,675,338.81**	**5,738,856.74**
VIII.	**(Interim dividend)**	**4**	**(4,732,935.62)**	**(6,475,189.37)**
B)	**NON-CURRENT LIABILITIES**		**192,224,396.95**	**191,185,852.34**
II.	**Long-term liabilities**	**10.1**	**179,624,396.95**	**178,585,852.34**
2.	Amounts owed to credit institutions		177,180,741.55	175,505,609.52
5.	Other financial liabilities		2,443,655.40	3,080,242.82
IV.	**Deferred tax liabilities**	**12.1**	**12,600,000.00**	**12,600,000.00**
C)	**CURRENT LIABILITIES**		**2,476,429.09**	**6,054,041.68**
III.	**Short-term liabilities**	**10.1**	**1,849,475.22**	**4,010,369.45**
2.	Amounts owed to credit institutions		254,103.08	3,029,103.08
5.	Other financial liabilities		1,595,372.14	981,266.37
V.	**Trade and other payables**		**626,953.87**	**2,043,672.23**
3.	Sundry accounts payable	10.1	480,878.69	1,658,695.09
6.	Other payables to public authorities	12.1	71,620.83	607.99
7.	Advances from customers	10.1	74,454.35	384,369.15
TOTAL EQUITY AND LIABILITIES (A + B + C)			**300,470,157.08**	**302,324,886.25**

Notes 1 to 20 of the accompanying notes to the financial statements form an integral part of the balance sheet at 31 December 2024.

(*) The figures for the year ended 31 December 2023 were not audited.

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Consolidated profit and loss account for the year ended 31 December 2024 (expressed in euros)

		NOTES	2024	2023(*)
A)	**CONTINUING OPERATIONS**			
1.	**Net turnover**	**13.1**	**25,506,570.19**	**22,995,350.80**
b)	Services rendered		25,506,570.19	22,995,350.80
7.	**Other operating expenses**	**13.2**	**(8,581,945.42)**	**(8,290,594.66)**
a)	External services		(7,024,293.93)	(6,575,208.91)
b)	Taxes		(1,401,991.41)	(1,499,831.28)
c)	Losses, impairment and variation in profit from commercial operations		(155,660.08)	(215,554.47)
8.	**Depreciation of fixed assets**	**7**	**(5,100,844.73)**	**(4,844,663.46)**
13.	**Other results**	**13.4**	**3,977.76**	**6,574.86**
A.1)	**OPERATING RESULT**		**11,827,757.80**	**9,866,667,54**
15.	**Financial expenses**	**13.3**	**(4,152,418.99)**	**(4,127,810.80)**
b)	For debts to third parties		(4,152,418.99)	(4,127,810.80)
A.2)	**FINANCIAL RESULT**		**(4,152,418.99)**	**(4,127,810.80)**
A.3)	**RESULT BEFORE TAXES**		**7,675,338.81**	**5,738,856.74**
A.5)	**RESULT FOR THE YEAR**		**7,675,338.81**	**5,738,856.74**

Notes 1 to 20 of the accompanying notes to the financial statements form an integral part of the balance sheet at 31 December 2024.

(*) The figures for the year ended 31 December 2023 were not audited.

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity for the year ended 31 December 2024
31 December 2024

A) Consolidated statements of recognised income and expense (expressed in euros)

		NOTES	2024	2023(*)
A)	**PROFIT AND LOSS ACCOUNT RESULT**		**7,675,338.81**	**5,738,856.74**
Income and expenses charged directly to net equity				
B)	**TOTAL INCOME AND EXPENSES IMPUTED. DIRECT. IN PN**		**-**	**-**
Transfers to profit and loss account				
C)	**TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT**		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE			**7,675,338.81**	**5,738,856.74**

Notes 1 to 20 of the accompanying notes to the financial statements form an integral part of the balance sheet as at 31 December 2024.

(*) The figures for the year ended 31 December 2023 were not audited.

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity for the year ended 31 December 2024

B) Consolidated statement of changes in total consolidated equity (expressed in euros)

		Capital Deeded	Share premium	Reserves	Profit/(loss) for previous years	Other contributions from shareholders	Profit for the year	(Interim dividend)	TOTAL
A)	**BALANCE, END OF FINANCIAL YEAR 2022**	**5,060,000.00**	**96,458,662.85**	**(5,841,466.07)**	**(1.70)**	**-**	**4,211,938.71**	**-**	**99,889,133.79**
I.	Total recognised income and expenses	-	-	-	-	-	5,738,856.74	-	5,738,856.74
II.	Op. with partners or owners	-	(2,768,000.00)	-	-	11,000,000.00	(2,299,810.63)	(6,475,189.37)	(543,000.00)
4.	*(-) Distribution of dividends*	-	-	-	-	-	*(2,299,810.63)*	*(6,475,189.37)*	*(8,775,000.00)*
7.	*Other op. with partners or owners*	-	*(2,768,000.00)*	-	-	*11,000,000.00*	-	-	*8,232,000.00*
III.	Other changes in net assets	-	-	1,912,129.78	-	-	(1,912,128.08)	-	1.70
B)	**BALANCE, END OF FINANCIAL YEAR 2023(*)**	**5,060,000.00**	**93,690,662.85**	**(3,929,336.29)**	**(1.70)**	**11,000,000.00**	**5,738,856.74**	**(6,475,189.37)**	**105,084,992.23**
I.	Total recognised income and expenditure	-	-	-	-	-	7,675,338.81	-	7,675,338.81
II.	Op. with partners or owners	-	-	(2,994,397.01)	-	-	(5,738,856.74)	1,742,253.75	(6,991,000.00)
4.	*(-) Dividend distribution*	-	-	*(2,994,397.01)*	-	-	*(5,738,856.74)*	*1,742,253.75*	*(6,991,00.,00)*
C)	**BALANCE, END OF THE FINANCIAL YEAR 2024**	**5,060,000.00**	**93,690,662.85**	**(6,923,733.30)**	**(1.70)**	**11,000,000.00**	**7,675,338.81**	**(4,732,935.62)**	**105,769,331.04**

Notes 1 to 20 of the accompanying notes to the financial statements form an integral part of the balance sheet at 31 December 2024.

(*) The figures for the year ended 31 December 2023 were not audited.

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Consolidated cash flow statement for the year ended 31 December 2024 (in euros)
31 December 2024 (in euros)

		NOTES	2024	2023(*)
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	**Profit for the year before tax**		**7,675,339.00**	**5,738,856.74**
2.	**Adjustments to the result**		**9,408,923.99**	**8,972,474.26**
a)	Depreciation of fixed assets	7	5,100,845.00	4,844,663.46
	Impairment		155,660.00	-
h)	Financial expenses	8	4,152,418.99	4,127,810.80
3.	**Changes in current capital**		**(683,537.78)**	**(955,513.76)**
b)	Debtors and other receivables	9	690,303.22	(1,135,637.44)
c)	Other current assets		35,592.00	40,135.86
d)	Creditors and other accounts payable	10	(1,409,433.00)	139,987.82
4.	**Other cash flows from operating activities**		**(3,081,975.15)**	**(4,127,810.80)**
a)	Interest payments		(3,074,714.15)	(4,127,810.80)
d)	Payments (receipts) Profit tax		(7,261.00)	-
5.	**Cash flows from operating activities (+/-1 +/-2 +/-3 +/-4)**		**13,318,750.06**	**9,628,006.44**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**			
6.	**Payments for investments**	**7**	**(5,362,814.04)**	**(8,991,262.44)**
d)	Investment property		(5,293,462.04)	(8,863,783.43)
e)	other financial assets		(69,352.00)	(127,479.01)
7.	**Proceeds from divestments**	**9**	**121,464.00**	**127,479.01**
e)	Other financial assets		121,464.00	127,479.01
8.	**Cash flows from investing activities (6+7)**		**(5,241,350.04)**	**(8,863,783.43)**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES (6+7) (5,863,783.43) FINANCING ACTIVITIES**			
9.	**Proceeds and payments for equity instruments.**		**-**	**5,932,189.37**
a)	Issuance of equity instruments		-	11,000,000.00
b)	Redemption of equity instruments			(5,067,810.63)
10.	**Receivables and payments for financial liability instruments**	**10**	**(2,081,250.00)**	**(1,312,085.13)**
a)	Issue		-	430,664.43
5.	*Other debts*		-	*430,664.43*
b)	repayments and amortisation of		(2,081,250.00)	(1,742,749.56)
2.	*Amounts owed to credit institutions*		*(2,081,250.00)*	*(1,742,749.56)*
11.	**Payments for dividends and remuneration of other equity instruments**		**(6,991,002.00)**	**(6,475,189.37)**
a)	Dividends		(6,991,002.00)	(6,475,189.37)
12.	**Cash flows from financing activities (+/-9 +/-10 -11)**		**(9,072,252.00)**	**(1,855,085.13)**
D)	**Effect of exchange rate fluctuations**		**-**	**-**
E)	**NET INCREASE/DECREASE IN CASH OR EQUIV.**		**(994,851.984)**	**(1,090,862.12)**
Cash or cash equivalents at the beginning of the year			8,669,943.52	9,760,805.64
Cash or cash equivalents at the end of the year			7,675,091.54	8,669,943.52

Notes 1 to 20 of the accompanying notes to the financial statements form an integral part of the balance sheet at 31 December 2024.

(*) The figures for the year ended 31 December 2023 were not audited.

1. THE COMPANY'S BUSINESS ACTIVITIES

Faifey Invest SOCIMI, S.A. (hereinafter, the "**Company**") was incorporated as a public limited company in Spain for an indefinite period of time on 12 November 2019 by deed executed before the notary Francisco Javier Piera Rodríguez under number 5,001 of his order of protocol. Its registered office is at calle Príncipe de Vergara 112, 4º, 28002 Madrid.

It is registered in the Mercantile Register of Madrid, in volume 39903, folio 80, page M-708714. Its tax identification number is A88525563.

At the time of its incorporation, the shareholders of the company, i.e. TMF PARTICIPATIONS HOLDING (SPAIN), S.L. and TMF SOCIEDAD DE PARTICIPACIÓN, S.L., subscribed the entire share capital of the Company, i.e. 30,000 shares each, with a par value of 30,000.00 euros, and paid up 25% of the share capital, i.e. 15,000.00 euros each shareholder.

On 16 January 2020, the Company was acquired by FAS PROP CO. A S.à r.l., incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 19 rue Edmond Reuter, L-5326 Contern, Grand Duchy of Luxembourg and tax identification number N0187787G ; FAS PROP CO. B S.à r.l. incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 19 rue Edmond Reuter, L-5326 Contern, Grand Duchy of Luxembourg and its tax identification number N0187788E; and FAS PROP CO. C S.á r.l. incorporated and existing under the laws of the Grand Duchy of Luxembourg, established in 19 rue Edmond Reuter, L-5326 Contern, Grand Duchy of Luxembourg, with registered office at 19 rue Edmond Reuter, L-5326 Contern, Grand Duchy of Luxembourg, VAT No N0187789C.

On 17 January, by means of a deed of notarisation of the Company's corporate resolutions executed before the Madrid notary María del Rosario de Miguel Roses under number 204 of her order of protocol, the resignation of the joint and several directors was accepted, changing the mode of administration of the Company to a board of directors.

On 29 January 2020, the General Meeting of Shareholders of the Company resolved to increase the share capital by means of a monetary contribution of 5,000,000.00 € by creating 5,000,000 new shares of 1.00 € par value each, numbered sequentially from 60,001 to 5,060,000. This increase was carried out with an issue premium of 165,944,251.46 €, so that the sum of the capital figure plus the premium was 170,944,251.46 €. This capital increase was formalised in a public deed executed on 30 January 2020 before the Madrid notary María del Rosario de Miguel Roses under number 356 of her protocol order.

