MONTEPINO LOGÍSTICA, SOCIMI, S.A.

Calle Felipe Sanclemente 26, 3º, 50001 Zaragoza (Spain)

https://www.montepino.net/

INFORMATION DOCUMENT

May 24, 2023

ADMISSION TO TRADING OF SHARES ON EURONEXT ACCESS PARIS

Euronext Access is a market operated by Euronext Paris. Companies on Euronext Access are not subject to the same rules as companies on a Regulated Market (a main market). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Access may therefore be higher than investing in a company on the Regulated Market.

Copies of this Information Document are available free of charge from Montepino Logística, SOCIMI, S.A. ("**Montepino**" or the "**Company"**, and together with its consolidated subsidiaries, the "**Group**"). This document is also available on the Company website (https://www.montepino.net/).

The present Information Document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71.

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Content

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

RESPONSIBLE FOR THE INFORMATION DOCUMENT

The person below assumes the responsibility for the completeness and consistency of the facts, data and information contained in this information document (the "**Information Document**"):

Mr. Juan José Vera Villamayor
Director
MONTEPINO LOGISTICA SOCIMI, S.A.

Statement of Responsibility

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

Zaragoza, May 24, 2023

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Mr. Juan José Vera Villamayor
Director

1. SUMMARY

The following is a summary of some information contained in this Information Document. Montepino urges you to read this entire Information Document carefully, including the risk factors, the historical financial statements, the notes to those financial statements, and the valuation of the assets and the Company.

1.1. General description of the Group

Montepino is a Spanish real estate investment company (*Sociedad Cotizada de Inversión Inmobiliaria*, a "**SOCIMI**") incorporated on March 30, 2021, under the corporate name Bankinter Logística, S.A., which operates under the brand name "Montepino" and currently is under the special tax regime provided for under the *Ley 11/2009, de 26 de octubre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*, as amended (the "**SOCIMI Act**").

The Company strategy focuses on logistics asset development in strategic corridors or sites to be leased by logistic operators, couriers, last-mile operators, or other companies that use the facilities for product storage and distribution.

To carry out its business activity, the Company entered into a business management agreement with Valfondo Gestión, S.L.U. ("**Valfondo Gestión"** or the **"Business Manager"**) and a strategic advisory agreement with Bankinter Investment SGEIC, S.A.U. ("**Bankinter SGEIC**" or the "**Strategic Manager**") as described in section 3.6 of this Information Document.

As of December 31, 2022, Montepino held, directly and indirectly through its wholly owned subsidiaries, a portfolio of 46 logistics assets (21 operative, 9 under construction and 16 land plots) located in Spain and Portugal with a total gross leasable area ("**GLA**") of approximately 1,860,134 sqm. (see section 3.3 of this Information Document). All the operative assets are fully leased.

As of December 31, 2022, the market value of the asset portfolio is €1,209 thousand according to the valuation reports issued by Savills Valoraciones y Tasaciones, S.A.U. and Savills Portugal–Consultoria Lda ("**Savills**").

Notwithstanding the Company strategy to increase the assets held, the Business Manager may propose asset divestments during the 10-year period, which started in May 2021. In addition, in any event, the Business Manager must propose the divestment of the entire portfolio and the return of value to the Company's shareholders at the end of the 10 years, which started in May 2021.

As of the date of this Information Document, Valfondo Inmuebles, S.L.U ("**Valfondo Inmuebles**") and Bankinter Investment, S.A.U. ("**Bankinter Investment**") hold an interest of 5.11% and 6.41%, respectively, in the share capital of the Company (the "**Significant Shareholders**") and entered into a shareholders' agreement on May 14, 2021, to regulate their relationship as shareholders of the Company (the "**Shareholders Agreement**"). Valfondo Gestión and Valfondo Inmuebles are companies of the corporate group of which Valfondo Holding, S.L. ("**Valfondo Holding**") is the parent company. Bankinter, S.A. ("**Bankinter**") is the parent company of Bankinter Investment, which holds

100% of the shares of Bankinter SGEIC.

1.2. Legal information about the Company

1.2.1. Company name

The Company is a limited company (*sociedad anónima* or S.A.) incorporated under the *texto refundido de la Ley de Sociedades de Capital* approved by *Real Decreto Legislativo 1/2010, de 2 de julio* (the "**Spanish Companies Act**") and its corporate name is Montepino Logística SOCIMI, S.A.

1.2.2. Registered office

The Company registered office is at Calle Felipe Sanclemente 26, 3º, 50001 Zaragoza (Spain).

1.2.3. Registration with the Commercial Registry

The Company was incorporated in Spain on March 30, 2021 and registered with the Commercial Registry of Zaragoza. Its tax identification number is A-05303581 and its legal entity identifier (LEI) code is 959800LLVBF478MTUD28.

1.2.4. Registration for the SOCIMI special tax regime

On March 22, 2022, the ordinary general shareholders' meeting of the Company resolved, among other things, to become a SOCIMI under the provisions of the SOCIMI Act so as to apply the special tax regime provided for in the SOCIMI Act (the "**Spanish SOCIMI Regime**"), which was notified to the Spanish tax authorities on September 2022.

1.2.5. Company purpose

The Company's corporate purpose is as follows (article 2 of the Bylaws):

"Article 2. Corporate purpose

1. *The corporate purpose shall consist of the carrying out of the following activities in national or foreign territory:*
   a) *The acquisition and development of real estate of an urban nature for its lease. The development activity includes building rehabilitation under the terms set out in Law 37 enacted on 28 December 1992 regarding Value-added Tax;*
   b) *The holding of shares in the capital of Listed Public Limited Real Estate Market Investment Companies (henceforth, "SOCIMI") or in the capital of other entities not residing in Spanish territory which have the same corporate purpose as the former and which are subject to a regime similar to that determined for SOCIMI with regard to the obligatory policy, by law or under the articles of association regarding the distribution of profits.*
   c) *The holding of shares in the capital of other entities, resident or non-resident in Spanish territory, whose main corporate purpose is the acquisition of real estate of an urban nature for their lease and which are subject to the same regime as that determined for SOCIMI with regard to the mandatory policy, by law or under the articles of association, regarding the distribution of profits, and meeting the investment requirements referred to in article 3 of the SOCIMI Law.*

d) The holding of shares or shareholdings of Collective Real Estate Investment Institutions regulated in Law 35 enacted on 4 November 2003 on Collective Investment Institutions or the regulation replacing it in the future.

The activities referred to above include, in any case, the power to dispose of or encumber the real estate or shares owned by the Company.

Along with the economic activity deriving from the Main corporate purpose, the Company may carry out other ancillary activities besides those referred to above, assuming this to mean those whose income, as a whole, represents less than 20% of Company income in said taxation period (including, without limitation, any real estate operations other than those mentioned in sections (a) to (d) above), or those which may be regarded as ancillary in accordance with the law applicable at any time.

2. All those activities are excluded for whose exercising the Law demands special requirements which cannot be complied with by the Company.

The activities forming part of the corporate purpose may be wholly or partially carried out, indirectly, and through the participation in other companies with an identical or similar purpose."

1.2.6. Duration

The Company was incorporated indefinitely and commenced its operations on the execution date (March 30, 2021) of its deed of incorporation (article 3 of the Bylaws).

1.2.7. Fiscal year

The Company's fiscal year begins on 1 January each year and end on 31 December of that year (article 30 of the Bylaws).

2. HISTORY AND KEY FIGURES

2.1. History of the Company

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

- **March 2021**. Incorporation of the Company under the corporate name Bankinter Logística, S.A. with a total share capital amount of €60,000.

- **May 2021**:

  - The Company approved a share capital increase for a total amount (face value plus share premium) of €631,665,000. As a consequence of the capital increase, the Company has a total share capital amount of €63,226,500.

  - The Company acquired 100% of the share capital of Montepino Logistica, S.L., the parent company of a group of subsidiaries holding 27 logistics assets in Spain (16 operative, 9 under construction and 2 land plots).

- **June 2021.** The Company refinanced its debt by means of a new long-term mortgage loan up to a maximum amount of €422,282 thousand.

- **December 2021.** The merger by absorption of Montepino Logistica, S.L. by the Company with the subsequent dissolution of Montepino Logistica, S.L.

- **March 2022:**

  - The Company approved a share capital increase for a total amount (face value plus share premium) of €249,238,863. As a consequence of the capital increase, the Company has a total share capital amount of €85,988,040.

  - The Company resolved to become a SOCIMI under the provisions of the SOCIMI Act and to change its corporate name to Bankinter Logística SOCIMI, S.A.

- **September 2022.** Expansion to Portugal with the Company's first logistics asset development in the referred country.

- **April 2023.** The Company approved the listing and admission to trading of the Company's shares on Euronext Access Paris, the representation of the shares by registered book entries and to change its corporate name to Montepino Logística, SOCIMI, S.A.

2.2. Selected financial data

The Company's key audited consolidated selected financial information for the year 2021 (March 30, 2021 –date of incorporation– to December 31, 2021) and the year 2022 are presented below:

Consolidated financial statement selected data

Selected Data	**Audited**	**Audited**	
Income Statement (€ in thousand)	**2021(*)**	**2022**	**Increase/ Decrease (21-22)**
Revenue	13,906	26,107	+88%
Other operating expenses	(8,102)	(13,118)	+62%
Change in fair value of investment property	47,191	45,982	-3%
Goodwill impairment	-	(17,682)	-
Operating Profit	56,012	43,891	-22%
Profit / (Loss) before Income Tax	46,508	36,007	-23%
Consolidated Profit / (Loss) for the year	36,356	32,604	-10%
Balance Sheet (€ thousand)	**31-12-2021**	**31-12-2022**	**Increase/ Decrease (21-22)**
Intangible assets	98,840	64,180	-35%
Investment property	923,627	1,208,642	+31%
Long-term investments	4,655	30,720	+560%
Trade and other receivables	11,683	23,387	+100%
Cash and other cash equivalents	16,007	26,849	+68%
Equity	662,290	949,874	+43%
Long-term payables	266,449	282,227	+6%
Deferred taxes	80,156	93,924	+17%
Short-term payables	46,971	28,999	-38%

(*) from March 30, 2021 (date of incorporation) to December 31, 2021. Therefore, the 2021 consolidated financial statement data relates to a shorter period of time than the 2022 consolidated financial statement data, which means that such income statement information between 2021 and 2022 is not comparable and year-over-year variations are not representative.

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

The consolidated financial statements in Spanish-language for the period ended on December 31, 2021, and December 31, 2022, has been audited by PricewaterhouseCoopers Auditores, S.L.

The 2021 and 2022 consolidated financial statements (including the audit report) are attached as Appendix I and Appendix II, respectively, to this Information Document, and they are also available on the Company's website: https://www.montepino.net/.

3. COMPANY ACTIVITY

3.1. Main activities

Montepino owns, directly or indirectly, through its subsidiaries (see section 4.1 of this Information Document) a portfolio of logistics assets developed, commercialized, and managed by Valfondo Gestión. As of December 31, 2022, the Company's only activity was the development of logistics facilities for lease. During 2021 and 2022, nearly all the revenues generated by the Company were rental income from its assets.

To carry out its activity, the Company entered into a business management agreement with Valfondo Gestión (the "**Business Management Agreement**") and a strategic advisory agreement with Bankinter (currently replaced by Bankinter SGEIC) (the "**Strategic Advisory Agreement**"), in May 2021, as described in section 3.6 of this Information Document.

The Company carries out the development of logistics facilities in different phases, as summarized below.

1. <u>Search for land plots in target locations</u>

The Business Manager, based on its market presence and supported by external real estate consultants, identifies investment opportunities, mainly in land and, on some occasions, old industrial or logistics buildings that are susceptible to renovation and conversion, intending to build modern logistics facilities that meet the specifications demanded in warehouses according to the state of the art and construction trends at each moment.

For the identification of locations, the Business Manager uses the following criteria:

a. Locations demanded by logistics operators for which a specific solution is sought.

b. Strategic locations where, despite not having a specific demand from a potential tenant, investing is interesting to satisfy a possible future demand.

2. <u>Commercialization of projects</u>

The Business Manager carries out the commercialization of assets through two parallel lines of action:

a. Contacts and professional relationships with leading real estate consultants operating in the market. Depending on the size of the project, the Business Manager may opt for exclusive commercialization with a prestigious consultancy firm or an open mandate to the intermediation market.

b. Direct contacts of the Business Manager with clients in the logistics real estate sector, mainly with clients who are part of the portfolio to whom the Business Manager presents new projects or who are interested in identifying locations to carry out "turnkey" projects.

In the commercialization of each asset, the terms and conditions to be fulfilled by potential clients are established based on the previously approved business plan for the investment. The objective is to negotiate long-term leases, grant banking or corporate guarantees to ensure compliance with the agreements and establish rents under favorable market conditions.

3. Construction of projects

The design team of the Business Manager, once the plot has been selected and the results of the initial studies (geotechnical, soil, environmental, topographical, etc.) have been obtained, designs the implementation that best suits the location, the Montepino brand standards, and the requirements established by the tenant, creating a tailor-made project, or according to the expected market demand.

The construction team of the Business Manager, once the execution project is approved, the building permit is granted, and contracted with the construction company, begins, along with the construction management appointed by the developer, the technical monitoring of the building execution, verifying compliance with the specifications set for the construction company, the planning established with the client, and the approved budget.

4. Asset management

The management of assets and relationships with tenants to ensure the proper implementation of the established business plan is carried out from two unified areas within the same department of the Business Manager: Asset Management and Property Management. This management involves direct supervision of the execution of the lease agreement, both from the point of view of rent payment and expense control, as well as building maintenance activities. Additionally, financial commitments are monitored, potential updates and improvements to commercial agreements with tenants are sought, and the asset lifecycle is developed during this phase.

As of the date of this Information Document, no new lines of business or activities have been incorporated regarding those developed as of December 31, 2022, as stated in this section 3.1.

3.2. Strategy

The Company structures its strategy and business plan to maximize shareholder value under the regulatory framework in which it operates.

The strategy defined by the Group includes the following areas:

a) Investment Strategy

The Company's investments are focused primarily on the development and management of logistics warehouses located in strategic corridors or sites for their exploitation under a rental regime by logistics operators, courier companies, last-mile operators, or any other companies that use assets for the storage and distribution of products (the "**Investment Strategy**").

- Investment criteria:

The Company invests in assets that meet the following investment criteria:

  - *Location*: strategic logistics corridors or close to major capitals for last-mile projects. The Company is currently focused exclusively on assets located in Spain and Portugal. To date, Montepino's Board of Directors has not approved any investments outside the Iberian

Peninsula, however, the Company is analyzing investment opportunities in development and operating assets in the main European markets.

- *Tipology*: in their construction, similar qualities to those used in the assets that are part of the Group's portfolio.
- *Leasing*: mainly "build to suit" ("**BTS**") assets; that is, assets acquired and developed in accordance with the requirements of their future tenants, with agreements signed under market conditions and standards in the sector, and based on fixed rents with a mandatory compliance period standard in the sector. Tenants are logistics operators, retailers, courier companies, last-mile operators, or any other companies that use assets for storing and distributing their products, all with a recognized reputation.
- *SOCIMI regime*: leased assets must comply with the requirements applicable to the Spanish SOCIMI Regime.
- Structure: investments in assets can be carried out directly from the Company or through companies wholly owned by the Company (either directly or indirectly) and may be structured as asset deals or share deals.

The investment criteria summarized in this section are in force at the date of this Information Document and are expected to apply in the coming years. However, the Company may update or modify these criteria in the framework of the Investment Strategy, in the best interest of the business and in accordance with its internal procedures.

- Leverage criteria:

The Company seeks to increase shareholder returns through long-term debt. In addition, the Company may use hedging instruments or structures to reduce interest rate risk.

The Group's level of indebtedness is determined at all times by the Board of Directors on the proposal of the Investment Committee (as defined in section 4.4 of this Information Document), based on the following principles:

- The Group's leverage shall not exceed 60% of the Group's Loan to Value (**"LTV"**) (1). Also, the LTV of each of the assets(2) shall not exceed 60%.
- The use of debt to acquire assets shall be evaluated on a case-by-case basis, taking into account the Group's capacity to assume more debt.
- No financing or indebtedness of the Group shall require the granting of guarantees by the Company's shareholders, nor shall they have recourse against them.

To the extent possible and reasonable in market terms, the cost, maturity, and amortization structure of the Group's debt shall be oriented to maximize dividends for the Company's shareholders.

b) Asset rotation strategy

Without prejudice to the Company's strategic objective to increase the volume of leased assets owned by the Group, the Business Manager may propose to the Investment Committee the rotation of assets

(1) Calculated as the Group's net financial debt divided by the valuation of the Group's real estate assets.

(2) Calculated as the net financial debt associated with that asset divided by the valuation of the asset.

over the 10-year period from the date (May 14, 2021) of the Business Management Agreement and the Strategic Advisory Agreement (the "**Divestment Period**"), which will depend, among other factors, on market conditions, the composition of the portfolio, or the situation of each asset. In any case, asset rotation must always be carried out on an individual, asset-by-asset approach and not as a general policy.

Asset rotations that are not considered essential assets must be approved by the Company's Board of Directors upon proposal by the Investment Committee and must be subject to compliance with the requirements established to maintain the Spanish SOCIMI Regime applicable to the Company. In any event, asset rotations that are considered essential must also be approved by the General Shareholders' Meeting of the Company.

c) Asset management strategy

The Company's asset portfolio shall be actively managed by the Business Manager in accordance with the policy established in the Investment Strategy. This management, which began in May 2021, will end on May 14, 2031, and may be extended annually up to a maximum of 2 years by resolution of the Board of Directors if it considers it necessary to implement the Divestment Strategy (as defined below) or that there is justified cause in favor of the interests of the Company's shareholders.

d) Divestment Strategy

In the months between January and April 2029, the Business Manager shall present the divestment strategy to the Board of Directors, which must be approved by the Board within that period (the "**Divestment Strategy**"). Approval of the Disinvestment Strategy shall, in any case, require the affirmative vote of the 2 members of the Board of Directors designated on behalf of Bankinter SGEIC.

The Divestment Strategy proposed by the Business Manager, whose terms shall be executed by the Business Manager, must propose the divestment of the Company's entire asset portfolio and the return of value to the Company's shareholders (the "**Divestment**") 10 years from the date of the Business Management Agreement (i.e., May 14, 2031). However, the Divestment Period may be extended annually up to a maximum of 2 years by resolution of the Board of Directors if it considers it necessary to implement the Divestment or that there is justified cause in favor of the interests of the Company's shareholders.

- Portfolio liquidation

To the extent that the Divestment contemplates the liquidation of the entire asset portfolio of the Company, the Board of Directors must inform the shareholders of this fact as soon as possible.

3.3. Real estate assets

3.3.1. Portfolio and future investments

As of December 31, 2022, the Group was the sole owner of 43 logistics assets located in Spain and 3 logistics assets in Portugal, with a total market value of €1,209 thousand according to the valuation reports issued by Savills, which is described in section 7.2 of this Information Document.

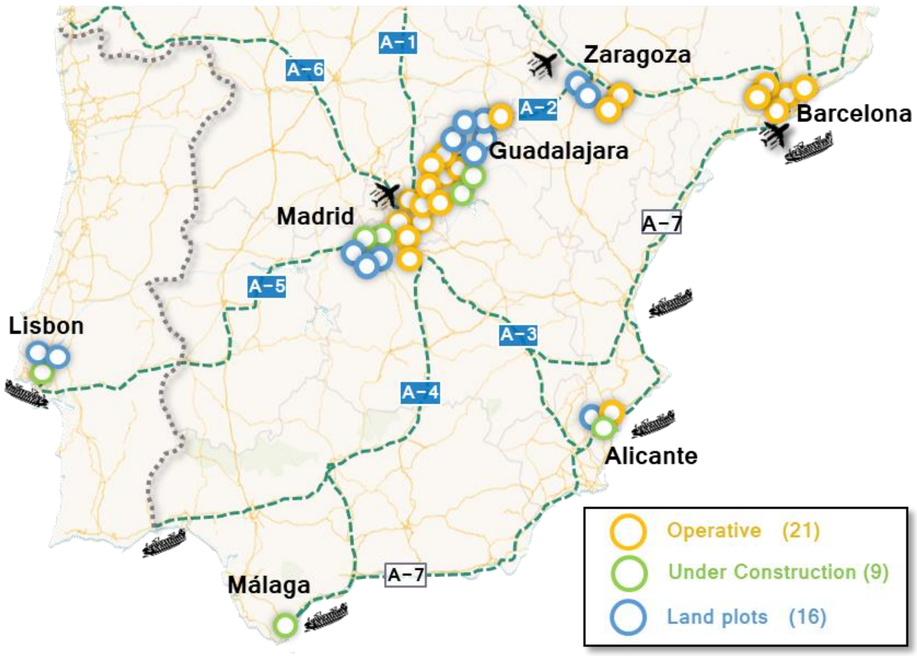
The following table includes information on the Group's assets as of December 31, 2022:

Asset	Location	Status(1)	Construction end date (e)	Acquisition date(2)	Asset typology(3)	Logistics axis(4)	Tenant sector	GLA (sqm)
Coslada	Madrid	Operative - let	--	May 21	Last mile	A2	Courier	13,905
Coslada 2	Madrid	Operative - let	--	May 21	Last mile	A2	Publisher	4,427
San Fernando de Henares	Madrid	Operative - let	--	May 21	Last mile	A2	Multisector	7,937
Alcobendas	Madrid	Operative - let	--	May 21	Las mile	A1	Pharmaceutical	6,241
Parla	Madrid	Operative - let	--	June 21	Big box	R4 A42	Textile	25,893
Marchamalo 1	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Textile	186,157
Guadalajara 1.A., 1.B., 1.C	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Food	91,599
Marchamalo 2.A	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Multisector	50,317
Marchamalo 2.B	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Multisector	54,168
Marchamalo 3	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Multisector	36,727
Cabanillas	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Automotive	21,598
Torija	C. La Mancha	Operative - let	--	May 21	Big box	A2 R2	Multisector	53,275
Toledo	C. La Mancha	Operative - let	--	May 21	Big box	A42	Textile	92,027
Zaragoza 1	Zaragoza	Operative - let	--	May 21	Last mile	A2 A68	Industrial	15,834
Zaragoza 2	Zaragoza	Operative - let	--	May 21	Last mile	A1 A69	I+D	13,304
Castellbisbal 1	Cataluña	Operative - let	--	May 21	Last mile	A2 AP7	Multisector	12,830
Castellbisbal 2	Cataluña	Operative - let	--	May 21	Big box	A2 AP7	Courier	27,560
Can Serra 1	Cataluña	Operative - let	--	May 21	Last mile	A2 AP7	Industrial	6,167
Can Serra 2	Cataluña	Operative - let	--	May 21	Last mile	A2 AP7	Courier	6,856
Barberá	Cataluña	Operative - let	--	May 21	Last mile	A2 AP7	Textile	5,932
Alicante 1	C. Valenciana	Operative - let	--	June 21	Last mile	A7	Courier	4,935
Guadalajara trasera	C. La Mancha	Construction - vacant	June 25	May 21	Big box	A2 R2	--	50,184
Ruiseñor 2	C. La Mancha	Construction - vacant	June 24	June 21	Big box	A2 R2	--	42,710
Illescas 1.A	C. La Mancha	Construction - pre let	Aug 24	July 22	Big box	A4 A42	Textil	142,970
Illescas 1.C	C. La Mancha	Construction - pre let	Sep 23	July 22	Big box	A4 A42	Textil	78,047
Alicante 2	C. Valenciana	Construction - vacant	June 24	June 21	Last mile	A7	---	4,371
Málaga	Andalusia	Construction - pre let	July 24	May 21	Last mile	A4 A7	E-commerce	17,894
Castanheira 1.A.	Portugal	Construction - pre let	Sep 24	Oct 22	Big box	A1 A10	DIY	108,500
Illescas 2	C. La Mancha	Construction - pre let	March 25	June 22	Big box	A4 A42	Food	58,399
Zaragoza 3.A.	Zaragoza	Construction - pre let	Sep 24	May 22	Last mile	A2	Multisector	9,317
Guadalajara 2	C. La Mancha	Land plot - vacant	--	May 21	Big box	A2 R2	--	125,220
Guadalajara 3	C. La Mancha	Land plot - vacant	--	Feb 22	Big box	A2 R2	--	47,920
Guadalajara 4	C. La Mancha	Land plot - vacant	--	Jan 22	Last mile	A2 R2	--	14,695
Marchamalo 4	C. La Mancha	Land plot - vacant	--	Oct 21	Big Box	A2 R2	--	44,137
Zonas comunes	C. La Mancha	Land plot - vacant	--	June 22	--	A2 R2	--	24,876
Illescas 1.B	C. La Mancha	Land plot - vacant	--	July 22	Big box	A4 A42	--	28,290
Illescas (M2)	C. La Mancha	Land plot - vacant	--	July 22	--	A4 A42	--	27,591
Illescas (M3)	C. La Mancha	Land plot - vacant	--	July 22	--	A4 A42	--	8,389
Illescas (M4)	C. La Mancha	Land plot - vacant	--	July 22	--	A4 A42	--	41,881
Illescas (M5)	C. La Mancha	Land plot - vacant	--	July 22	--	A4 A42	--	21,348
Illescas (M6)	C. La Mancha	Land plot - vacant	--	July 22	--	A4 A42	--	17,177
Zaragoza 3.B	Zaragoza	Land plot - vacant	--	May 22	Big box	A2	--	75,396
Alicante 3	C.Valenciana	Land plot - vacant	--	Aug 22	Last mile	A7	--	6,583
Castanheira 1.B	Portugal	Land plot - vacant	--	Oct 22	Big box	A1 A10	--	26,750
Castanheira 1.C	Portugal	Land plot - vacant	--	Oct 22	Last mile	A1 A10	--	11,900
Ruiseñor 1	C. La Mancha	Land plot - vacant	--	June 21	Big box	A2 R2	--	87,901
Total								**1,860,134**

(1) Operative: an asset with construction completed and fully operational. With or without a tenant.
Construction: an asset in the construction phase. With or without a signed lease with a tenant.
Land plot: an asset in phases before the construction of the project. With or without a signed lease with a tenant.
(2) Acquisition date (i) May 2021, by the acquisition of 100% of Montepino Logística, S.L. shares, and consequently all its assets at that date, by the Company, and (ii) subsequent land purchases.
(3) Big box: an asset with more than 20,000 sqm.
Last mile: an asset that is closer to population centers for the distribution of products.
(4) Logistics axis indicates the position of the asset by reference to the main highway(s) or motorways(s) of the Spanish road network.

The map below shows the assets location in Spain and Portugal as of December 31, 2022.

Geographical location of the Group's portfolio in Spain and Portugal



As of December 31, 2022, 100% of the operational logistics assets indicated in the table above had tenants by virtue of lease agreements signed with logistics companies. At the same date, 6 of the 9 properties under construction, representing 81% of their aggregate GLA, had signed lease agreements with clients.

Likewise, as of December 31, 2022, 3 of the Group's assets represented approximately 58% of its rental income from the portfolio of operational logistics assets with tenants as of that date.

As of December 31, 2022, the estimated aggregate amount of pending investment on the assets indicated in the table above amounted to €598,334 thousand.

From December 31, 2022 to March 31, 2023, the Group has made investments corresponding to the development of ongoing projects for an aggregate amount of €52,674 thousand, using available cash and financing.

As of the date of this Information Document, the Company has undertaken the following future investments for an approximate total amount of €46,226 thousand:

- Acquisition of a land plot located in Alaquàs (Valencia) subject to the conditions precedent of the sale and purchase agreement entered into by the Company in December 2022.
- Acquisition of two land plots government-owned located in the "Malpica–Santa Isabel" Industrial Estate, which has been approved by the Aragón Government.

3.3.2. Rental income

As of December 31, 2022, the Group's asset portfolio included a total of 21 operational logistics facilities. Under the lease agreements, the Company establishes a period of mandatory compliance during which the tenants, except in certain exceptional cases, cannot terminate the lease or, in certain events are subject to the obligation to pay penalties for an amount equivalent to the rents that remain unpaid until the end of that period. At the end of this mandatory compliance period (that is, during the rest of the agreement's duration), the tenants may terminate their respective lease agreements in accordance with the terms established in the agreements and the applicable regulations. The average duration of this mandatory compliance period for the lease agreements of these logistics assets was 6.5 years as of December 31, 2022, while the average duration of the lease agreements in force was 17 years. The rental income calculation for these assets was fixed in all lease agreements.

As of December 31, 2022, and based on the lease agreements in force at that date, 2 tenants represented 58% of the Group's total consolidated revenue from rental income.

The Group's real estate portfolio is divided into two different types of logistics assets: (i) "Big box" and (ii) "Last mile". "Big box" are logistics assets with an area of more than 20,000 sqm. "Last mile" are logistics assets that are closer to population centers in order to distribute products to their destination. As of December 31, 2022, 21% of the annual rental income received came from logistics assets belonging to the "Last mile" category.

3.3.3. Insurance

The Company has insured its operating assets with insurance policies. These policies cover a total capital of €507 million for loss or damage to operating assets valued at a total of €764 million on December 31, 2022.

The Company also has insurance policies to cover loss of rental income for a maximum period of 12 months per insured asset.

3.4. ESG policy

As sustainability governs Montepino’s business approach, the Company has established an environmental, social and governance policy aligned with the United Nations' 2030 Agenda and Sustainable Development Goals (the “**ESG Policy**”). Under the ESG Policy, the Company is committed to developing a sustainable business that creates long-term value for all the stakeholders, including, among others, investors, customers, employees, suppliers, and the communities where the Company operates.

The ESG Policy lays the foundation for the ESG strategy and associated roadmap that has been implemented in the Company since 2022. For this purpose, 5 strategic pillars have been defined, with 15 action plans and 38 measures to be implemented to improve ESG performance in the medium and long term. These actions are distributed across the 5 pillars, involving all areas of the business:

- Corporate governance: promoting transparency at all levels and applying ethics and integrity as sound governance principles; various compliance policies and ethical codes are developed and used internally and externally.

- Sustainable buildings: identifying and integrating solutions in the design and construction of buildings that enable decarbonization of the portfolio, improve energy and water efficiency, and incorporate low environmental impact materials that enhance end-users well-being through improved indoor air quality. The Company aims to achieve LEED Gold certification for all its developments. The entire portfolio is certified or in the process of being certified, and currently, 2 LEED Platinum, 13 LEED Gold, 5 LEED Silver, and 1 LEED certification have been achieved. In new projects under development, the certification processes are aimed towards a higher level, with 4 opting for LEED Platinum certification and 1 for double certification, LEED Platinum and BREEAM Excellent. It is also worth noting that the Pradillo II Industrial Estate development in Illescas aims for BREEAM Urbanism certification.

- Community: generating a positive impact in the locations where the Company has significant presence through implementing social actions in the environment.

- Customer and investor satisfaction and loyalty: ensuring the well-being of tenants and guaranteeing the quality and technical safety of buildings through innovation and the services offered.

- Team: ensuring a safe and attractive work environment, enabling the retention and attraction of talent, and promoting flexibility, training, equality, and diversity.

The Company voluntarily published a Sustainability Report in 2022 (based on the 2021 performance), aligned with GRI (Global Reporting Initiative) standards and the European Public Real Estate Association (the "**EPRA**") Sustainability Best Practices Recommendations Guidelines. An independent third party verified the report.

Likewise, the Company participates in the international GRESB (Global Real Estate Sustainability Benchmark) ranking, which measures the ESG performance by evaluating the policies applied in management, performance, and development. The assessment provides transparent data for financial markets. The Company has participated in this evaluation since 2020, constantly improving its results. In the last assessment, the result was 88/100 in the Standing Investments Benchmark (management + performance) and 94/100 in the Development Benchmark (management + development). The Green Star recognition was awarded in both benchmarks, reflecting a score of more than 50% of the points assigned to each relevant component.