On 25 September 2020, the General Meeting of Shareholders adopted the resolutions to: (i) to change the Company's name to the current one, (ii) to change the Company's corporate purpose to the current one, which is transcribed below, (iii) to change the Company's dividend distribution regime and (iv) to include the Company (parent company of the group) in the regime regulated by Law 11/2009, of 26 October, which regulates Listed Public Limited Companies for Investment in the Real Estate Market ("**SOCIMI**") , all with the consequent amendments to the Articles of Association.

On 1 February 2021, the aforementioned resolutions were formalised in a public deed executed before the Madrid Notary Public Mr. Antonio Pérez Coca Crespo under number 988 of his protocol order. The Company's corporate purpose became the current corporate purpose, which is as follows:

- *The acquisition and development of urban real estate for lease or the refurbishment of buildings under the terms established in Law 37/1992, of 28 December, on Value Added Tax.*

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

- *The holding of shares in the capital of other entities, whether resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy and which meet the investment requirements referred to in article 3 of Law 11/2009, of 26 October, which regulates Listed Real Estate Investment Companies (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario). (the "SOCIMIs Law").*

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

In addition, by public deed dated 1 February 2021, the Company's corporate resolutions accepting the resignation of a director and appointing a new member were made public, thus constituting the current board of directors of the Company:

Chairman	Mr. Volker Kraft
Vice-Chairman	Mr. Markus Oscar Schmitt-Habersack
Secretary	Mr. José María Ortiz Lopez-Cámara
Deputy Secretary	Mr Christian Müller

Finally, on 30 June 2021, the General Meeting of Shareholders resolved to amend the Company's Articles of Association so that the shares would be represented by book entries as a result of the Company's listing on the *Euronext Access Paris* regulated market, governed by *Royal Legislative Decree 4/2015 of 23 October,* approving *the revised text of the Securities Market Act and Royal Decree 878/2015, of 2 October, on the registration, clearing and settlement of marketable securities represented by book entries, on the legal regime for central securities depositories and central counterparties and on transparency requirements for issuers of securities admitted to trading on an official secondary market*. These resolutions were notarised in a deed dated 12 July 2021 executed before the Madrid notary María del Rosario de Miguel Roses under number 2,601 of her protocol order.

The Company is the head of two Spanish subsidiaries and forms part of a group in which the parent companies are ECE European Prime Shopping Centre II A, SCSp SIF, ECE European Prime Shopping Centre II B, SCSp and ECE European Prime Shopping Centre II C, SCSp SIF, all of which have their registered office and tax domicile in Luxembourg. The presentation of consolidated financial statements is necessary, in accordance with generally accepted accounting principles and standards, to present fairly the financial position and results of operations, changes in equity and cash flows of the Group.

The Group's businesses are mainly concentrated in the real estate sector, specifically in the acquisition and development of urban real estate for lease. The development activity includes the refurbishment of buildings under the terms established in Law 37/1992, of 28 December, on Value Added Tax. The business of the Company and its subsidiaries extends solely to Spanish territory.

The end of the fiscal year is 31 December of each year.

The currency of the main economic environment in which the Group operates is the Euro, which is therefore its functional currency. All amounts included in these notes are stated in Euros unless expressly stated otherwise.

2. SOCIMI REGIME

The Parent Company and its subsidiaries are subject to a special tax regime and must comply with the following obligations, among others:

1. Corporate purpose obligation: they must have as their main corporate purpose the holding of urban real estate for lease, holding of shares in other SOCIMIs or companies with a similar corporate purpose and with the same dividend distribution regime, as well as Collective Investment Institutions.

2. Investment obligation:

   - They must invest 80% of the assets in real estate intended for lease, in land for the development of real estate that is to be used for this purpose provided that the development commences within three years of its acquisition and in holdings 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 in accordance with the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated financial statements. This group will be made up exclusively of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of Law 11/2009.

   - There is the option of replacing the book value of the assets with their market value or the cash/credit rights from the transfer of these assets will be taken into account, provided that the maximum reinvestment periods established are exceeded.

   - In addition, 80% of its income must be derived from income from (i) rental income from immovable property; and (ii) dividends from participating interests. 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 set out in Article 42 of the Commercial Code, irrespective of residence and irrespective of the obligation to prepare consolidated financial statements. This group shall be composed exclusively of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of Law 11/2009.

   - The real estate must remain leased for at least three years (for the purposes of calculation, up to one year may be added to the period for which it has been offered for lease). Shares must remain in the assets for at least three years.

3. Obligation to trade on a regulated market or multilateral trading system. The shares of SOCIMIs must be admitted to trading on a Spanish regulated market or on a Spanish multilateral trading system or on that of any other Member State of the European Union or of the European Economic Area, or on a regulated market of any country or territory with which there is an effective exchange of tax information, uninterruptedly throughout the tax period. The shares must be registered.

4. Obligation to distribute profits. Companies must distribute as dividends, once the commercial requirements have been met:

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

   - At least 50% of the profits derived from the transfer of real estate and shares or holdings referred to in Article 2(1) of Law 11/2009, made after the minimum holding periods have elapsed, used for the fulfilment of their main corporate purpose. The remainder of these profits must be reinvested in other properties or holdings related to the said object within three years of the date of transfer.

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

5. Disclosure obligation: SOCIMIs must include in the notes to their financial statements the information required by the tax regulations governing the special SOCIMI regime.

6. Minimum capital: The minimum share capital is set at EUR 5 million.

The special tax regime may be opted for under the terms established in Article 8 of the Law, even if the requirements of the Law are not met, provided that such requirements are met within two years from the date of the option to apply the special tax regime.

Failure to comply with any of the above conditions will mean that the group will be taxed under the general corporate income tax regime as from the tax period in which the non-compliance becomes apparent, unless it is remedied in the following year. In addition, the Group would be obliged to pay, together with the tax liability for that tax period, the difference between the tax liability resulting from applying the general system and the tax liability resulting from applying the special tax system in previous tax periods, without prejudice to any late-payment interest, surcharges and penalties that may be applicable.

The corporate income tax rate for SOCIMIs is 0%. However, when the dividends distributed by the SOCIMI to its shareholders with a shareholding of more than 5% are exempt or taxed at a rate of less than 10%, the SOCIMI will be subject to a special tax of 19%, which will be treated as a corporate income tax liability, on the amount of the dividend distributed to the shareholders. If applicable, this special tax must be paid by the SOCIMI within two months of the dividend distribution date.

At 31 December 2024, Faifey Invest SOCIMI, S.A. is listed on Euronext, Paris, under ISIN ES0105553004 and was admitted to trading on 30 July 2021, as described above.

3. SUBSIDIARIES AND CHANGES IN THE SCOPE OF CONSOLIDATION

Subsidiaries are considered to be all companies, including special purpose entities, over which the Group has or may have, directly or indirectly, control, control being understood as the power to govern the financial and operating policies of a business so as to obtain economic benefits from its activities. In assessing whether the Group controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

At 31 December 2024 and 31 December 2023, the fully consolidated subsidiaries included in the scope of consolidation are as follows:

2024		
Legal information		
Name	**Asturias Propco Número Uno, S.L.**	**Wattenberg Invest, S.L.**
Activity	Development of urban real estate for lease.	Property development
Percentage Direct shareholding	100%	100%
Net assets		
Capital	5,098,708.37	333,006.00
Reserves	79,439,895.24	0.00
Other equity items	10,496,372.25	2,259,933.09
Result for the last financial year	7,884,008.96	-40,113.49
Data in the matrix		
Carrying value of the Company's book investment	110,599,791.04	1,296,899.25
Dividends distributed to the Company	6,438,125.95	-

2023		
Legal information		
Name	**Asturias Propco Número Uno, S.L.**	**Wattenberg Invest, S.L.**
Activity	Development of urban real estate for lease.	Property development
Percentage Direct shareholding	100%	100%
Net assets		
Capital	5,098,708.37	333,006.00
Reserves	79,992,769.29	0.00
Other equity items	10,887,902.81	2,279,026.78
Result for the last financial year	6,046,595.39	-52,979.50
Data in the matrix		
Carrying value of the Company's book investment	111,152,665.09	1,246,899.25
Dividends distributed to the Company	8,988,012.90	-

The registration details and registered offices of the subsidiaries are as follows:

- **Asturias Propiasco Número Uno, S.L.U.** was incorporated as a limited company in Spain under the name of WXI Grupo Lar Parque Principado, S.L., for an indefinite period of time, on 28 October 1999, with its current registered office at Paseo de la Castellana 64, Madrid. It is registered in the Mercantile Register of Madrid, in volume 14,702, folio 21, page 243914. Its tax identification number is B82467754. The main activity consists of renting premises located in the Parque Principado shopping centre in the municipality of Siero (Asturias).

- **Wattenberg Invest S.L.U.** was incorporated as a limited company in Spain for an indefinite period of time on 7 November 2014, with its current registered office at calle Príncipe de Vergara 112, 4ª planta, 28002 Madrid. It is registered in the Mercantile Registry of Madrid, in volume 32,835, folio 31, page 591034. Its tax identification number is B87140786. Its corporate purpose is the planning, execution, management and operation - particularly the development, construction, purchase and sale, transformation, leasing and holding - of all types of buildings.

The parent company acquired control of 100% of the subsidiaries by means of a deed of sale and purchase of shares as follows:

- On 14 January 2020, the Company acquired all the shares of the Spanish company Briscoe, S.L. On 27 January 2020, the Company acquired all the shares of the Asturias company Propco Número Uno, S.L. by private purchase and sale agreement.

- On 28 May 2020, Asturias Propco Número Uno, S.L.U., as the absorbing company, signed a deed of merger by absorption of Briscoe, S.L., as the absorbed company, so that Faifey Invest SOCIMI, S.A. became the sole shareholder of the absorbing company.

- In addition, on 27 January 2020, the Company acquired all the shares of Wattenberg Invest, S.L.U. by means of a private sale and purchase agreement, which was subsequently notarised by deed executed on 31 January 2020 before the notary Antonio Perez-Coca Crespo with protocol 464.

As in the case of the parent company, all subsidiaries close their financial year on 31 December and are included in consolidation.

4. APPROPRIATION OF PROFIT

The proposed appropriation of the results of the Parent Company, Faifey Invest SOCIMI, SA, which has been formulated by the Board of Directors of the Parent Company and which will be submitted for approval by the General Meeting of Shareholders, is as follows:

Basis of distribution	**Amount**
Balance of the profit and loss account	6,269,569.29
Total.	**6,269,569.29**

Basis of distribution	**Amount**
To dividends	1,536,633.67
Interim dividends	4,732,935.62
Total.	**6,269,569.29**

In accordance with the minutes of the General Meeting of Shareholders held on 13 March 2024, an interim dividend of EUR 1,433,000.00 was distributed to the shareholders out of the profit for 2023.

The provisional accounting statement prepared in accordance with the legal requirements and showing the existence of sufficient liquidity for the distribution of the aforementioned dividend is set out below:

11/03/2024	**Euros**
Interim dividends distributed (for the financial year 2023)	1,433,000.00
Forecast distributable profit	
Projected results net of tax at year-end	8,721,553.75
Allocation to legal reserve	-
Offsetting of prior years' losses	-
Estimated distributable profit	8,721,553.75
Cash flow forecast	
Cash balance at the date of the distribution	698,674.61
Estimated collections up to the end of the year	1,433,000.00
Estimated payments up to the end of the year, including interim dividend	1,568,357.86
Projected cash balance at the end of the year	563,316.75

In accordance with the minutes of the Annual General Meeting of Shareholders of 14 June 2024, an interim dividend of 825,064.38 euros was paid out of the profit for 2023, as well as an interim dividend of 1,866,935.62 euros out of the profit for 2024.