3.5. Main markets and competitive environment

Below is a brief description of the logistics sector in Spain and Portugal, where the Group has currently its assets (source: the Company and information published by real estate consultant CBRE (source: Figures Logistics 4Q 2022 Spain)).

Spain

The logistics sector in Spain represents approximately 6.9% of gross domestic product ("**GDP**"), a figure that rises to 10% if logistics-related activities carried out by industrial, commercial, and service companies are added. According to official statistics, the sector's annual figure reaches €101 billion and employs nearly 1 million people.

The logistics sector is an important source of employment in large and small cities located near the main communication arteries between logistics centers.

Spain's economic growth since 2000 was driven by the construction sector, and since the market collapse, the logistics sector has taken on a more important role in creating employment opportunities outside cities like Madrid and Barcelona.

The network of high-quality highways facilitates the development of the logistics sector in Spain, as well as ports such as Barcelona and Valencia that offer an entry point for goods from Africa and key destinations in the Mediterranean, reinforcing Spain's position as a gateway to Europe.

The logistics market is dominated by the two main markets of Madrid and Barcelona. These cities not only have the largest urban and metropolitan population in Spain (3.3 million and 1.6 million, respectively, source: *Instituto Nacional de Estadística* (INE), January 2022), but are also strategically located; Madrid is located in the center of the country and Barcelona on the border with France and the shores of the Mediterranean Sea.

According to data published by the real estate consultant CBRE (source: Figures Logistics 4Q 2022 Spain), 2022 was an excellent year in the logistics real estate industry, with good contracting figures in both Madrid and Barcelona, as well as in other submarkets and the investment area.

In the Spanish central area (Madrid, Toledo, Guadalajara market), a total contracting figure of 1,232,000 sqm of logistics surface was closed in 2022, representing an 18.8% increase over 2021. Of all this contracting, 85% is net absorption, demonstrating a sector with robust demand for new logistics surface. Demand for space has come from different types of sectors; however, supermarkets stand out with 18% of total contracting and textiles with 16%. E-commerce still has significant importance with 14%.

In Catalonia as in the central area of Spain, it has been a record year for contracting, reaching 815,000 sqm. Of the total take-up, 76% was net absorption. In 2022, the demand for space by supermarkets has been decisive, accounting to nearly 30% of the total and equaling Third Party Logistics (“**3PL**”) operators who remain at 31% of demand.

The logistics markets of Madrid and Barcelona are complemented by the secondary markets of Valencia, Bilbao, Zaragoza, and Malaga, which function as regional centers and provide services to local areas. The port cities of Barcelona, Malaga, Valencia, and Bilbao are natural industrial centers, while Zaragoza benefits from its location between Madrid and Barcelona. The rest of Spain's industrial park is located in small cities and towns throughout the country.

Regarding forecasts for 2023, according to CBRE (source: Figures Logistics 4Q 2022 Spain), the logistics industry, supported by the growing demand of occupants, is expected to maintain a stable trend or with a slight drop in the contracting of new space.

In 2023, the demand of occupants is expected to remain strong led by the fashion, food, and online sectors. Likewise, the trend of rents is expected to be upward throughout the 2023 due to rising costs in constructing of new properties. In relation to the investment market, it is estimated that it will continue to be one of the most demanded sectors, although the yield trend throughout 2023 is expected to decompress (source: Figures Logistics 4Q 2022 Spain).

Portugal

According to data published by the real estate consultant CBRE (source: Figures Logistics 4Q 2022 Portugal), over the last quarter of the year 2022, nearly 200,000 sqm of logistics spaces were occupied in Portugal, standing as the best quarter ever recorded and leading to the second-best full year level, reaching 412,000 sqm. Take-up in the Centre region and the Algarve has grown significantly, while decreasing in Lisbon and Porto, compared to the previous year.

In Lisbon, several agreements were closed in the fourth quarter, particularly in the portfolios recently transacted where there were spaces available. Major deals comprise a new 25,000 sqm BTS in Azambuja, the lease of 22,000 sqm also in Azambuja, and 15,000 sqm in Montijo. As in the previous quarters, logistics operators led the demand, representing 80% of the take-up.

The availability of spaces to rent has decreased by 60% over the fourth quarter to 26,720 sqm, leading to the lowest vacancy rate in the market history, of 1%. The vacancy contraction was driven by a strong demand that was not matched with new supply. Currently there are five developments under construction, comprising 79,000 sqm, and due to be completed in 2023. However, of these, only three have spaces available to let (39,000 sqm). Also, due to note the start of the first phase of Mercadona logistics platform in Santarém, centre region, but very close to Lisbon, with 50,000 sqm.

There were no changes in prime rents but CBRE expects increases over the following months (source: Figures Logistics 4Q 2022 Portugal).

In the logistics market in Porto, the fourth quarter recorded relevant activity, leveraged by the occupation of a logistics warehouse at Famalicão (previously owned by Lidl) by Olicargo (34,000 sqm).

No new developments were completed during the second half of the year in Porto. For 2023, 68,000 sqm of speculative construction are expected to enter the market, after more than one decade with no speculative supply. However, an increase in vacancy is not expected as there is a high level of demand.

Prime rents increased in most of the zones in Greater Porto, achieving €4.50/sqm/month in Maia. Further increases are expected over the following months.

3.6. Management Agreements

Below is a brief description of the Strategic Advisory Agreement and the Business Management Agreement. Valfondo Gestión focuses on logistics asset management activities and Bankinter SGEIC is a fund manager that provides, among other activities, strategic advice to companies, and it's a wholly-owned subsidiary of Bankinter Investment (a shareholder of the Company) whose parent company is Bankinter.

The Business Manager and the Strategic Manager are hereinafter jointly referred to as the "**Managers**". The Business Management Agreement and the Strategic Advisory Agreement are hereinafter jointly referred to as the "**Management Agreements**".

3.6.1. Strategic Advisory Agreement

The Strategic Manager provides the Company with services related to raising capital to finance investments and the strategic management of the Company (the "**Strategic Management Services**").

In providing its services, the Strategic Manager must ensure that the Business Manager manages the assets in accordance with the Investment Strategy described in section 3.2 of this Information Document.

During the term of the Strategic Advisory Agreement, the Strategic Manager must maintain in force a civil liability insurance policy covering any third-party claim for personal or material damages, including direct and indirect damages arising from the execution of the Strategic Management Services. As of the date of this Information Document, the Strategic Manager has this insurance policy in place.

The Company may not engage any manager other than the Strategic Manager to provide the Strategic Management Services, as outlined in section 3.1 of the Strategic Advisory Agreement.

The Strategic Manager is empowered to request the Company's Board of Directors to propose to the General Shareholders' Meeting the appointment of 2 Directors out of the 7 Directors forming the Board (see section 4.3.1 of this Information Document). The Chairman, Secretary and, if applicable, Vice-Secretary, shall be appointed upon proposal of the Directors designated by the Strategic Manager.

Exclusivity

During the term of the Strategic Advisory Agreement, the Strategic Manager and its subsidiaries may only invest in logistics assets in Spain and Portugal through the Company and may not sponsor, commercialize or manage other vehicles with a similar investment purpose.

Fees and expenses

The Strategic Manager is entitled to receive the following fees from the Company (plus VAT, if applicable). The fees listed below include the day-to-day expenses of the Strategic Manager.

(i) Base Fee

The Strategic Manager is entitled to receive a quarterly base fee, payable quarterly in advance and cash, and equal to the cumulative percentage in tranches (to be determined according to the following thresholds) of 0.75% of the gross asset value (the "**GAV**"). Such percentage will be: (i) 40% of 0.75% of the GAV if the GAV is less than €1 billion; (ii) if the GAV is greater than €1 billion and less than €1.5 billion, 45% of 0.75% of the amount of the GAV exceeding €1 billion will be added to the above figure; and (iii) if the GAV is above €1.5 billion, 50% of 0.75% of the amount of the GAV exceeding €1.5 billion shall be added to the above figures.

(ii) Success Fee

The Strategic Manager is entitled to receive from the Company a success fee equal to 12.50% of the EPRA NAV[(3)] in excess of the EPRA NAV generating an internal rate of return of 6% (the "**IRR**") (the "**SM Success Fee**"). The IRR is the effective annual discount rate that makes the net present value of all cash flows (positive and negative) of a given investment equal to zero.

(3) EPRA NAV has been split into more specific metrics, of which EPRA NTA is the most comparable. EPRA defines EPRA NTA as the Group's equity under IFRS less intangible assets (consolidation goodwill) less/plus deferred tax asset/liability less gross fair value of financial instruments.

The SM Success Fee will be accrued and calculated, mainly in the following events:

(a) At the time the Divestment occurs.

(b) In the event that the General Shareholders' Meeting (i) approves the modification of the Divestment Strategy, or (ii) does not approve the Divestment proposed by the Board of Directors or the actions necessary for its execution, and every 3 years thereafter until the Divestment occurs or until the Strategic Advisory Agreement is terminated, at which time the SM Success Fee will be recalculated and accrued.

(c) In the event of an acquisition of control of the Company, as such event is defined in the Strategic Advisory Agreement.

(iii) <u>Commercialization and Structuring Fee</u>

The Strategic Manager is entitled to receive from the Company, as consideration for advising on the Company's capital increases and the placement of the capital among its investors, an amount equal to 1% of the paid-up share capital and premium, net of taxes, fees, other expenses and acquisition costs. The total invoice corresponding to this fee will be issued at the execution of each capital increase.

(iv) <u>Fees paid to the Strategic Manager in 2021 and 2022</u>

In 2022, the total fees paid by the Company to the Strategic Manager by virtue of the Strategic Advisory Agreement amounted to €5,745 thousand (€7,953 thousand in 2021) as disclosed in section 3.8 of this Information Document concerning "Related-party transactions".

<u>Duration</u>

The Strategic Advisory Agreement shall remain in force during the Divestment Period, including (if applicable) its extensions. After this period, the Strategic Advisory Agreement shall be understood to be automatically extended for annual periods (up to a maximum of 2) unless either of the parties waives the extension with a minimum notice of 6 months.

<u>Early termination</u>

The Strategic Advisory Agreement may be early terminated in certain events provided for therein at the request of (i) the Company or the Strategic Manager; (ii) the Company and its subsidiaries; or (iii) the Strategic Manager.

If the Strategic Manager were to cease providing services to the Company, the Strategic Manager could be entitled to significant amounts payable by the Company (see risk factor 9).

3.6.2. Business Management Agreement

The Business Manager must provide the Company and the Group with services related to the day-to-day management of the Company, its subsidiaries, and their respective assets, which includes services regarding (i) the ordinary management of the Group, (ii) the business of the Company and its subsidiaries and (iii) registrations, tax matters, and treasury management (the "**Business Management Services**").