The provisional accounting statement prepared in accordance with legal requirements, which showed that there was sufficient liquidity for the distribution of the aforementioned dividend, is set out below:

11/06/2024	**Euros**
Interim dividends distributed (for the financial year 2023)	825,064.38
Interim dividends distributed (for the financial year 2024)	1,866,935.62
Forecast distributable profit	
Projected results net of taxes at year-end	3,450,354.72
Allocation to legal reserve	-
Offsetting of prior years' losses	-
Estimated distributable profit	3,450,354.72
Cash flow forecast	
Cash balance at the date of distribution	455,975.10
455,975.10 Estimated collections up to the end of the year	2,692,000.00
Estimated payments up to the end of the year, including interim dividend	2,752,652.30
Projected cash balance at the end of the year	395,322.80

In accordance with the minutes of the Annual General Meeting of Shareholders of 11 September 2024, an interim dividend of 1,433,000.00 euros was distributed to the shareholders out of the profit for the year 2024.

The provisional accounting statement prepared in accordance with the legal requirements and showing sufficient liquidity for the distribution of the above-mentioned dividend is set out below:

03/09/2024	Euros
Interim dividends distributed	1,433,000.00
Forecast distributable profits	
Projected results net of tax at year-end	5,005,125.95
Allocation to legal reserve	-
Offsetting of prior years' losses	-
Estimated distributable profit	5,005,125.95
Cash flow forecast	
Cash balance at the date of distribution	387,003.78
Estimated collections up to the end of the year	1,433,000.00
Estimated payments up to the end of the year, including interim dividend	1,477,222.15
Projected cash balance at the end of the year	342,781.63

In accordance with the minutes of the Annual General Meeting of Shareholders of 4 December 2024, an interim dividend of 1,433,000.00 euros was distributed to the shareholders out of the profit for the year 2024.

The provisional accounting statement prepared in accordance with the legal requirements and showing the existence of sufficient liquidity for the distribution of the aforementioned dividend is set out below:

26/11/2024	Euros
Interim dividends distributed	1,433,000.00
Forecast distributable profits	
Projected results net of taxes at year-end	6,438,125.95
Allocation to legal reserve	-
Offsetting of prior years' losses	-
Estimated distributable profit	6,438,125.95
Cash flow forecast	
Cash balance at the date of distribution	363,711.87
Estimated collections up to the end of the year	1,433,000.00
Estimated payments up to year-end, including interim dividend	1,477,000.00
Projected cash balance at year end	319,711.87

These amounts to be distributed did not exceed the results obtained by the Company since the end of the last financial year, less the estimated corporate income tax payable on these results, in accordance with the provisions of article 277 of the Consolidated Text of the Spanish Companies Act.

At 31 December, the amounts of non-distributable reserves are as follows:

Non-distributable reserves	2024	2023
Legal reserve	(1,012,000.00)	(1,012,000.00)
Reserve for shares in the parent company	7,916,937.00	4,922,539.99
Total	**6,904,937.00**	**3,910,539.99**

Profits recognised directly in equity may not be distributed, either directly or indirectly.

5. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

5.1. REGULATORY FRAMEWORK FOR FINANCIAL REPORTING APPLICABLE TO THE GROUP

The consolidated financial statements have been prepared by the directors of the parent company in accordance with the regulatory financial reporting framework applicable to the company, which is set out in:

- The Commercial Code, Capital Companies Act and other commercial legislation.

- General accounting plan approved by royal decree 1514/2007, of 16 November, and the amendments thereto by royal decree 1159/2010, of 17 September, royal decree 602/2016, of 2 December, and royal decree 1/2021, of 12 January, described in section f) of this note.

- The mandatory rules approved by the Spanish Accounting and Audit Institute (Instituto de Contabilidad y Auditoría de Cuentas) implementing the Spanish National Chart of Accounts and its supplementary rules.

- All other applicable Spanish accounting legislation.

- Law 11/2009, of 26 October, which regulates listed real estate investment trusts (SOCIMI) in relation to the information to be disclosed in the consolidated annual report, as amended by Law 16/2012, of 27 December, and Law 11/2021, of 30 June.

The figures included in these consolidated financial statements are expressed in euros, unless otherwise stated.

5.2. TRUE AND FAIR VIEW

The consolidated financial statements have been obtained from the accounting records of the parent company and the subsidiaries included in the consolidation and include the necessary adjustments and reclassifications to bring them into line with the accounting criteria established by the group in terms of timing and value.

These consolidated financial statements are presented in accordance with current mercantile legislation, as set out in the Code of Commerce reformed in accordance with Law 16/2007, of 4 July, on the reform and adaptation of mercantile legislation in accounting matters for international harmonisation based on European Union regulations, Royal Decree 1514/2007, of 20 November, approving the General Accounting Plan, and Royal Decree 1159/2010, of 17 September, approving the rules for the preparation of consolidated financial statements and subsequent amendments thereto, the latest of which were incorporated by Royal Decree 1/2021 of 12 January, in force for financial years beginning on or after 1 January 2021, in all matters not conflicting with the provisions of the aforementioned mercantile reform, in order to present fairly the Group's net worth, financial position and results, as well as the truthfulness of the cash flows included in the consolidated cash flow statement.

5.3. NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied and there are no accounting principles that are no longer mandatory.

5.4. CRITICAL ISSUES IN THE MEASUREMENT AND ESTIMATION OF SIGNIFICANT UNCERTAINTIES AND JUDGEMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

As at 31 December 2024, the company's Board of Directors is not aware of any uncertainties relating to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

These consolidated financial statements have been prepared on the basis of estimates made by the Board of Directors of the Company. All estimates have been made on the basis of the best information available at the year end. However, it is possible that future events may make it necessary to change these estimates (upwards or downwards) in future years, if necessary on a prospective basis.

Other assumptions about the future and other relevant information about the estimated uncertainty at the reporting date that have a significant risk of change include the following:

Impairment assessment of investment property

The valuation of investment property requires estimates to be made in order to determine its fair value for the purpose of assessing possible impairment. In order to determine this fair value, the Company has commissioned an independent expert to carry out a valuation of the investment property based on an estimate of the expected future cash flows of these assets and using an appropriate discount rate to calculate their present value.

Lease incentives

The Company has entered into leases with tenants under which certain incentives are granted in the form of grace periods, escalating rents and contributions. The Company calculates the unbilled income (grace periods) on the basis of the estimated term of each lease contract and re-estimates the situation at each closing date.

Risks related to the adoption of the SOCIMI regime

The Company is subject to the regime established in Law 11/2009, of 26 October, which regulates Listed Real Estate Investment Companies (SOCIMI), which in practice means that, subject to compliance with certain requirements, the companies comprising the Company are subject to a corporate income tax rate of 0%. The Board of Directors of the Company monitors compliance with the requirements established in the legislation in order to safeguard the tax benefits established therein. The requirements are fulfilled at 31 December 2024 in accordance with the terms established, and no income tax result has been recorded at the date of preparation of these financial statements.

Failure to comply with the outstanding formal requirements within the period established for this purpose would result in the Company being taxed under the general corporate income tax regime.

5.5. COMPARISON OF INFORMATION

The consolidated financial statements present, for comparative purposes, with each of the items of the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated notes to the consolidated financial statements, in addition to the figures for 2024, the figures for 2023.

5.6. GROUPING OF ITEMS

In order to facilitate understanding of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement, these are grouped together and the required analyses are included in the relevant notes to the consolidated financial statements.

6. RECORDING AND VALUATION RULES

The consolidated financial statements for the financial year 2024 were prepared in accordance with the accounting principles and valuation rules contained in the Standards for the Preparation of Consolidated Financial Statements (*Normas para la formulación de Cuentas Anuales Consolidadas*, NOFCAC). A summary of the principles applied by the group in the preparation of its consolidated financial statements is presented below:

6.1. SUBSIDIARIES

Subsidiaries are defined as companies over which the Company, directly or indirectly through subsidiaries, exercises control, in accordance with article 42 of the Spanish Commercial Code. Note 3 contains certain information on subsidiaries included in the Group's consolidation, as well as changes in the scope of consolidation during the year.

a) Acquisition of control

The acquisition by the Parent (or another group company) of control of a subsidiary is a business combination accounted for using the acquisition method. This method requires the acquiring company to account at the acquisition date for the identifiable assets acquired and liabilities assumed in a business combination and, where appropriate, the related goodwill or negative goodwill. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

The cost of acquisition is determined as the sum of the acquisition-date fair values of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer and the fair value of any contingent consideration that is contingent on future events or the fulfilment of certain conditions, which must be recognised as an asset, liability or equity according to its nature.

Expenses related to the issue of the equity instruments or financial liabilities delivered do not form part of the cost of the business combination and are recognised in accordance with the rules applicable to financial instruments (Note 6.4). Fees paid to legal advisors or other professionals involved in the business combination are expensed as incurred. Internally generated expenses and any expenses incurred by the acquiree are not included in the cost of the combination.

The excess, at the acquisition date, of the cost of the business combination over the proportionate share of the value of the identifiable assets acquired less the liability assumed representing the equity interest in the acquiree is recognised as goodwill. In the exceptional case that this amount exceeds the cost of the business combination, the excess is recognised in the consolidated income statement as income.

b) Consolidation methods

The assets, liabilities, income, expenses, cash flows and other items in the individual financial statements of the Group companies are included in the consolidated financial statements using the full consolidation method. This method has been applied in accordance with the following criteria:

1. Time homogenisation

The consolidated financial statements are drawn up on the same date as the parent company's individual financial statements.

Subsidiaries have the same closing date and period as the Parent Company, and therefore no time homogenisation is necessary.

2. Valuation homogenisation

Assets, liabilities, income, expenses and other items in the individual financial statements of subsidiaries are measured using uniform methods. Those assets and liabilities, income and expenses which were valued using non-uniform methods compared to those applied in consolidation have been revalued and the necessary adjustments have been made for the sole purpose of consolidation.

3. Aggregation

The different items of the individual financial statements previously homogenised are aggregated according to their nature.

4. Elimination of equity investments

The book values of the equity instruments of the subsidiary held, directly or indirectly, by the Parent Company are offset against the proportionate share of the equity items of the subsidiary attributable to these holdings, generally on the basis of the values resulting from applying the acquisition method described above.

In consolidations subsequent to the year in which control was acquired, the excess or deficit in equity generated by the subsidiary since the acquisition date that is attributable to the Parent Company is presented in the consolidated balance sheet under reserves or adjustments for changes in value, depending on their nature. The portion attributable to minority interests is shown under "Minority interests".

5. Minority interests

Minority interests are valued on the basis of their effective interest in the net assets of the subsidiary after incorporation of the above adjustments. Goodwill is not attributed to minority interests. The excess between the losses attributable to minority interests in a subsidiary and their proportionate share of equity is attributed to them, even if this results in a debit balance under this item.

At 31 December 2022, the Group has no minority interests as the subsidiaries are wholly owned by the Parent Company.

6. Eliminations of intra-group items

Receivables and payables, income and expenses and cash flows between Group companies are eliminated in full. Likewise, all results from internal operations are eliminated and deferred until they are realised vis-à-vis third parties outside the Group.

7. Goodwill and business combinations

The acquisition by the parent company of control of a subsidiary constitutes a business combination to which the acquisition method is applied. In subsequent consolidations, the elimination of the investment-equity of subsidiaries is generally based on the values resulting from applying the acquisition method described below at the date of control.

Business combinations are accounted for using the acquisition method by determining the acquisition date and calculating the cost of the combination, with the identifiable assets acquired and liabilities assumed recognised at their fair value as at that date.