The provision and budget of the Business Management Services does not require the prior approval of the Company or its Group or the Strategic Manager, except as provided in the Business Management Agreement.

During the term of the Business Management Agreement, the Business Manager must maintain in force a civil liability insurance policy up to a limit of €10,000 thousand covering any third-party claim for personal or material damages, including direct and indirect damages arising from the execution of the Business Management Services. As of the date of this Information Document, the Business Manager has this insurance policy in place.

Without the prior written consent of the Company's Board of Directors, the Business Manager may not replace or remove Mr. Juan José Vera Villamayor from the Business Management Team. Mr. Vera is the representative of Valfondo Holding, the sole administrator of the Business Manager and Director of the Company.

The Business Manager is entitled to appoint 2 representatives to the Company's Board of Directors for as long as the Business Management Agreement remains in force.

Exclusivity

The Business Management Agreement includes an exclusivity provision (as set forth in section 15 of the agreement). In this regard, during the first 3 years of the term of the Business Management Agreement (i.e. until May 14, 2024), the Business Manager and its subsidiaries may only take part in investment processes in logistics assets in Spain and Portugal through the Company, without being able to sponsor, commercialize or manage other vehicles with similar investment objectives. Once the aforementioned period has elapsed, the Company shall have a right of first refusal on the investment opportunities; meaning that, the Business Manager may offer third-party investors the investment opportunities in logistics assets previously presented and reject by the Company.

Fees and expenses

The Business Manager is entitled to receive the following fees from the Company (plus VAT, if applicable). The fees listed below include the day-to-day expenses of the Business Manager.

(i) Development Fee

The Business Manager is entitled to receive a fee equal to 5% of the development costs, with a minimum of €250,000 per completed asset, which accrues according to the progress of each asset development.

(ii) Property Management Fee

The Business Manager is entitled to receive a property management fee equal to 0.85% per annum of the asset's gross contractual rent in force each year, with a minimum of €9,000 per year per asset in operation, which will accrue monthly.

(iii) Base Fee

The Business Manager is entitled to receive a quarterly base fee, payable quarterly in advance and cash, and equal to the cumulative percentage in tranches (to be determined according to the following thresholds) of 0.75% of the GAV. Such percentage will be (i) 60% of 0.75% of the GAV if the GAV is less than €1 billion; (ii) if the GAV is greater than €1 billion and less than €1.5 billion, 55% of 0.75% of the amount of the GAV exceeding €1 billion will be added to the above figure; and (iii) if the GAV is above €1.5 billion, 50% of 0.75% of the amount of the GAV exceeding €1.5 billion shall be added to the above figures.

(iv) Success Fee

The Business Manager is entitled to receive from the Company a success fee equal to 12.50% of the EPRA NAV in excess of the EPRA NAV generating an IRR of 6% (the "**BM Success Fee**").

The method of calculation and accrual of the BM Success Fee is, mutatis mutandis, the same as that described above for the SM Success Fee.

(v) Fees paid to the Strategic Manager in 2021 and 2022

In 2022, the total fees paid by the Company to the Business Manager by virtue of the Business Management Agreement amounted to €8,790 thousand (€5,142 thousand in 2021) as disclosed in section 3.8 of this Information Document concerning "Related-party transactions".

Duration

The Business Management Agreement shall remain in force during the Divestment Period, including (if applicable) its extensions. After this period, the Business Management Agreement shall be understood to be automatically extended for annual periods (up to a maximum of 2) unless either of the parties waives the extension with a minimum notice of 6 months.

Early termination

The Business Management Agreement may be early terminated in certain events provided for therein at the request of (i) the Company or the Business Manager; (ii) the Company and its subsidiaries; or (iii) the Business Manager.

If the Business Manager were to cease providing services to the Company, the Business Manager could be entitled to significant amounts payable by the Company (see risk factor 9).

3.7. Financing

The Group intends to finance its activities mainly from the ordinary income of its leased assets, bank financing, and capital increases. As of December 31, 2022, the Company had only one mortgage loan with a financial institution for a principal amount drawn down of €282,818 thousand. The loan is accounted for in the Company's balance sheet at amortized cost under the heading "Long-term bank borrowings" for an amount of €277,251 thousand and it has associated opening costs of €5,567 thousand pending allocation as of December 31, 2022. Bank financing represents 68% of the Group's total consolidated liabilities as of December 31, 2022.

This long-term mortgage loan has two financing tranches: (i) Tranche A, for an amount of €265,998 thousand, which is fully drawn down; and (ii) Tranche B, for an amount of €153,122 thousand, of which a total of €16,820 thousand was drawn down in 2022. Of this Tranche B, €109,245 thousand are currently available, and the remainder (€43,877 thousand) correspond to an asset pending construction and will be available when it becomes operational and the precedent conditions established for it are met. This loan bears an interest rate of 3-month Euribor plus 1.65% and has a single maturity date on June 22, 2026. The loan is subject to compliance with a series of financial ratios at the end of each fiscal year, which were satisfactorily met as of December 31, 2022.

The Tranche A of this loan has an associated hedging instrument (Interest Rate Swap, "**IRS**") for 100% of the principal amount. The assets securing Tranche A of this mortgage loan are "Coslada", "Alcobendas", "San Fernando de Henares", "Marchamalo 1", "Marchamalo 3", "Guadalajara 1.A, 1.B, 1.C", "Cabanillas", "Toledo", "Can Serra 1", "Can Serra 2", "Castellbisbal 1", "Castellbisbal 2", "Zaragoza 1" y "Zaragoza 2". See table in section 3.3.1 of this Information Document.

The part of Tranche B currently available of the aforementioned loan (€109,245 thousand) has an associated IRS for 50% of the principal amount. The assets securing Tranche B of this mortgage loan are "Marchamalo 2.A", "Marchamalo 2.B", "Torija", "Coslada 2", "Barberá", "Castellbisbal 2" and "Guadalajara trasera" (as well as the corresponding increase of the mortgage on the assets "Castellbisbal 1" and "Guadalajara 1.A, 1.B, 1.C" to the extent that it affects the same registered properties). In the event that the Company makes any drawdowns from Tranche B to fund the "Málaga" asset, such asset shall also be mortgaged.

The financial covenants to be met during the term of this mortgage loan are as follows:

(i) Projected interest coverage ratio[4] equal or greater than 300%.

(ii) Historical interest coverage ratio[5] equal or greater than 300%.

(iii) LTV ratio of the portfolio of mortgaged properties under this loan[6] not exceeding 60%.

(iv) LTV of the Group [7] not exceeding 60%.

(v) Debt Yield[8] equal to or greater than 7% for the first and second years of the term of this long-term loan and equal to or greater than 8% for the third, fourth, and fifth years of the term of the loan.

(vi) Minimum aggregate value of all the properties owned by the Group during the term of this loan must be equal to or greater than €450 million, which shall be calculated on the basis of the most recent valuations of the Group's properties at any given time, based on market value as defined in the Royal Institution of Chartered Surveyors' (the "**RICS**") Red Book (Statements of Asset Valuation Practice and Guidance Notes).

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(4) Calculated as the percentage of the rental income of the mortgaged assets in this loan over the financial costs of the loan for the following 12 months.

(5) Calculated as the percentage of the rental income of the mortgaged assets in this loan over the financial costs of the loan for the previous 12 months.

(6) Calculated as the amount disbursed of this loan outstanding divided by the aggregated valuation of the real estate assets mortgaged under this loan.

(7) Calculated as the net financial debt of the Group divided by the valuation of the Group's real estate assets.

(8) Calculated as the percentage of the rental income of the mortgaged assets in this loan over the amount disbursed of this loan outstanding.

In addition to the usual default scenarios, early termination of this loan agreement is established in the event of termination of the Business Management Agreement and the acquisition of control of the Company (i.e., primarily if any person or group of persons acting in concert acquires control of the Company).

3.8. Related-party transactions

Under the Spanish Companies Act, related-party transactions are those carried out by the Company or its subsidiaries with Directors, shareholders holding 10% or more of the voting rights or represented on the Board of Directors, or any other persons who must be considered related-parties under International Accounting Standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2022 on the application of international accounting standards.

Bankinter Investment and Valfondo Inmuebles are both shareholders of the Company. Valfondo Holding is the parent company of Valfondo Inmuebles and Valfondo Gestión and Bankinter Investment holds 100% of the shares of Bankinter SGEIC. Therefore, the Management Agreements are categorized as related party transactions.

Information on related-party transactions for the year 2021 (March 30, 2021 –date of incorporation– to December 31, 2021) and the year 2022 is provided below as included in note 18 to the 2022 audited consolidated financial statements.

Related-party transactions for the year 2021 and 2022

The breakdown of the related-party transactions carried out by the Group with related parties during 2021 and 2022 is as follows:

Transactions (in € thousand)	**2021(*)**	**2022**
Purchase of investment property and Project management services		
Valfondo Gestión, S.L.U.	2,481	3,668
Ingeniería Logística Tectónica, S.L.	2,061	3,102
Services received and provided		
Valfondo Gestión, S.L.U.	2,661	5,122
Bankinter, S.A.	7,953	5,745
Valfondo Desarrollos Técnicos, S.L.U.	(34)	(36)
Total	**15,122**	**17,601**

(*) from March 30, 2021 (date of incorporation) to December 31, 2021.

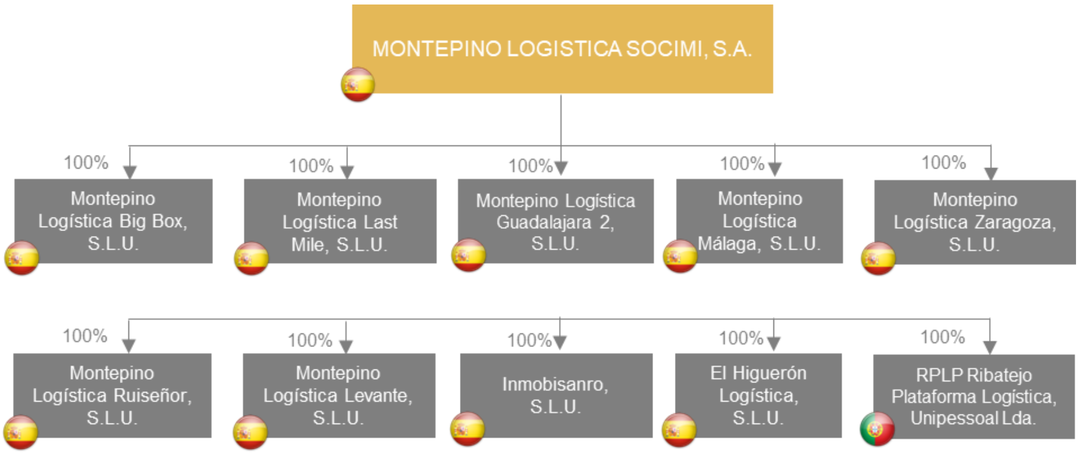
The balances maintained by the Group with related parties as of 31 December 2021 and as of 31 December 2022 are as follows:

Balances payable and receivable (in € thousand)	**31-12-2021**	**31-12-2022**
Valfondo Gestión, S.L.U.	(1,512)	(1,735)
Valfondo Desarrollos Técnicos, S.L.U.	41	-
Ingeniería Logística Tectónica, S.L.	(1,003)	(7)
Bankinter, S.A.	(698)	(934)
Total	**(3,172)**	**(2,676)**

4. ORGANIZATION

4.1. Group structure

As of the date of this Information Document, Montepino is the parent company of 10 wholly owned subsidiaries. Below is a chart of the Group's companies:



All the Company's subsidiaries are also under the Spanish SOCIMI Regime, except El Higuerón Logística, S.L.U. (Spanish subsidiaries) and RPLP Plataforma Logística Unipessoal Lda. (Portuguese subsidiary).

4.2. Group functional organization

The highest and sovereign body of the Company is the General Shareholders Meeting, which supervises the Board of Directors.

The Spanish Companies Act and the Company's Bylaws provide that the Board of Directors is responsible for the representation of the Company in all matters concerning the Company's business, subject to the provisions of the Bylaws and the powers granted by shareholders' resolutions.

However, the Company and its subsidiaries are managed externally by Valfondo Gestión and Bankinter SGEIC as described in section 3.6 of this Information Document.

As of the date of this Information Document, the Company has only 6 employees with the following duties: 1 Director of Marketing and Communication, 2 asset management, and 3 construction workers.

4.3. Board of Directors

Articles 22 to 29 of the Bylaws govern the Board of Directors.

4.3.1. Composition of the Board of Directors

The Bylaws provide for a Board of Directors consisting of 7 members. As of the date of this Information Document, the Board of Directors of Montepino is formed by:

Name	Position	Category	Appointment date	Termination date
Mr. Fernando Moreno Marcos	Chairman	Proprietary(1)	12/05/2021	12/05/2027
Mr. Juan José Vera Vera	Vice-Chairman	Proprietary(2)	12/05/2021	12/05/2027
Mr. Jaime Iñigo Guerra Azcona	Director	Proprietary(1)	12/05/2021	12/05/2027
Mr. Juan José Vera Villamayor	Director	Proprietary(2)	12/05/2021	12/05/2027
Mr. Ignacio Larrú Martínez	Director	External(3)	12/05/2021	12/05/2027
Mr. Víctor Martí Gilabert	Director	External(3)	12/05/2021	12/05/2027
Mr. Iñigo Gortázar Sánchez-Torres	Director	External(3)	12/05/2021	12/05/2027

(1) Director appointed on behalf of Bankinter Investment.
(2) Director appointed on behalf of Valfondo Inmuebles.
(3) Director appointed following a search for candidates by Bankinter Investment.

Mr. Alfonso Cárcamo Gil is the Secretary (Non-Director) of the Board.

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

- **Mr. Fernando Moreno Marcos**–*Chairman.*

He is the General Manager of Corporate Banking and International Business at Bankinter and Bankinter's Management Committee member. Previously, he held various positions at Bankinter, including General Manager of Commercial Banking (2006-2017), Deputy General Manager of Private Banking and Retail (2006-2007), Head of the Small and Medium-sized Companies Area (2002-2006) and Head of the Corporate Finance Department (1999-2002).

He holds a degree in Law and Business (E-3) from the Universidad Pontificia Comillas (ICADE), and attended the Management Development Program at Harvard Business School (Boston-MASS). In 2004 he completed the Senior Executive Program at ESADE Business School.

- **Mr. Juan José Vera Vera**–*Vice-Chairman.*

With more than 40 years of experience in the sector, he began his career as an entrepreneur in the real estate market more than 20 years ago, founding, among other companies, the Europroyev group, which is the origin of the current group.

- **Mr. Jaime Iñigo Guerra Azcona**–*Director.*

General Manager of Bankinter (Head of Investment Banking), a position he has held since 2013. Between 2004 and 2013, he served as General Secretary of Bankinter (Legal Area, Tax Area and Regulatory and Corporate Compliance Area). Previously, he was Secretary to the Board and Director of Legal Services at ICO. He is also a Spanish Government attorney (*Abogado del Estado*), on leave of absence since 2002.

He holds a degree in Law and Business (E-3) from the Universidad Pontificia Comillas (ICADE), and completed the Leadership Development Program at Harvard Business School (Boston-MASS).

- **Mr. Juan José Vera Villamayor**–*Director.*

Technical Architect at the University of Navarra and winner of the first prize for Bioclimatic Housing (Ibaiondo, Vitoria). He has more than 25 years of experience in the real estate sector as a Construction

Manager. He currently coordinates the group of companies that design and manage Montepino's assets, and has been the person who has led the transformation of the Europroyev group to the current structure.

He has carried out more than 30 projects in the private residential sector, 130 warehouses in the industrial sector and more than 10 demolition projects. In addition, he has more than 50 security study and coordination projects.

In 2017 he led the entry of external investors in the family business and currently manages the company's global strategy.

- **Mr. Ignacio Larrú Martínez**–*Director.*

Since 2015, Founding Partner and Chief Financial Officer of Kanoar Ventures SGEIC, a venture capital fund manager. Additionally, he is the Academic Director of the courses on data management, Big Data and Artificial Intelligence at the Instituto de Empresa Business School. Previously, he held different positions in several companies, including Credit Agricole Corporate and Investment Bank, Axel Urquijo, Banco Bilbao Vizcaya, DMR Consulting and PriceWaterhouseCoopers.

He holds a degree in Telecommunications Engineering from the Polytechnic University of Madrid and an Executive MBA from IESE. In addition, he completed the Executive Master in Banking and Finance at the Instituto de Estudios Bursátiles and the Lean LaunchPad Course for Educators at Stanford University.

- **Mr. Víctor Martí Gilabert**–*Director.*

Chairman/CEO of GMAC and responsible for overseeing the day-to-day operations of GMAC, as well as defining investment strategies and their execution. Previously, he was Managing Partner at Horwath HTL for 19 years. During this time, he held various management positions in Andorra, Spain, Portugal, UK, Brazil, etc. He was also a member of the International Board at Horwath HTL, representing Europe, Africa (EMEA), and the Middle East. In 2006, he received recognition from Crowe Horwath HTL International for the exceptional growth of Horwath HTL Spain.

He started his professional career in the family business environment in the tourism sector, which gave him an insight into the hotel, leisure and catering sectors at all levels. During more than 25 years of professional experience, he has worked in different business areas and all project phases: from expansion to operation.

He studied Tourism in Barcelona and has a degree in Business Management from IESE (University of Navarra-Harvard University) and Theme Parks Management from Cornell-New York University.

- **Mr. Iñigo Gortázar Sánchez-Torres**–*Director.*

Founding Partner of Plenium Partners, an independent manager and operator in the renewable energy sector, since 2007. Previously, he developed his professional career as a Founding Partner of 360 Corporate (2002-2009) and as an associate in the M&A team of Citigroup-Schroder Salomon Smith Barney (1996-2002).

He holds a degree in Business from the Universidad Pontificia de Comillas (ICADE).

4.3.2. Term of office

Article 25 of the Bylaws provides that Directors hold their office for a period of 6 years and may be re-elected one or more times for periods of the same duration.

Once the term has elapsed, the appointment expires when the next General Shareholders Meeting has been held or when the period established by law for holding the meeting to approve the previous year's financial statements has ended.

4.3.3. Compensation

Pursuant to article 27 of the Bylaws, the remuneration system for the Directors is according to their category (as defined in the Spanish Corporate Act).

In this respect, (i) External Directors, in their capacity as such, are entitled to receive per diems for attending Board meetings consisting of a fixed annual allowance, either in cash or in kind; (ii) Proprietary Directors and Directors who are considered as Other External Directors do not receive any remuneration for the performance of the duties as members of the Board of Directors; and (iii) Executive Directors are entitled to receive the remuneration provided for in the agreement entered into for this purpose between the Director and the Company.

In accordance with provisions of the Article 27 of the Bylaws, the General Shareholders Meeting held on May 12, 2021, set the maximum annual remuneration of the Company's Directors in their capacity as such at €60,000, as per diems for attendance of external directors at meetings of the Board of Directors. Subsequently, the Board of Directors of the Company agreed to distribute the remuneration of the External Directors, assigning them the amount of €2,000 for attendance at each meeting of the Board. In 2022, each of the 3 External Directors received €10,000, bringing the total compensation for the External Directors to €30,000.

In addition, as of the date of this Information Document, the Company has not established any remuneration systems based on the delivery of shares or options on the Company shares.

4.3.4. Rules of the Board of Directors

Article 23 of the Bylaw lays down the rules of the Board of Directors.

Concerning the foregoing, article 23 establishes that the Board of Directors may appoint (i) its Chairman and Vice-Chairman, (ii) its Secretary and, if applicable, Vice-Secretary, who may not be Directors, and (iii) one or more Chief Executive Officers among the Board members, subject to the legal requirements.

The Board of Directors shall meet, at the request of the Chairman or 2 Directors or, exceptionally, by any of the Investment Committee members (as defined in section 4.4 of this Information Document). If the Chairman fails to call the meeting within one month without just cause, the Directors who have previously requested the Board may call it.

The Board will be validly convened when attended in person or by proxy by the majority of the members, who may delegate proxy to another Director.

Resolutions will be passed by an absolute majority of the Directors attending the meeting. Notwithstanding the foregoing, the resolutions referred to in section 24.b) of the Bylaws must be adopted by all but one of the members of the Board.

4.3.5. Assessment of the Company related to bankruptcy, liquidation, and/or fraud-related convictions

Neither the Company nor its Directors nor its executives are or have been involved in historical (at least in previous past five years) or ongoing bankruptcy, liquidation or similar procedures, or in fraud-related convictions or ongoing proceedings.

4.4. Investment Committee

The Company appointed an Investment Committee (separate from the Board of Directors) with the following main functions:

- To report periodically. Reviewing and approving reports prepared by the Business Manager for presentation at the Board of Directors meetings regarding the status and development of ongoing investments and communicating any other relevant information; and
- To formulate investment proposals appropriate to the Company's business strategy and objectives. In carrying out its duties, the Investment Committee may rely on the services provided by the Business Manager and the Strategic Manager.

As of the date of this Information Document, the Investment Committee is formed by:

Name	Appointment date
Mr. Pedro María Sagües González-Estrada(1)	14-05-2021
Mrs. Arántzazu Sánchez Janáriz (1)	14-05-2021
Mr. Juan José Vera Villamayor(2)	14-05-2021
Mr. David Romera Jaraba(2)	14-05-2021

(1) Appointment proposed by Bankinter Investment.
(2) Appointment proposed by Valfondo Inmuebles.