Goodwill or the negative goodwill of the combination is determined by the difference between the fair values of the assets acquired and liabilities assumed recorded and the cost of the combination as at the acquisition date.

The cost of the combination is determined by the aggregation of:

- The acquisition-date fair values of the assets transferred, liabilities incurred or assumed and equity instruments issued.

- The fair value of any contingent consideration that is dependent on future events or the satisfaction of predetermined conditions.

Expenses related to the issue of the equity instruments or financial liabilities delivered in exchange for the items acquired are not part of the cost of the combination.

Likewise, since 1 January 2010, fees paid to legal advisors or other professionals involved in the combination and, of course, internally generated expenses for these items do not form part of the cost of the combination. These amounts are taken directly to the income statement.

c) Change in ownership interest without loss of control

Once control over a subsidiary has been obtained, subsequent transactions that give rise to a change in the parent company's interest in the subsidiary without loss of control are treated in the consolidated financial statements as an own equity transaction and the following rules apply:

1. The amount of goodwill or negative difference recognised is not modified, nor is the amount of other assets and liabilities recognised;

2. The profit or loss that would have been recognised in the individual accounts is eliminated, on consolidation, with a corresponding adjustment to the reserves of the company whose shareholding is reduced;

3. The amounts of "Adjustments for changes in value" and "Grants, donations and bequests" are adjusted to reflect the share in the subsidiary's capital held by Group companies;

4. The share of minority interests in the subsidiary's equity is shown on the basis of the percentage interest held by non-Group third parties in the subsidiary after the transaction, which includes the percentage interest in the goodwill recognised in the consolidated accounts associated with the change that has occurred;

5. The necessary adjustment resulting from (a), (b) and (c) above will be accounted for in reserves.

There were no changes in the shareholdings of subsidiaries during the year 2024 (Note 3).

d) Loss of control

The following rules apply when control of a subsidiary is lost:

- The profit or loss recognised in the individual financial statements is adjusted for consolidation purposes;

- If the subsidiary is classified as a jointly controlled entity or associate, it is consolidated and the equity method is initially applied, taking into account for initial measurement purposes the fair value of the retained interest at that date;

- The equity interest in the subsidiary retained after the loss of control and not included in the scope of consolidation is measured in accordance with the criteria applicable to financial assets (Note 5.6), taking as the initial measurement the fair value at the date on which it ceases to be included in the scope of consolidation.

- An adjustment is recognised in the consolidated income statement to show the share of minority interests in the income and expenses generated by the subsidiary in the year up to the date of loss of control, and in the transfer to the income statement of the income and expenses recognised directly in equity.

There were no losses of control over the investees during the year 2024.

6.2. INVESTMENT PROPERTY

Investment property comprises the shopping centre that Asturias Propco Número Uno, S.L.U. operates by leasing the commercial premises that comprise it, called Parque Principado, and a service station - petrol station, as well as the plots of land owned by Wattenberg Invest, S.L.U. in the parishes of Viella and Lugonés, in Naón, Paredes, Folgueras, San Juto and Losa de la Villa, in the municipality of Siero.

The items included under this heading are initially valued at cost, whether this is the acquisition price or the production cost.

The acquisition price includes, in addition to the amount invoiced by the seller after deducting any discount or reduction in the price, all additional and directly related expenses incurred until they are ready for use.

Subsequently, the aforementioned investment property is measured at acquisition cost less accumulated depreciation and, where applicable, the accumulated amount of any impairment losses recognised.

The Group periodically, and at least at the end of the year or period, compares the net book value of the various items of investment property with the market value obtained through valuations by independent experts or through internal studies using similar methodologies, and the appropriate provisions are made for impairment of investment property when the market value is lower than the net book value (Note 7).

Financial expenses directly related to the construction of investment property with a term of more than one year were capitalised as part of the cost until the asset was brought into operation.

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

Depreciation of investment property is calculated using the straight-line method on the basis of the estimated useful lives of the various assets, as follows:

	Depreciation method	Depreciation method
Construction	Linear	2%
Technical installations	Linear	10% / 12%

The residual values, useful lives and depreciation methods for investment property are reviewed by the Group at each financial year end and, if necessary, adjusted prospectively.

Impairment of investment properties

The Group periodically assesses whether there is any indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If indications exist, their recoverable amounts are estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. When the carrying amount is greater than the recoverable amount, an impairment loss is incurred. 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.

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

6.3. LEASES

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

Operating leases

Investment property is leased to third parties. These leases are classified as operating leases.

Income from operating leases is recognised in the income statement as it accrues on a straight-line basis over the estimated lease term. Direct costs attributable to the lease are included as an increase in the value of the leased asset and are recognised as an expense over the lease term, applying the same criteria used for the recognition of lease income.

The Group does not hold any finance leases at 31 December 2024 and 2023.

6.4. FINANCIAL INSTRUMENTS

Financial assets:

a) *Financial assets at amortised cost*

This category includes financial assets, including those listed for trading on an organised market, in which the Group holds the investment with the objective of receiving cash flows from the performance of the contract, and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of a regular or ordinary loan, regardless of whether the transaction is arranged at a zero or below-market interest rate.

This category includes trade credit and non-trade credit:

- trade receivables are financial assets arising from the sale of goods and the provision of services in connection with the business operations of the enterprise with deferred payment, and

- Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose collections are of a determined or determinable amount and which arise from loans or credit operations granted by the company.

Initial measurement

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs.

However, trade receivables maturing within one year that do not have an explicit contractual interest rate, as well as receivables from employees, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at nominal value to the extent that the effect of not *discounting the cash flows* is deemed *not to be material.*

Subsequent measurement

Financial assets included in this category are measured at amortised cost. Accrued interest shall be recognised in the profit and loss account using the effective interest method.

However, loans and receivables maturing in less than one year that are initially measured at nominal value in accordance with the preceding paragraph continue to be measured at nominal value, unless they are impaired.

When the contractual cash flows of a financial asset change because of the issuer's financial difficulties, the company assesses whether an impairment loss should be recognised.

Impairment

Impairment losses are recognised at least at the balance sheet date and whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired as a result of one or more events that occurred after its initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the insolvency of the debtor.

In general, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms and conditions. Impairment losses for the financial asset group are calculated using models based on formulas or statistical methods.

Impairment losses, and their reversal when the amount of the impairment loss decreases due to a subsequent event, are recognised as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

Impairment of financial assets

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the carrying amount of an investment will not be recoverable. The amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, understood as the higher of its fair value less costs to sell and the present value of future cash flows arising from the investment, which in the case of equity instruments is calculated at , either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from both its ordinary activities and its disposal or derecognition.

Unless there is better evidence of the recoverable amount investments in equity instruments, estimated impairment loss this class of assets is calculated on the basis of the investee's equity existing unrealised capital gains net valuation date tax effect. determination of that value provided that the investee has invested in another investee has equity account included consolidated financial statements prepared by applying criteria Commercial Code implementing rules.

The recognition of impairment losses and, where appropriate, their reversal, is recorded as an expense or income, respectively, in the profit and loss account. The reversal of impairment is limited to the carrying amount of the investment that would have been recognised at the date of reversal had no impairment loss been recognised.

However, if an investment in the company had been made prior to its classification as a group company, jointly controlled entity or associate and, prior to that classification, valuation adjustments had been made and recognised directly in equity in respect of that investment, those adjustments are retained after classification until the investment is disposed of or derecognised, at which time they are recognised in the income statement, or until the following circumstances occur:

a) In the case of previous valuation adjustments due to increases in value the impairment allowances shall be recorded against the equity item reflecting the previously made valuation adjustments up to the amount of the adjustments and any excess is recorded in the profit and loss account. Impairment losses recognised directly in equity are not reversed.

b) b) In the case of previous valuation adjustments due to reductions in value when the recoverable amount is subsequently higher than the carrying amount of the investment, the latter increases up to the limit indicated reduction against the item has included the previous adjustments from that moment the new amount arising is considered the investment cost. However, when there is objective evidence of impairment, accumulated losses are recognised directly in equity in the income statement.

Assets designated as hedged items are subject to hedge accounting valuation requirements.

Cash and cash equivalents

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

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

Financial liabilities

a) Financial liabilities at amortised cost

In general, this category includes trade payables and non-trade payables:

- Trade payables: financial liabilities arising from the purchase of goods and services in connection with the Company's business transactions for which payment is deferred.
- Non-trade payables: financial liabilities which, not being derivative instruments, do not have a trade origin, but arise from loan or credit transactions received by the company.

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

Initial valuation

Financial liabilities included in this category are initially measured at fair value, being the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs.

However, trade payables maturing within one year that do not have a contractual interest rate are initially and subsequently measured at nominal value when the effect of not discounting the cash flows is not material.

Subsequent measurement

Financial liabilities included in this category are measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest method.

However, liabilities maturing within one year that are initially measured at nominal value continue to be measured at nominal value.

6.5. PROVISIONS AND CONTINGENCIES

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Adjustments to the provision on restatement are recognised as a finance cost as they accrue.

Provisions with a maturity of one year or less and with an insignificant financial effect are not discounted.

Where part of the expenditure required to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is virtually certain.

Contingent liabilities are possible obligations that arise from past events and whose realisation is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the Group. These contingent liabilities are not recognised in the accounts and are disclosed in the notes to these consolidated financial statements, except when the outflow of resources is remote.

6.6. INCOME TAX

The Company has opted to apply the special tax regime established in Law 11/2009, of 26 October, as amended by Law 16/2012 of 27 December and subsequent amendments, which establishes the legal framework for Listed Real Estate Investment Companies (SOCIMI), the main activity of these companies being investment in urban real estate assets for rental, including "commercial" premises among others.

On 25 September 2020, the Parent Company decided to apply the regime regulated by Law 11/2009, of 26 October, which regulates Listed Real Estate Investment Companies ("SOCIMI") with effect from the tax period commencing on 1 January 2020. This application was notified to the State Tax Administration Agency by letter dated the same date.

As at 31 December 2024, Faifey Invest SOCIMI, S.A. is listed on Euronext, Paris, under ISIN ES0105553004 having been admitted to trading on 31 July 2021 and therefore all requirements are met within two years from the date of application of the regime.

Article 3 of the aforementioned Law sets out the investment requirements for this type of company, namely:

1. SOCIMIs must have at least 80 per cent of the value of their assets invested in urban real estate intended for lease, in land for the development of real estate intended for that purpose, provided that the development is commenced within three years of acquisition, and in shares in the capital or assets of other entities referred to in section 1 of article 2 of the aforementioned Law.

   The value of the assets shall be determined on the basis of the average of the quarterly consolidated balance sheets for the year, and the Company may choose to substitute the book value for the market value of the items included in such balance sheets in order to calculate such value, which shall be applied to all the balance sheets for the year. For these purposes, cash or credit rights arising from the transfer of such property or holdings in the same or previous financial years shall not be taken into account, provided that, in the latter case, the reinvestment period referred to in Article 6 of the aforementioned Act has not elapsed.

2. Likewise, at least 80 per cent of the income for the tax period calculated at consolidated level, excluding that derived from the transfer of the holdings and of the immovable property both of which are assigned to the fulfilment of its main corporate purpose, once the maintenance period referred to in the following section has elapsed, must come from the leasing of immovable property and from dividends or shares in profits from such holdings.

3. The real estate comprising the assets of the SOCIMI must remain leased for at least three years. For the purposes of the calculation, the time that the real estate has been offered for lease shall be added together, with a maximum of one year. The period shall be computed:

    a. In the case of real estate that appears in the assets of the SOCIMI prior to the time of applying the regime, from the starting date of the first tax period in which the special tax regime established in the Law is applied, provided that on that date the property was leased or offered for lease. Otherwise, the provisions of the following point shall apply.

    b. In the case of immovable property developed or acquired subsequently by the company, from the date on which it was first leased or offered for lease.