5. RISK FACTORS

The Group's business, results of operations, and financial position are subject to risks primarily related to the industry in which it operates and to risks specific to the Group. The risks to which the Group is exposed could materialize or worsen as a result of changes in competitive, economic, political, legal, regulatory, social, business, and financial conditions and should be carefully considered by any investor. If any of these risks actually occur, the Group’s business, results and/or financial position could be materially adversely affected.

The risks set out below are those that the Company currently considers specific to the Group and relevant for any investor to make an informed decision and are supported by the content of this Information Document. Besides such risks, there are certain other risks that are considered to be less important or more generic, such as, the Group’s increased dependence on IT systems; risks associated with the Issuer’s subsidiaries or minority investments; the possibility that court and out-of-court claims could have a material adverse effect on the Company's business, results and financial position; the highly competitive nature of the real estate and logistics sectors in which the Company operates; the obligation to comply with laws and other regulations relating to the ownership and management of real estate; the cyclical nature of the real estate industry or the acquisition of logistics properties on less favorable terms than initially anticipated; and the potential exposure of the Company to future liabilities and/or obligations related to the assets it sells, which have not been included as risk factors in this Information Document. In addition, in the future, risks that are currently unknown or not considered relevant by the Company might also have a material adverse effect on the Group’s business, results and/or financial position.

5.1. Risks assessment table

The following table sets forth the Company’s assessment of the probability and the potential impact of each risk described in this section 5 as of the date of the Information Document. However, the likelihood of these risks occurring, as well as the indicated impact of them, is merely indicative as they could vary as a result of external factors beyond the Company's control and, therefore, there can be no assurance that this assessment will not change in the future.

In the future, risks that are currently unknown or not considered relevant by the Company might also have a material adverse effect on the Group’s business, results and/or financial position.

#	Risk factor	Probability	Probable impact
	Specific risks relating to the Group’s activities		
1	The Group is dependent on a small number of large tenants and assets for a significant part of its revenue from rental income.	Medium	High
2	The Group’s portfolio is composed of real estate assets in Spain and Portugal, and it may be affected by adverse macroeconomic and political conditions in the Spanish and Portuguese real estate markets and the Eurozone.	Medium	High
3	The Group’s activities are concentrated in the letting and management of logistics real estate assets.	Medium	High
4	The valuation of the Group’s real estate asset portfolio may not precisely and accurately reflect the value of the assets at any given time.	High	High
5	The Group’s insurance coverage may be insufficient to cover its cost and liability in relation to its real estate assets.	Medium	High
6	The Company was formed recently and only has limited historical financial and operating data available to serve as a basis for investors to evaluate the business, operating results, and prospects of the Group.	Medium	Medium

Specific risks associated with the management of the Group			
7	The Company is externally managed by and reliant on the experience, skills and judgement of the Managers.	Medium	High
8	It may be costly for the Company to terminate the Management Agreements.	Medium	High
9	The Strategic Manager has decision-making power on the Company's Board of Directors concerning the Divestment Strategy.	High	High
10	The Management Agreements are categorized as related party transactions, which may give rise to conflicts of interest.	Medium	Medium
11	The management of the Group depends on a limited number of key executives.	Medium	Medium
Specific risks relating to the financing of the Group			
12	The Group relies on debt financing for a significant part of its funding needs.	Medium	High
13	Risk of interest rate fluctuations.	Medium	High
Risks relating to the SOCIMI special tax regime			
14	The Company may cease to be qualified as a SOCIMI which would have adverse consequences for the Group.	Medium	High
15	The disposal of qualifying assets would have negative implications under the Spanish SOCIMI Regime if carried out before the minimum three-year period elapses.	Medium	Medium
16	The application of the Spanish SOCIMI Regime requires the mandatory distribution of certain profits by the Company which may limit the Group's ability and flexibility to pursue growth through acquisitions.	High	Medium
17	The Company will be subject to a 15% levy on certain retained earnings.	Medium	Medium
18	The Company may become subject to an additional 19% tax charge on the gross dividend distributed to a Substantial Shareholder, that does not comply with the minimum tax requirement.	Medium	Medium
Risks relating to the industry in which the Group operates			
19	Fluctuations in the prices of construction materials and raw materials could have a negative impact on the Company.	High	High
20	Relative illiquidity of real estate assets which could prevent timely divestments.	Medium	High
21	The Group's business requires significant levels of investments.	High	High
22	The success of the Group depends on the ability to retain existing tenants and attract new ones.	Medium	High
23	The lack of suitable land plots or properties for acquisition and development could negatively affect the growth of the Group's asset portfolio.	Medium	Medium
24	Liabilities, defects or deficiencies not disclosed during the due diligence process prior to the acquisition of assets could adversely affect the Group.	Medium	High
Risks relating to the Company's shares			
25	The valuation of the Company's shares may not precisely and accurately reflect the value of the shares at any given time.	High	High
26	The market price of the shares may fluctuate widely in response to different factors.	High	High
27	A liquid market for the shares may fail to develop.	High	High
28	The Company may in the future issue new shares, which may dilute shareholders.	High	High
29	Future sales of ordinary shares in the public market could cause the share price to fall.	Medium	High
30	Shareholders from jurisdictions outside the EU may not be able to exercise their pre-emptive acquisition or subscription rights in order to acquire new shares.	High	High
31	It may be difficult for shareholders outside Spain to serve process on or enforce foreign judgments against the Company or the Directors.	High	High
32	Exchange rate fluctuations may expose an investor whose currency is not the euro.	High	High

5.2. Specific risks relating to the Group's activities

1) The Group is dependent on a small number of large tenants and assets for a significant part of its revenue from rental income.

A small number of tenants account for a significant part of the Group's consolidated revenue from rental income. As of December 31, 2022, and on the basis of the lease agreements in force at that date, 2 tenants represented 58% of the Group's total consolidated revenue from rental income.

The real estate business depends on the solvency and liquidity of the tenants. A tenant may from time to time experience financial difficulties or may become insolvent, which could result in its failure to meet payment obligations when due or at all. If the Group experiences a significant rate of delinquency in the payment of rent or if the Group is unable to collect overdue rent, the Group's rental income may be significantly reduced. Moreover, if the Group is unable to retain any of its large tenants or if the Group was unable to replace them with other tenants on substantially similar terms, this could have a material adverse effect on the Group.

Notwithstanding the above, the average duration of the mandatory compliance period for the lease agreements of these logistics assets was 7 years as of December 31, 2022, while the average duration of the lease agreements was 22 years. Under these lease agreements, the Company establishes a period of mandatory compliance during which the tenants, except in certain exceptional cases, cannot terminate the lease or, in certain events are subject to the obligation to pay penalties for an amount equivalent to the rents that remain unpaid until the end of that period.

In addition, a small number of assets currently represent a significant part of the Group's consolidated revenue rental income. As of December 31, 2022, 3 assets of the Group represented approximately 58% of its rental income. If, for any reason, any of these assets were destroyed, rendered inoperative or damaged for any reason, and the maximum amounts of the corresponding insurance policies taken out by the Group for these circumstances were not sufficient, or the Group could not replace them with other assets under similar conditions, the Group's activities could be adversely affected.

Any of the foregoing factors could have a material adverse effect on the Group's business, results and/or financial condition.

2) The Group's portfolio is composed of real estate assets in Spain and Portugal, and it may be affected by adverse macroeconomic and political conditions in the Spanish and Portuguese real estate markets and the Eurozone.

As of December 31, 2022, the location of the Group's real estate assets is exclusively concentrated in Spain and Portugal. As a result, the Group's business is exposed to economic conditions in Spain and Portugal. As the real estate markets are typically cyclical in nature and follow the performance of the wider economy, the Group is exposed to any factors that adversely affect the Spanish and Portuguese economies.

There is a concern about a global economic recession, including in the economies of Spain and Portugal, as a result of, among other factors, rising commodity prices, which in turn has led to higher inflation and a consequent rise in interest rates. In 2022, the Spanish economy recorded a GDP of 2.7% (estimated annual growth over 2021) and the Consumer Price Index ("**CPI**") increased by 5.8%

(source: INE). The International Monetary Fund (the "**IMF**") estimates that Spain's GDP will grow by 1.1% in 2023 (projections for 2022, source: IMF) and the CPI will increase by 4.9%, although these estimates may not materialize.

The tense geopolitical, social and economic situation due to the ongoing war between Russia and Ukraine is driving further uncertainty in the Eurozone and globally due to the consequences of the conflict, among other factors, an increase in inflation, which has been reflected in a generalized rise in commodity prices, and volatility in the financial markets. Therefore, a prolongation of the current war or a further escalation of the conflict to other countries could have an even greater negative impact on the supply levels of raw materials and other construction materials, as well as an increase in the prices of such raw materials and construction materials, which could consequently negatively affect the Group's projects and activities.

In this context, monetary authorities such as the European Central Bank are taking unprecedented decisions to raise interest rates in order to protect against a persistent inflation increase, which could have a negative impact on the: (i) Group's unhedged floating-rate financial debt; (ii) possible future contracting of new financing for the Group; or (iii) default rate relating to the payment of rents derived from leases, as well as on yields and consequently on the valuation of the Group's assets. Likewise, measures taken by the European Union, Spain, Portugal, and other countries in response to the current economic environment could also adversely affect the global, European Union, Spanish, and Portuguese economic outlook.

Furthermore, there is significant uncertainty in Spain about the policies to be implemented, given the high level of parliamentary fragmentation, which could have a material negative impact on the Spanish economy. If political tensions re-emerge or intensify, this could have a negative effect on both the financial conditions and the current macroeconomic scenarios in Spain.

Any such adverse economic conditions and uncertainty may have a negative impact on investor confidence, consumer spending, employment levels, rental revenues, vacancy rates and real estate values, financing costs or the ability of the tenants to meet their rental payment obligations.

The foregoing factors could have a material adverse effect on the Group's business, results and/or financial condition.

3) The Group's activities are concentrated in the letting and management of logistics real estate assets.

The Group has a portfolio of real estate assets focused on operating for lease, primarily logistics facilities. As of December 31, 2022, the letting of logistics real estate assets represented almost 100% of the Group's consolidated net revenues. Consequently, changes in preference trends about the type of logistics assets or other circumstances affecting the logistic real estate subsector could have a material adverse effect on the Group.

In particular, the following factors could affect the logistics assets letting activity:

- The difficulty in collecting rent from certain tenants and doing so within the agreed-upon timeframe. In particular, as a result of delays caused in supply chains over the last two years, which could compromise the business forecasts made by the Group's clients in their respective business plans, and the transportation sector crisis, which is causing delays in the supply to the Group's clients. Although this has not resulted in agreement cancellations, it has led to a significant increase in transportation costs, which could require readjustments to the storage costs of the Group's clients.