    In the case of shares or holdings in entities referred to in Article 2(1) of the aforementioned Law, they must be held in the assets of the SOCIMI for at least three years from their acquisition or, as the case may be, from the beginning of the first tax period in which the special tax regime established in the aforementioned Law applies.

    Failure to comply with any of these conditions will mean that the Company will be taxed under the general corporate income tax regime as from the tax period in which such non-compliance becomes apparent, unless it is remedied in the following year. In addition, the Company will be obliged to pay, together with the tax liability for that tax period, the difference between the tax liability resulting from applying the general system and the tax liability resulting from applying the special tax system in previous tax periods, without prejudice to any late payment interest, surcharges and penalties, if any, that may be applicable.

4. The minimum capital requirement is EUR 5 million, which is only applicable to entities listed on an official European secondary market.

5. SOCIMIs are obliged to distribute dividends:

    a. 100% of the profits from dividends distributed profit shares other companies apply special SOCIMI tax regime.

    b. At least 50% of profits derived from the transfer of real estate and shares or holdings that have fulfilled the three-year holding requirement. The rest of the profits must be reinvested in other properties or holdings within the following three years.

    c. At least 80% of the remaining profits obtained.

6. The main corporate purpose of SOCIMIs will be:

    a. The acquisition and development of urban real estate for lease. The development activity includes the refurbishment of buildings under the terms established in Law 37/1992, of 28 December, on Value Added Tax.

    b. The holding of shares in the capital of other SOCIMIs or in the capital of other entities not resident in Spanish territory which have the same corporate purpose as the former and which are subject to a regime similar to that established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy.

c. The holding of shares in the capital of other entities, whether or not resident in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime as that established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy and which meet the investment requirements referred to in Article 3 of this Law.

   The entities referred to in this point c) may not hold shares in the capital of other entities. The shares representing the capital of these entities must be registered and their entire capital must belong to other SOCIMIs or non-resident entities referred to in b) above. In the case of entities resident in Spanish territory, they may opt for the application of the special tax regime under the conditions established in Article 8 of this Law.

d. The holding of shares or holdings in Collective Real Estate Investment Institutions regulated in Law 35/2003, of 4 November, on Collective Investment Institutions.

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

Deferred taxes are recognised for temporary differences existing at the balance sheet date between the tax base of assets and liabilities and their carrying amounts provided that they are considered to be taxable. The tax base of an asset and liability is taken to be the amount attributed to it for tax purposes.

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

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

Without prejudice to what is discussed below in relation to the SOCIMI Regime, at the end of each reporting period the Company assesses its recognised and previously unrecognised deferred tax assets. Based on this assessment, the Company derecognises a previously recognised asset if its recovery is no longer probable, or recognises any previously unrecognised deferred tax assets if it is probable that future taxable profits will be available to the Company to allow their utilisation.

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

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

The Company is subject to a special tax of 19% on the full amount of dividends or profit participations distributed to shareholders whose shareholding in the company's share capital is 5% or more, when such dividends are exempt or taxed at a rate of less than 10%. This tax will be treated as a corporate income tax liability.

With effect from 1 January 2021, Law 11/2021, of 9 July, on measures to prevent and combat tax fraud, amends section 4 of Article 9 of Law 11/2009, of 26 October, which regulates Listed Public Limited Companies and Real Estate Investment Trusts (SOCIMIs). Specifically, a special tax of 15% is introduced on the amount of the profit obtained in the year that is not distributed, in the part that comes from: a) income that has not been taxed at the general corporate income tax rate; and b) income that does not derive from the transfer of eligible assets once the three-year maintenance period has elapsed and has been covered by the three-year reinvestment period provided for in article 6.b) of Law 16/2012 of 27 December.

This special levy will be considered a corporate tax charge and will accrue on the date of the resolution on the application of the results of the financial year at the general shareholders' meeting of the equivalent body. The self-assessment of the tax payment must be made within two months of accrual.

The Company's directors may confirm that these financial statements have complied with the requirements of the SOCIMI regime.

6.7. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT

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

6.8. REVENUE

Revenue is recognised at the fair value of the consideration receivable and represents the amounts receivable for services rendered in the ordinary course of the Company's business, less returns, rebates, discounts and value added tax.

<u>Provision of services</u>

The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled. Thus the concept of control, as a fundamental principle, replaces the current concept of risks and rewards.

In order to apply the above fundamental principle, the following successive steps have to be followed:

- identify the contracts with customers;
- identifying the obligations to be fulfilled;
- determine the transaction price or consideration for the contract transaction;
- allocating the transaction price among the obligations to be performed; and
- recognising revenue when (or as) the entity satisfies each committed obligation.

The Group provides rental services. Based on the analysis performed by the directors, all revenue is derived from the rental of properties which are recorded under the heading "Investment property" under the classification of operating leases. These revenues are recognised on an accruals basis and the fulfilment of the obligation of use, with incentive income and the initial costs of the lease contracts being allocated on a straight-line basis.

The costs related to each lease instalment, including impairment charges, are recognised as an expense.

6.9. ENVIRONMENTAL ASSETS

Environmental assets are considered to be assets used on a lasting basis in the Group's activity, the main purpose of which is the minimisation of environmental impact and the protection and improvement of the environment, including the reduction or elimination of future pollution.

Costs incurred in the acquisition of systems, equipment and facilities whose purpose is the elimination, limitation or control of the possible impacts that could be caused by the normal development of the Group's activity on the environment are considered as investments.

All other expenses related to the environment, other than those incurred for the acquisition of fixed assets, are treated as expenses for the year.

As regards possible environmental contingencies that might arise, the Parent Company's Board of Directors considers that, given the nature of the activity carried out by the Group, their impact is scantly material and, in any case, they are sufficiently covered by the insurance policies taken out by the Group.

6.10. RELATED PARTY TRANSACTIONS

In general, transactions between group companies are initially recognised at fair value. If the agreed price differs from the fair value, the difference is recorded on the basis of the economic reality of the transaction. Subsequent valuation is carried out in accordance with the relevant standards.

Notwithstanding the above, in transactions involving a business, which includes equity interests that give control over a company constituting a business, the Group applies the following criteria:

a) Non-cash contribution

- In the case of non-monetary contributions to a group company, both the contributor and the acquirer value the investment at the carrying amount of the assets and liabilities transferred in the consolidated financial statements at the date of the transaction. For these purposes, the consolidated financial statements of the group or major subgroup in which the assets and liabilities are included whose parent company is Spanish are used.

b) Mergers and spin-offs

- In transactions between group companies involving the parent company (or the parent of a subgroup) and its direct or indirect subsidiary, the assets and liabilities acquired are valued at the amount corresponding to them in the consolidated accounts of the group or subgroup. The difference is recognised against reserves.

- In the case of transactions between other group companies, the assets and liabilities acquired are valued at their book values in the consolidated financial statements of the group or major subgroup of which they form part and of which the parent company is Spanish.

- The accounting effective date for mergers and spin-offs between group companies is the date of the beginning of the financial year in which the transaction is approved, provided that this is after the date of incorporation into the group. If one of the companies involved in the transaction has joined the group in the financial year in which the merger or division takes place, the date of accounting effects shall be the date of acquisition.

- Comparative information for the preceding financial year is not restated to reflect the effects of the merger or division, even if the companies involved in the transaction were part of the group in that year.

c) Capital reduction, dividend distribution and dissolution

- In cases where the business in which the capital reduction is implemented, the dividend payment is agreed or the partner's liquidation share is cancelled remains in the Group, the transferor records the difference between the debt owed to the partner and the book value of the business transferred in a reserve item. The transferee records the business in accordance with the rules for mergers and demergers.

6.11. EQUITY

The parent's share capital is represented by ordinary shares, all of the same class.

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

6.12. BUSINESS COMBINATIONS

Mergers, demergers and non-monetary contributions of a business between group companies are accounted for in accordance with the provisions for related party transactions (note 6.9).

Mergers, demergers and non-monetary contributions other than the above and business combinations arising from the acquisition of all the assets and liabilities of a company or part of a company constituting one or more businesses are accounted for using the acquisition method (note 6.1.a).

6.13. CONSOLIDATED CASH FLOW STATEMENT

In the consolidated cash-flow statement, the following expressions are used in the following senses:

- Cash flows: inflows and outflows of cash and cash equivalents, defined as current investments with high liquidity and low risk of changes in value.

- Operating activities: typical operating activities and other activities that cannot be classified as investing or financing activities.

- Investing activities: the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not operating activities.

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash and demand deposits and highly liquid current investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6.14. SEGMENT REPORTING

In defining the segments, the criteria and allocations used by the Board of Directors of the parent company for the analysis of the Group's operations are taken into account. Specifically, a distinction is made between the property leasing business described in note 6 of these notes to the consolidated financial statements, under the heading of the Group's operating leases, and corporate operations.

6.15. FINANCIAL RISK MANAGEMENT

The Group's risk management policies in financial year 2024 have been established by the Board of Directors. Based on these policies, a series of procedures and controls have been established to identify, measure and manage the risks arising from the business.

- **Credit risk**

Credit risk arises from the potential loss caused by the failure of the group's counterparties to meet their contractual obligations, i.e. the possibility of not recovering the financial assets for the amount recognised and within the established timeframe.

Operating activities

Periodically, a detail of the ageing of each receivable is prepared as a basis for collection management. Overdue accounts are claimed monthly by the Property Manager. For those over three months old, a collection procedure is initiated, at which time they are passed to legal counsel for follow-up and, if necessary, subsequent legal action.

Investment activities

The Group's policies establish that they are not carried out in financial investments (investing in repos, treasury funds and short, medium and long term fixed income investment funds) unless certain particularities make it advisable to do so.

- **Market risk**

Market risk arises from the potential loss caused by changes in the fair value or future cash flows of financial instruments due to changes in market prices. Market risk includes interest rate risk, foreign exchange risk and price risk.

- **Interest rate risk**

Interest rate risk arises from the potential loss caused by changes in the fair value or future cash flows of financial instruments due to changes in market interest rates. The group attempts to mitigate the risk of changes in interest rates by entering into derivative financial instruments.

- **Foreign exchange risk**

The group is not exposed to the risk of exchange rate fluctuations as it conducts its operations in the euro environment, which is its functional currency.

- **Price risk**

In relation to price risk, the group has established a series of policies for setting rental prices based on the type of premises to be leased in order to monitor an adequate level of income to match the demand for space to vacant premises. Any modification to this pricing policy must be previously authorised by the Commercial Management of the Group to which it belongs.

- **Liquidity risk**

Liquidity risk arises from the possibility that the group may not have sufficient liquid funds, or access to them, at the appropriate cost, to meet its payment obligations at all times.

The group estimates its cash requirements on a regular basis and no short-term needs have been identified.

- **Fair value**

The fair value of financial instruments that are traded in active markets (such as held-for-trading and available-for-sale securities) is based on quoted market prices at the consolidated balance sheet date. The quoted market price used for financial assets is the current bid price.

The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions based on market conditions at each balance sheet date. Quoted market prices or broker quotes are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine the fair value of other financial instruments. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows.

The fair value of forward exchange rate contracts is determined using forward exchange rates quoted in the market at the consolidated balance sheet date.

The carrying amount of trade receivables and payables is assumed to approximate their fair value. The fair value of financial liabilities for financial reporting purposes is estimated by discounting the future contractual cash flows at the current market rate of interest available to the Group for similar financial instruments.

7. INVESTMENT PROPERTY

Details of, and movements in, the various items comprising investment property in financial years 2024 and 2023:

Financial year 2024	Euros				
	Balance at	Additions	Transfers	Disposals	Balance at
	31.12.2023				31.12.2024
Cost					
Land	88,623,042.35	-	-	-	88,623,042.35
Constructions	245,676,087.16	5,293,462.04	14,869,739.69	-	265,839,288.89
Furniture	14,963.57	-	-	-	14,963.57
Other Facilities	266,546.68	-	-	-	266,546.68
Technical Installations	2,793,387.88	-	-	-	2,793,387.88
Real Estate Investments in Progress	15,183,513.02	-	(14,869,739.69)		313,773.33
	362,645,185.56	**5,293,462.04**	**-**	**-**	**367,938,647.60**
Amortisation					
Constructions	(43,527,583.50)	(4,188,538.66)	-	-	(47,716,122.16)
Furniture	(9,356.57)	(1,496.40)	-	-	(10,852.97)
Other Installations	(128,619.30)	(31,767.12)	-	-	(160,386.42)
Technical Installations	(18,947,113.24)	(879,042.55)	-	-	(19,826,155.79)
	(72,700,337.51)	**(5,100,844.73)**	**-**	**-**	**(77,801,182.24)**
Net book value	**289,944,848.05**	**192,617.31**	**-**	**-**	**290,137,465.36**

Financial year 2023	Euros				
	Balance at	Additions	Transfers	Disposals	Balance at
	31.12.2022				31.12.2023
Cost					
Land	88,623,042.35	-	-	-	88,623,042.35
Constructions	242,951,062.90	2,725,024.26	-	-	245,676,087.16
Furniture	14,963.57	-	-	-	14,963.57
Other Facilities	266,546.68	-	-	-	266,546.68
Technical Installations	2,793,387.88	-	-	-	2,793,387.88
Real Estate Investments in Progress	6,177,499.38	9,006,013.64	-	-	15,183,513.02
	350,914,147.66	**11,731,037.90**	**-**	**-**	**362,645,185.56**
Amortisation					
Constructions	(38,801,130.12)	(4,726,453.38)	-	-	(43,527,583.50)
Furniture	(7,860.17)	(1,496.40)	-	-	(9,356.57)
Other Installations	(59,972.94)	(68,646.36)	-	-	(128,619.30)
Technical Installations	(18,899,045.92)	(48,067.32)	-	-	(18,947,113.24)
	(67,855,674.05)	**(4,844,663.46)**	**-**	**-**	**(72,700,337.51)**
Net book value	**283,058,473.61**	**6,886,374.44**	**-**	**-**	**289,944,848.05**

At 31 December 2024 the Group's investment property corresponds to the following assets:

- Shopping centre located in Siero (Asturias) which the Group operates by leasing the commercial premises that comprise it, called Parque Principado, as well as a service station - petrol station. The property was acquired by the company Asturias Propco Número Uno on 23 May 2001 by deed executed before the notary María del Rosario Algora Wesolowski with protocol 1.347 and is registered in the Land Registry of Pola de Siero, as property number 96.185 in Volume 1034, Book 881, page 156. The Group incorporated it in its accounting records on 27 January 2020, following the purchase of the shares of Asturias Propco Número Uno.

- Plots of land acquired by Wattenberg Invest, S.L.U. on 20 January 2016, next to the Parque Principado shopping centre located in the parishes of Viella and Lugonés, in the municipalities of Naón, Paredes, Folgueras, San Justo and Llosa de la Villa, Council of Siero.

On 31 December 2024, the market value of the shopping centre established by the independent expert is 330,204,000.00 euros.

The full amount of the heading "Investment property" at the end of 2024 and 2023 corresponds to the net book value of the shopping centre, located in Asturias, which the Company operates by leasing the commercial premises that comprise it, called Parque Principado and the adjoining plots in the parishes of Viella and Logonés, in the towns of Naón, Paredes, Folgueras, San Justo and Llosa de la Villa, Concejo de Siero.

All the properties included under this heading serve as security for the financial debt identified in Note 10.2 of these notes to the consolidated financial statements.

The Group has taken out various insurance policies to cover the risks to which its investment property is subject. The coverage of these policies is considered sufficient.

KEY ASSUMPTIONS USED BY INDEPENDENT VALUERS TO CALCULATE VALUE IN USE:

The valuation assumption used for rental real estate assets is that of income capitalisation based on the Discounted Cash Flow and Exit Multiplier method, which estimates the value of an investment using expected future cash flows.

The following steps ("Exit Yield") have been followed to obtain the fair value of the properties:

- Determination of the 10-year income and expense streams derived from the rental of the properties and an exit yield of 6.00% has been applied deducting the costs associated with the sale. Passing rents have been taken for the duration of the current leases and the market assumptions detailed in the relevant independent expert's report have been used.

- Based on the above assumptions, a net operating income stream has been estimated for the 10-year period, including the exit value (a hypothetical sale price at the end of the cash flow period).

- Discounted cash flow at the valuation date using a discount rate of 8.00%.

- Finally, standard acquisition costs are deducted from the gross amount to arrive at the net value, i.e. the market value.

8. OPERATING LEASES

As mentioned above, part of the investment property is leased to third parties under operating leases. The leases have a term of between 1 and 22 years, with escalating rents and lease deficiencies in some of the leases.

Income from leases amounted to 25,506,570.19 euros in 2024 (22,995,350.80 euros at the end of 2023).

Details of the income and expenses generated by investment property are as follows:

	2024	2023
Lease income	25,506,570.19	22,995,350.80
Operating expenses		
of revenue generating investments	*(8,373,275.27)*	*(7,976,226.01)*
of investments that do not generate income	*(40,113.49)*	*(52,979.50)*
Net	**17,093,181.43**	**14,966,145.29**

The future minimum lease payments for the non-cancellable leases as at 31 December 2024 and 2023 are as follows, considering the first break dates agreed with each tenant. These have not taken into account possible future inflationary increases:

	2024	2023
Up to 1 year	*18,648,000.00*	*16,502,000.00*
Between 1 and 5 years	*47,014,000.00*	*45,740,000.00*
More than 5 years	*12,983,000.00*	*14,840,000.00*
Total future minimum lease payments	78,645,000.00	77,082,000.00
Total	**78,645,000.00**	**77,082,000.00**

9. FINANCIAL ASSETS

9.1. CLASSIFICATION OF FINANCIAL ASSETS BY CATEGORY

The classification of long-term and short-term financial assets at 31 December 2024 and 2023 by category is as follows:

Classes	Long-term financial instruments	
	Credits, Derivatives and Others	
Categories	**2024**	**2023**
Financial assets at amortised cost	315,182.41	436,646.47
Total	**315,182.41**	**436,646.47**

Classes	Short-Term Financial Instruments	
	Loans, Derivatives and Other	
Categories	**2024**	**2023**
Financial assets at amortised cost	2,240,645.90	2,365,637.39
Total	**2,240,645.90**	**2,365,637.39**

The fair values do not differ significantly from their carrying amounts.

The maximum exposure to credit risk, as at the reporting date, is the fair value of each of the above categories of receivables. The group holds certain guarantee instruments to cover any contingency on any possible non-payment of rentals.

9.2. FINANCIAL ASSETS AT AMORTISED COST

a) Guarantees, deposits given and receivables from companies:

As at 31 December 2024 and 2023, the amounts of the items comprising long-term and short-term financial investments are as follows:

	2024	2023
Long-term financial investments	**315,182.41**	**436,646.47**
Guarantees and deposits	315,182.41	436,646.47
	315,182.41	**436,646.47**

	2024	2023
Short-term financial investments	**203,667.61**	**134,315.75**
Guarantees and deposits	203,667.61	134,315.75
Trade receivables for sales and services	**2,036,978.29**	**2,231,321.64**
	2,240,645.90	**2,365,637.39**

Long-term and short-term guarantees correspond mainly to guarantees deposited with the Government of the Principality of Asturias, related to the rental of investment property. In accordance with the provisions of Article 36 of Law 29/1994 of 24 November 1994 on urban leases, the obligation to deposit deposits with the Government of the Principality of Asturias has been abolished. Previously deposited deposits will be refunded as the contracts come to an end.

b) Customer for sales and services rendered:

The Company presents the following detail of receivables at closing:

	2024	2023
Trade receivables for sales and services	2,239,939.03	2,278,622.30
Impairment provision for trade receivables	(202,960.74)	(47,300.66)
Total	**2,036,978.29**	**2,231,321.64**

The fair values of loans and receivables match the book values.

The following are recorded under trade receivables for sales and services:

- The linearisation of rents for certain lease incentives (grace periods and staggered rents) and expenses associated with the signing of lease contracts in the amount of 1,452 thousand euros (1,399 thousand euros during the financial year 2023).

- The balance of customers for services rendered in the amount of 509 thousand euros (434 thousand euros during the financial year 2023).

- The balance of invoices to be issued in the amount of Euros 279 thousand.

Past-due trade receivables less than three months old are not considered to be impaired.

During the financial year 2023, definitive losses in the amount of 720 thousand euros have been considered as definitive losses, cancelling both provisions and losses provisioned in previous years. During the financial year 2024 no uncollected receivables have been considered as definitive losses (420 thousand were considered as losses in the financial year 2023).

The movement in the provision for impairment losses on trade and other receivables is as follows:

Balance at 1 January 2023	**(456,569.20)**
((Provisions)	(215,554.47)
Applications	624,823.01
Balance at 31 December 2023	**(47,300.66)**
(Allocations)	(155,660.08)
Balance at 31 December 2024	**(202,960.74)**

The maximum exposure to credit risk at the reporting date is the fair value of each of the above categories of receivables. The Company does not hold any collateral as insurance.

The fair values of loans and receivables match the carrying amounts.

9.3. CASH AND CASH EQUIVALENTS

The composition of this heading at 31 December 2023 and 2024 is as follows:

	2024	2023
Current accounts	7,675,091.54	8,669,943.52
TOTAL	**7,675,091.54**	**8,669,943.52**

At 31 December 2023 and 2024, the balance under the heading "Cash and cash equivalents" is unrestricted.

10. FINANCIAL LIABILITIES

10.1. CLASSIFICATION OF FINANCIAL LIABILITIES BY CATEGORY

The classification of long-term and short-term financial liabilities at 31 December 2024 and 2023 by category and class is as follows:

Classes	Long-term financial instruments			
	Bank borrowings		Derivatives and Other	
Categories	2024	2023	2024	2023
Financial liabilities at amortised cost	177,180,741.55	175,505,609.52	2,443,655.40	3,080,242.82
Total	**177,180,741.55**	**175,505,609.52**	**2,443,655.40**	**3,080,242.82**

Classes	Short-Term Financial Instruments			
	Amounts owed to credit institutions		Derivatives and Other	
Categories	2024	2023	2024	2023
Financial liabilities at amortised cost	254,103.08	3,029,103.08	2,150,705.18	3,024,330.61
Total	**254,103.08**	**3,029,103.08**	**2,150,705.18**	**3,024,330.61**

All financial liability balances are denominated in euros and their book value does not differ significantly from their fair value.

Classification by maturity:

The amounts of liabilities with fixed or determinable maturity classified by year of maturity are as follows:

Categories	1 year	2 years	5 years	Total
Debts	***1,849,475.22***	***177,180,741.55***	***2,443,655.40***	**181,473,872.17**
Debts with credit institutions	*254,103.08*	*177,180,741.55*	-	177,434,844.63
Other financial liabilities	*1,595,372.14*	-	*2,443,655.40*	4,039,027.54
Trade and other accounts payable	***626,953.87***	**-**	**-**	**626,953.87**
Sundry creditors	*480,878.69*	-	-	480,878.69
Advances from customers	*74,454.35*	-	-	74,454.35
Total	**2,404,808.26**	**177,180,741.55**	**2,443,655.40**	**182,029,205.21**

The amount included in "other financial liabilities" in the long and short term corresponds to deposits and guarantees received in connection with the rental of investment property premises.

10.2. AMOUNTS OWED TO CREDIT INSTITUTIONS

The heading "Debts with credit institutions" includes the debts of the company Asturias Propco Número Uno, S.L.U. with the financial institutions Allianz Debt Fund SCSP SICAV-SIF, Allianz S.P.A., Allianz Real Estate GMBH, Allianz Real Estate GMBH, Allianz Real Estate GMBH, Allianz Real Estate GMBH, Allianz Real Estate GMBH and Allianz Real Estate GMBH, Allianz Real Estate GMBH, acting as agent entity, and CBRE Loan Services Limited, acting as guarantee agent, by virtue of the deed executed on 31 January 2020, before the notary Mr. Antonio Pérez-Coca Crespo, protocol number 473, a private financing contract (Facility Agreement) was executed for an amount of 185,000,000.00 euros, for the purpose of:

a. Refinance the existing financing contract to date, which amounted to 121,000,000.00 euros, signed with Credit Agricole Corporate and Investment Bank Sucursal en España, on 3 November 2016.

b. To pay fees, taxes, commissions, registration fees and other expenses and costs;

c. And to cover the general corporate needs of the borrowers.

The main features of the financing contract are:

a. Lenders: ALLIANZ DEBT FUND SCSP SICAV-SIF (83.78%) AND ALLIANZ S.P.A. (16.22%)

b. Borrowers: Asturias Propco Número Uno, S.L.U.

c. Principal: 185,000,000.00 euros. Divided into three tranches: 126,000,000.00 euros, 52,500,000.00 euros and 6,500,000.00 euros.

d. Maturity: 5 years (31/01/2025)

e. Repayment schedule: In a single payment in the 5th year after signing the contract.

f. Interest rate: 1.70% fixed annual interest, accrued quarterly.

g. Guarantees granted: i) On 31 January 2020 and before the notary Mr. Antonio Perez Coca Crespo, a first rank mortgage was constituted on the properties owned by Asturias Propco Número Uno, S.L.U., 96183, 96184 and 96185, to guarantee the restitution of 240,500,000.00 euros, to cover up to a maximum of 185,000,000.00 euros of principal, 11,100,000.00 euros of interest, 29,600,000.00 euros of interest in arrears, and 14,800,000.00 euros for costs and expenses.

h. Covenants established: i) Debt yield Convenant: maintain a debt ratio of 6.25% of net operating income; ii) Loan to Value: maintain a maximum ratio of 70% between the capital drawn down and the market value of the properties mortgaged as security for this financing agreement.

At 31 December 2024 the Company complies with the covenants set out in the agreement.

At the end of the year ended 31 December 2024, the Company recorded an outstanding amount valued at amortised cost as a liability of Euros 177,435 thousand of principal, being the nominal amount outstanding at 31 December 2024 Euros 177,369 thousand.

At the end of the year ended 31 December 2023, the Company records an outstanding amount valued at amortised cost on the liability side of Euros 178,535 thousand principal amount, with an outstanding nominal amount at 31 December 2022 of Euros 176,675 thousand.

The financial expenses accrued in 2024 on the loan with Allianz as agent bank amount to Euros 4,152 thousand. The financial expenses accrued in 2023 on the loan with Allianz as agent bank amount to EUR 4,128 thousand.

On 13 December 2024, deeds are signed with Allianz Debt Fund Scsp Sicav-SIF and Allianz Investments I Luxembourg S.A.R.L. to amend the loan agreement and real estate mortgage with suspensive conditions to be fulfilled by 31 January 2025.

The maturity date is extended to 31 January 2030. The principal of the loan is increased to 188,000 thousand euros and the fixed interest rate is increased to 3.998%.

Covenants established: i) Debt Yield Covenant: to maintain a debt ratio of 7.50% of net operating income, ii) Loan to Value: to maintain a maximum ratio of 55% between the capital drawn down and the market value of the properties mortgaged as collateral for this financing contract.

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

Quantitative information

The maximum exposure to the main risks as at 31 December 2024 and 2023, excluding foreign exchange exposure, was as follows:

Equity group	2024	2023
Credit		
Long-term financial investments	315,182.41	436,646.47
Short-term financial investments	203,667.61	134,315.75
Trade and other receivables	2,061,615.91	3,026,406.21
Cash and cash equivalents	7,675,091.54	8,669,943.52
Liquidity		
Long-term debt	179,624,396.95	178,585,852.34
Short-term debts	1,849,475.22	4,010,369.45
Trade and other payables	626,953.87	2,043,672.23
Market		
Fixed assets and investment property	290,137,465.36	289,944,848.05
Stocks	-	-
Total	**482,493,848.87**	**486,852,054.02**

11. SHAREHOLDERS' EQUITY

The composition and movement of shareholders' equity are presented in the statement of changes in shareholders' equity.

11.1. SHAREHOLDERS' EQUITY

At 31 December 2024, the share capital of the Parent Company amounted to EUR 5,060,000.00, represented by 5,060,000 ordinary bearer shares of EUR 1.00 par value each (same amount and value as in 2023). The movement in outstanding shares is as follows:

	Ordinary shares	
	2024	**2023**
Opening balance	5,060,000.00	5,060,000.00
Total	**5,060,000.00**	**5,060,000.00**

11.2. SHARE PREMIUM

By deed dated 30 January 2020, the decisions of the General Meeting of Shareholders to increase the share capital by 5,000,000.00 euros by issuing 5,000,000 shares with a par value of one euro each were made public. This capital increase was accompanied by the issue of a premium for a total amount of 165,944,251.46 euros.

On 12 June 2020, the General Meeting approved a distribution of reserves for a total amount of 52,500,000.00 euros charged to the share premium.

On 13 December 2021, the General Meeting approved a distribution of reserves in the total amount of EUR 2,000,000.00 against share premium.

On 14 March 2022, 9 June 2022 and 16 September 2022, three distributions of reserves were approved for a total amount of 14,985,588.61 euros charged to the share premium.

On 9 March 2023, the General Meeting approved a distribution of reserves for a total amount of 2,768,000.00 euros charged to the share premium.

Following these contributions, the amount of the share premium at 31 December 2024 is EUR 93,690,662.85 (same amount as in 2023).

11.3. RESERVES

A. Legal reserve:

In accordance with the Capital Companies Act, and in accordance with the provisions of article 6.2 of Law 11/2009, of 26 October, regulating Listed Real Estate Investment Companies, the public limited company must allocate an amount equal to 10% of the profit for the financial year to the legal reserve until it reaches 20% of the share capital. The legal reserve may only be used to increase the share capital. Except for the aforementioned purpose, and as long as it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided that there are not sufficient other reserves available for this purpose.

In accordance with Law 11/2009 regulating listed public limited companies for investment in the real estate market (SOCIMI), the legal reserve of companies that have opted to apply the special tax regime established in this Law may not exceed 20% of the share capital. The articles of association of these companies may not establish any unavailable reserve other than the above. They will also be obliged to distribute the profit obtained during the year to their shareholders in the form of a dividend, once the corresponding mercantile obligations have been met, in accordance with the provisions of article 6 of Law 11/2009 of 26 October, which regulates listed companies in the real estate market (see note 1).

After covering the amounts stipulated by law or the Articles of Association, dividends may only be distributed out of the profit for the year, or out of unrestricted reserves, if the value of the net assets is not or, as a result of the distribution, does not turn out to be less than the share capital. For these purposes, profits charged directly to net assets may not be distributed, either directly or indirectly. If there are losses from previous years that cause the value of the Parent Company's equity to be less than the share capital, the profit shall be used to offset these losses.

At 31 December 2024, the legal reserve amounts to 1,012,000.00 (same amount as in 2023).

B. Reserve for shares in the parent company:

The Company has set up a reserve for parent company shares.

The reserve for shares in the parent company has been set up in accordance with article 148 of the Consolidated Text of the Spanish Companies Act, which stipulates that a restricted reserve must be set up equal to the amount of the parent company's shares included in assets. The reserve set up for shares in the parent company is not freely distributable and must be maintained until they are disposed of or amortised and for an amount equal to their net book value.

Movements in the parent company's share portfolio during the year were as follows:

Non-distributable reserves	2024	2023
Legal reserve	(1,012,000.00)	(1,012,000.00)
Reserve for shares in the parent company	7,916,937.00	4,922,539.99
Total	**6,904,937.00**	**3,910,539.99**

C. Voluntary reserves:

Voluntary reserves are freely distributable. At 31 December 2024, the Parent Company's voluntary reserves correspond to the costs of incorporation of the companies and those generated by the capital increase that took place, and amount to 18,796.30 euros (same amount as in 2023).

11.4. OTHER SHAREHOLDER CONTRIBUTIONS

At 31 December 2024, the Parent Company records under this heading the amount of 11,000,000.00 euros (same amount as in 2023).

12. FISCAL POSITION

12.1. CURRENT BALANCES WITH GENERAL GOVERNMENT

The breakdown of balances with general government is as follows:

	2024		2023	
	Balances receivable	**Balances receivable**	**Balances receivable**	**Balances payable**
Value added tax	17,377.09	71,216.40	795,084.57	-
Withholdings made	-	404.43	-	607.99
Current tax	7,260.53	-	-	-
Liabilities for taxable temporary differences	-	12,600,000.00	-	12,600,000.00
Total balances with public authorities - 12.600.000,00 - 12.600.000,00 Public	**24,637.62**	**12,671,620.83**	**795,084.57**	**12,600,607.99**

In accordance with current legislation, taxes cannot be considered definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has elapsed. At 31 December 2024, the Company has pending inspection by the tax authorities for the following years all years of the main taxes applicable to it:

	Financial year
Value Added Tax	2021-2024
2021-2024 Personal income tax	2021-2024
Corporate income tax	2015-2024

However, the Administration's right to check or investigate tax losses offset or pending offset, double taxation deductions and deductions to encourage the performance of certain activities applied or pending application, expires 10 years after the day following the end of the period established for filing the tax return or self-assessment corresponding to the tax period in which the right to offset or apply them arose. Once this period has elapsed, the company must prove the tax losses or deductions by presenting the tax return or self-assessment and the accounts, with proof of their deposit during the aforementioned period at the Mercantile Registry.

As a result, among others, of the different possible interpretations of current tax legislation, additional liabilities could arise as a result of an inspection. In any case, the Parent Company's Board of Directors considers that such liabilities, should they arise, would not significantly affect the financial statements.

At 31 December 2024 and 2023 the Company presents a deferred tax liability of 12,600,000.00 associated with the merger transaction carried out in 2020, corresponding to the tax effect of the revaluation of the assets acquired in this merger.

12.2. INCOME TAX

The reconciliation between the net amount of income and expenses for the year and the taxable income that the Company expects to declare after the appropriate approval of the financial statements is as follows:

2024	Profit and loss account	
Balance of income and expenses for the year	7,675,338.81	-
	Increases	Decreases
Tax base (taxable income)	7,675,338.81	-
Tax rate:	0.00%	0.00%
Full amount	-	-
Net tax payable:	-	-
Net payable/ (to be refunded)	**-**	**-**

2024	Profit and loss account	
Balance of income and expenditure for the year	5,738,856.74	-
	Increases	Decreases
Taxable base (tax result)	5,738,856.74	-
Tax rate	0.00%	0.00%
Full amount	-	-
Net tax payable:	-	-
Net payable/ (to be refunded)	**-**	**-**

On 25 September 2020, with effect from 1 January 2020, the Group companies notified the tax office of their tax domicile of the option adopted by the Sole Shareholder of the Parent Company to opt for the SOCIMI regime.

In application of the SOCIMI regime, and in accordance with article 9 of Law 11/2009 regulating the aforementioned regime, it is established that the entities that opt for the application of the special tax regime will be taxed at a zero per cent (0%) corporate income tax rate, governed by the general provisions established in Royal Legislative Decree 4/2004, of 5 March, which approves the revised text of the Corporate Income Tax Law, in all matters not provided for in Law 11/2009.

Impairment losses on tangible fixed assets, intangible fixed assets and investment property shall not be deductible until they are transferred or written off.

However, tax is accrued in proportion to the distribution of dividends. In the event that tax losses are generated, Law 27/2014, of 27 November, on Corporate Income Tax, will not apply. Nor are the deduction and allowance regimes established in Chapters II, III and IV of the aforementioned law applicable.

As established in article 9 of the SOCIMI Law, the entity will be subject to a special tax rate of 19% on the full amount of dividends or shares in profits distributed to shareholders whose interest in the share capital of the entity is equal to or greater than 5%, provided that such dividends are exempt or taxed at a tax rate of less than 10%. This tax shall be treated as a corporate income tax liability.

In the event of non-compliance with any of the conditions, the Group would be taxed under the general regime provided that the deficiencies are not remedied in the year following the non-compliance.

Given that the parent company and its subsidiaries were incorporated in the same year as the application of the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, there are no tax losses prior to the application of this regime.

13. INCOME AND EXPENSES

13.1. NET TURNOVER

The net turnover of the group corresponding to its continuing operations as at 31 December 2024 and 2023 is as follows:

	2024	2023
Lease of investment property	25,506,570.19	22,995,350.80
Total	**25,506,570.19**	**22,995,350.80**

Contract balances

The opening and closing balances of receivables, contract assets and contract liabilities arising from customer agreements for the financial years 2024 and 2023 are as follows:

Amounts related to Contracts arising from customer agreements	2024	2023
Opening balances of receivables	2,231,321.64	1,859,288.77
Closing balances of accounts receivable	2,036,978.29	2,231,321.64

13.2. OTHER OPERATING EXPENSES

The composition of the heading "Other operating expenses" in the profit and loss account for the financial years 2024 and 2023 is as follows:

Description	2024	2023
External services	**7,024,293.93**	**6,575,208.91**
Leases and royalties	4,627,580.88	4,517,883.49
Services of independent professionals	2,321,171.56	1,980,464.48
Insurance premiums	48,805.11	50,265.10
Banking and similar services	4,847.63	4,461.33
Advertising, publicity and public relations	21,888.75	21,600.00
Other services	-	534.51
Taxes	**1,401,991.41**	**1,499,831.28**
Other taxes	1,401,991.41	1,458,750.66
Negative adjustments in indirect taxation	-	41,080.62
Other management expenses	**155,660.08**	**215,554.47**
Losses on bad debts	155,660.08	215,554.47
Total	**8,581,945.42**	**8,290,594.66**

13.3. FINANCIAL RESULT

Financial expenses	2024	2023
Interest on debts with credit institutions	3,074,714.15	3,077,861.15
Loan arrangement costs	1,077,704.84	1,049,949.65
Total	**4,152,418.99**	**4,127,810.80**

13.4. OTHER RESULTS

The detail of other results is as follows:

Description	2024	2023
Fas Prop Co. A S.à r.l. - Settlement of balance	-	(767,65)
Fas Prop Co. B S.à r.l. - Balance settlement		(4.406,45)
Fas Prop Co. C S.à r.l. - Balance settlement		(1.455,90)
Non-deductible expense due to constraint	23,74	55,14
Exceptional income	(4.001,50)	-
Total	**(3.977,76)**	**(6.574,86)**

14. ENVIRONMENTAL INFORMATION

At 31 December 2024 there are no significant assets dedicated to the protection and improvement of the environment, nor have any significant expenses of this nature been incurred during the year.

The Company's Board of Directors considers that there are no significant contingencies related to the protection and improvement of the environment and does not consider it necessary to record any provision for environmental risks and expenses at the end of 2024 and 2023.

No environmental subsidies have been received in 2024 and 2023.

15. SUBSEQUENT EVENTS

On 20 March 2025, the General Meeting of Shareholders of the Parent Company resolved to distribute reserves in the amount of 1,267,496.20 euros against share premium.

In the opinion of the Board of Directors, no significant events have come to light subsequent to year-end other than those mentioned in this section.

16. RELATED PARTY TRANSACTIONS

16.1. COMPANY TRANSACTIONS WITH RELATED PARTIES

At 31 December 2024 there are no transactions between the Parent Company and related parties.

At 31 December 2023, the amounts of the Parent Company's transactions with related parties are as follows:

2023 Item	Type of related party	Amount per type of transaction
Current account with Partner Fas Prop Co. A S.à r.l.	Shareholder	767.65
Current account with Partner Fas Prop Co. B S.à r.l.	Shareholder	4,406.45
Current account with Partner Fas Prop Co. C S.à r.l.	Shareholder	1,455.90
Total	**-**	**6,630.00**

Information relating to the Company's Board of Directors and senior management personnel

During the financial years ended 31 December 2024 and 2023, the members of the Board of Directors have not received any remuneration, nor have they been granted any advances or loans, and no obligations have been assumed on their behalf by way of guarantee. As at 31 December 2024 and 2023, there are no accrued pension or similar liabilities to the members of the Board of Management of the Company, nor are there any receivables or payables from or payables to them.

17. OTHER INFORMATION

17.1. AUDIT FEES

As at 31 December 2024, PricewaterhouseCoopers Auditores, S.L. was the auditors of both the Parent Company's individual financial statements and the consolidated financial statements of the Group. It also audited the individual financial statements of the parent company for the financial year 2023. The audit firm has invoiced fees and expenses for professional services during 2024 and 2023, as follows:

	2024	2023
For auditing services of the accounts	46,227.07	31,416.67
Total	**46,227.07**	**31,416.67**

18. SEGMENTED INFORMATION

There is no segmentation or differentiation on the basis of relevant criteria, which will not provide useful information that has not already been presented in the rest of the notes to these consolidated financial statements, as all income and expenses are linked to the same segment: leasing of real estate.

19. INFORMATION ON PAYMENT DEFERRALS MADE TO SUPPLIERS THIRD ADDITIONAL PROVISION "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY 2010

The information required by the third additional provision of Law 15/2010, of 5 July, prepared in accordance with the ICAC Resolution of 29 January 2016, on the information to be included in the notes to the financial statements in relation to the average period of payment to suppliers in commercial transactions, is detailed below. The information on the average supplier payment period is as follows:

	2024	2023
Concept	**Days**	**Days**
Average supplier payment period	15.00	16.10
Ratio of transactions paid	15.04	16.13
Ratio of transactions pending payment	11.04	0.00
	Amount (EUR)	**Amount (EUR)**
Total payments made	17,583,901.13	24,117,556.40
Total payments pending	172,055.01	43,663.29

In compliance with Law 18/2022, of 28 September, on the Creation and Growth of Companies, the monetary volume and number of invoices paid in a period lower than the maximum established in the regulations on late payment and the percentage that they represent of the total number of invoices and of the total monetary payments to its suppliers at the close of financial years 2024 and 2023 is as follows:

Monetary volume and number of invoices paid in a period lower than the maximum established in the regulations on late payment	2024	
Total paid within the legal period (amount)	16,351,914.34	93.00%
Total paid within legal period (invoices)	267	93.36%
Total paid (amount)	17,583,083.29	
Total paid (invoices)	286	

Monetary Volume and No. of invoices paid in a period shorter than the maximum established in the late payment regulations	2023	
Total paid within legal period (amount)	16,255,406.67	92.85%
Total paid within legal period (invoices)	259.00	90.56%
Total paid (amount)	17,506,716.48	
Total paid (invoices)	286.00	

20. INFORMATION REQUIREMENTS DERIVED FROM THE CONDITION OF SOCIMI, LAW 11/2009.

In relation to the parent company of the group, in compliance with the provisions of Law 11/2009 regulating listed real estate investment trusts (SOCIMI), the following information is provided below:

1. Reserves from years prior to the application of the tax regime established in the aforementioned Law 11/2009: FAIFEY INVEST SOCIMI, S.A. has 663.57 euros of negative reserves as a result of the losses obtained by the company in 2019.
2. Reserves from years in which the tax regime established in the aforementioned law 11/2009 has been applied: FAIFEY INVEST SOCIMI, S.A. 18,132.73 euros of negative reserves as a consequence of the losses obtained by the company in 2020.
3. Given the positive results of the Parent Company and its subsidiaries to date, dividends have been paid out of profits.
4. The distribution of dividends charged to reserves has not been agreed, and therefore it is not necessary to designate the year from which the reserves were applied and whether they have been taxed at the 0% tax rate, or at the special rate of 19%, or at the general tax rate.
5. No date has been established for the distribution of the dividends referred to in (3) and (4) above.
6. Dates of acquisition of the holdings in the capital of the subsidiaries referred to in Article 2(1) of the Law.
7. Reserves arising from years in which the tax regime established in this law has been applicable, which have been disposed of in the tax period, other than for distribution or to offset losses, identifying the year in which such reserves arise: not applicable.

COMPULSORY DISTRIBUTION OF DIVIDENDS

Given its status as a SOCIMI, and as set forth in article 27 of its articles of association, the Parent Company will be obliged to distribute the profit obtained during the year in the form of dividends, once the corresponding commercial obligations have been met, in accordance with the provisions of article 6 of Law 11/2009, of 26 October, as amended by Law 16/2012 and Law 11/2021 regulating Listed Public Limited Companies for Investment in the Real Estate Market (SOCIMI).

Directors' report for the year ended 31 December 2024

Business performance and situation of the Company

In the year ended 31 December 2024, the group's profit and loss account shows a "Net turnover" of 25,506,570.19 euros for the activity carried out consisting of the leasing of its investment property.

Foreseeable evolution of the Company

A significant improvement in the group's activity and business is foreseen for the financial year 2025 with respect to the financial year 2024, basically derived from the increase in rental income with respect to the previous financial year, although it is difficult to make a clear forecast given the increase in costs derived from inflation and war conflicts, as well as their possible effects on the economy in general and on the group of companies covered in these notes to the consolidated financial statements.

Financial risk management and use of financial instruments

The parent company and its subsidiaries face the risks and uncertainties inherent to the sector in which it operates, as described in Note 6.15 of the notes to the consolidated financial statements.

Research and development activities

The Parent Company and its subsidiaries have not carried out any research and development activities during the current or previous years.

Acquisition of treasury shares

As at 31 December 2024, none of the Group companies had carried out any transactions with own shares during the year.

Significant events occurring after year-end

No further significant events occurred after the year end, other than those mentioned in Note 15 of these notes to the consolidated financial statements.

Use of financial instruments

During 2024 and 2023 none of the group companies have contracted interest rate hedging financial instruments.

Measures to be taken to reduce the average supplier payment period

Given that none of the group companies exceed the maximum legal payment period of 60 calendar days applicable according to Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, no measures to this effect are applicable.

FAIFEY INVEST SOCIMI, S.A. AND SUBSIDIARIES

Preparation of the financial statements for the financial year 2024

DILIGENCE OF FORMULATION OF FINANCIAL STATEMENTS:

On 26 June 2025 and in compliance with the requirements established in article 253 of the Capital Companies Act and article 37 of the Code of Commerce, the members of the Board of Directors proceed to prepare the consolidated financial statements and the Management Report for the period from 1 January 2024 to 31 December 2024. The consolidated financial statements consist of the documents attached hereto.

Madrid, 26 June 2025.

Original in Spanish signed by Mr. Christian Müller, Mr. José Mª Ortiz López- Cámara, Mr. Markus Oscar Schmitt- Habersack and Mr. Volker Kraft