- Cash flow difficulties and deterioration in credit and financing conditions that may affect tenants' ability to access capital necessary to fund business operations, which, in turn, may affect their ability to pay rent on time or at all or may lead to such tenants becoming insolvent.
- The ability of tenants to operate their business in accordance with new health and safety regulations and recommendations, such as restrictions or changes made by companies regarding social distancing, hygiene, and healthiness.
- A downward trend in property values and rent levels, or tenants' requests for payment holidays, rent reductions and lease agreement cancellations.

Any of these factors could have a material adverse effect on the Group's business, results and/or financial condition.

4) The valuation of the Group's real estate asset portfolio may not precisely and accurately reflect the value of the assets at any given time.

As of December 31, 2022, the real estate assets comprising the Group's portfolio were valued by Savills, an independent appraiser, at an amount of approximately €1,209 million. While the independent appraiser carries out its valuation applying mainly objective market criteria to each of such assets, real estate valuation is inherently subjective and relies on a number of assumptions based on the features of each property. In the event that certain information, estimates or assumptions used by such independent appraiser turn out to be inaccurate or incorrect, this could cause the valuations of the Group's portfolio to be materially incorrect and may have an adverse impact on the Group.

Moreover, the market value of logistics real estate assets, including land plots under development of any nature, could decrease due to a number of other factors as well, such as increases in interest rates leading to lower than expected returns, inability to obtain or maintain necessary licenses, decline in demand, planning and zoning developments, regulatory changes, and other factors, some of which may be beyond the Group's control. In any case, the valuation of the Group's real estate portfolio cannot be interpreted as an estimate or indication of the prices that could be obtained if the Group were to sell the assets on the market.

Any downward revision of the valuation of the Group's real estate asset portfolio due to the abovementioned factors may have a material adverse effect on the Group's business, results and/or financial condition.

5) The Group's insurance coverage may be insufficient to cover its cost and liability in relation to its real estate assets.

The Company has insurance policies that provide coverage for its assets, employees, and third parties that, in the Company's opinion, are in line with market practices. In general, the insured risks related to the assets include, among others, fire, flood, theft, and liability, and cover a total insured capital of €507 million for loss or damage to operational logistics assets valued at a total of €704 million as of December 31, 2022. Additionally, the Company has insurance policies covering loss of rental income for a maximum period of 12 months per insured asset.

Notwithstanding the above, in the event of any damage (whether of its own or third parties) that is uninsured or that exceeds the insurance coverage, the Company could suffer a loss in relation to the investment made in the relevant asset as well as a loss of anticipated revenue deriving from such asset. The Company could be liable to repair damage caused by uncovered risks or for any debt or other financial obligations related to its properties. For example, some tenants of the Company's assets store and handle potentially flammable and hazardous products. Although the assets comply with the storage regulations for such products and the activity license is the responsibility of the tenants, in the event of a fire, there could be a delay or non-payment of rent by the tenant, which could require the reconstruction of the corresponding asset and negatively affect its profitability regardless of the existence of an insurance policy on the asset.

In addition, the Management Agreements establish the obligation of Valfondo Gestión and Bankinter SGEIC to subscribe at their expense and maintain during the duration of the Management Agreements a liability insurance policy that covers any third-party claims for personal or material damages, including direct and indirect damages, arising from the provision of services.

In the event that the insurance policies contracted by the Group were not sufficient to cover the Company's liability, were not renewed under acceptable commercial conditions (e.g., an increase in their cost), or the insurer eventually denied coverage for any claim, there could be a material adverse effect on the Group's business, results, and/or financial condition.

6) The Company was formed recently and only has limited historical financial and operating data available to serve as a basis for investors to evaluate the business, operating results, and prospects of the Group.

The Company was incorporated in March 2021 to acquire 100% of the shares of Montepino Logística, S.L. This acquisition was completed in May 2021. In December 2021, the Company absorbed Montepino Logística, S.L., the parent company of a group of subsidiaries, which owned 27 logistics assets (16 operative, 9 under construction, and 2 undeveloped land plots) and had an operating history of 4 years. However, the Group has a very brief operating history and limited financial information from March 30, 2021 (the Company's date of incorporation) to December 31, 2022. Although Montepino Logística, S.L. has a 4-year operating and financial history, investors have limited financial information about the Group. This Information Document includes historical financial information only for the 2021 fiscal year (from March 30 to December 31) and the 2022 fiscal year. Given that the 2021 consolidated financial statement data relates to a shorter period of time than the 2022 consolidated financial statement data, such income statement information between 2021 and 2022 is not comparable and year-over-year variations are not representative.

Therefore, prospective investors may not have sufficient historical information to evaluate the future performance of the investments implemented so far by the Group in order to assist them in evaluating the prospects of the Group and the merits of an investment in the Company’s shares. Any investment in the Company's shares or other securities is subject to all the risks and uncertainties associated with a recently incorporated company, including the risk that the Group may not achieve its business objectives, which could result in a substantial or even total loss in the value of the investment.

Although the Company has financial controls, systems, and information procedures to strengthen its corporate governance, given the recent incorporation of the Company, these controls and systems have not yet been tested in a real-world environment, so there is no certainty that these controls and systems will work as expected, in the manner and timeframe required to achieve the intended purposes.

Investors should carefully consider the risks facing the Company as a recently established entity. Among other risks, the Company's internal control systems may prove inadequate, including those that result from future growth or expansion; the Company may not be able to anticipate or adapt effectively to changes in a rapidly evolving logistics real estate market; and the Company's forecasts or estimates may not be met.

If the Group does not effectively manage these risks or others that may arise, the business, results,

5.3. Specific risks associated with the management of the Group

7) The Company is externally managed by and reliant on the experience, skills and judgement of the Managers.

Although the Company has a Board of Directors, the Group's business is externally managed by Valfondo Gestión and Bankinter SGEIC, as described in section 3.6 of this Information Document. Therefore, the performance of the Group and its business will depend to a large extent on the performance of the Managers and, in particular, on their experience, skill, and judgment in defining the Group's strategy and their ability to manage a portfolio of logistics real estate investments. In this regard, there can be no certainty that the Managers will be successful in executing the strategy established for the Group or that they will not fail, in whole or in part, to identify, select, negotiate, implement, and manage investments.

Under the Management Agreements, the Managers have the right, in certain circumstances, to outsource some of the services they provide to the Company and the Group to third parties. However, the Managers will remain primarily liable to the Company for the provision of the services. The Company retains the right of recourse in some cases, but it cannot guarantee that such third parties will provide the services at an optimal level or in accordance with the terms of the Management Agreements.

Furthermore, the Managers may engage in other activities that overlap to a greater or lesser extent with the services they provide to the Group under the Management Agreements. Any such current and future activities, including the incorporation and/or advising of companies, could divert significant resources of the Managers, resulting in less dedication to the Company, which may adversely affect the Group.

Any of these factors could have a material adverse effect on the Group's business, results and/or financial condition.

8) It may be costly for the Company to terminate the Management Agreements.

The Management Agreements have an initial term ending on May 14, 2031, without prejudice to possible extensions. However, the Management Agreements provide for a number of circumstances in which early termination may be requested. In such an event, the Managers would cease to provide services to the Company and may be entitled to receive substantial amounts from the Company.

The loss of the Managers' advice to the Company and the payment of substantial amounts by the Company could adversely affect the Group's business, results and/or financial condition.

9) The Strategic Manager has decision-making power on the Company's Board of Directors concerning the Divestment Strategy.

The Divestment Strategy must be prepared and presented to the Board of Directors by the Business Manager. However, according to the Strategic Advisory Agreement, the Divestment Strategy can only be approved with the favorable vote of the 2 Directors appointed on behalf of the Strategic Advisor. (see section 3.2 of this Information Document). Therefore, the Strategic Manager has decision-making power on the Company's Board of Directors concerning the Divestment Strategy. The effective disposal of the entire asset portfolio of the Company will depend on its approval or not by the General Shareholders' Meeting under the provisions of the Spanish Companies Act.

10) The Management Agreements are categorized as related party transactions, which may give rise to conflicts of interest.

Bankinter Investment and Valfondo Inmuebles are both shareholders of the Company. Valfondo Gestión and Valfondo Inmuebles are both subsidiaries of Valfondo Holding. Bankinter Investment holds 100% of the shares of Bankinter Investment SGEIC. Therefore, the Management Agreements are considered as related party transactions (see section 3.8 of this Information Document– "*Related-party transactions*"), which may give rise to conflicts of interest between the Company and the Managers).

Although the Spanish Companies Act and the Management Agreements have established procedures to manage conflicts of interest, such procedures may not be sufficient to avoid them (see section 3.6 of this Information Document).

The Company has not had its related party transactions, including the Management Agreements, reviewed or audited by an independent entity to verify whether they were conducted on an arm's length basis for fiscal year 2022, as the Company is not required to do so under Spanish law. In 2022, the total fees paid to the Strategic Manager and the Business Manager were €5,745 thousand and €8,790 thousand, respectively. See section 3.8 of this Information Document.

Failure to properly handle any conflicts of interest which may arise in the future between the Company and any related parties could have a material adverse effect on the Group's business, results and/or financial condition.

11) The management of the Group depends on a limited number of key executives.

The Company's ability to achieve its objectives significantly depends on the management team's expertise, particularly the Business Manager's team members and especially Mr. Juan José Vera Villamayor. In this regard, the Business Management Agreement includes a clause whereby the Business Manager cannot replace Mr. Juan José Vera Villamayor on the management team without the prior content of the Company's Board of Directors.

Although management teams must be composed of professionals with the experience and skills required under the Management Agreements, any Business Manager's team member may cease to serve due to dismissal, resignation, disability, death, or other circumstances. In addition, various events that are not entirely within the control of the Company or the Managers, such as the financial condition of the Managers or the consummation of acquisitions or changes in their internal policies or structures, could, in turn, affect their ability to retain the members of the Management Team.

Notwithstanding the obligation under the Management Agreements to replace any member of the management team as soon as possible in the event of resignation, incapacity, or unavailability, there can be no guarantee that the Managers will be able to identify and recruit other persons with a similar level of expertise and experience in the real estate and logistics market, or with a similar level of track record in said market. Even if alternative personnel are found, it may take time for the transition of those persons into the Managers, and the transition might be costly and ultimately not be successful.

Without prejudice to the actions taken by the Company, the departure for any reason of any member of the Managers' teams could have an unfavorable effect on the Managers' ability to achieve the Group's objectives, which could have a material adverse effect on the Group's business, results and/or financial condition.

5.4. Specific risks relating to the financing of the Group

12) The Group relies on debt financing for a significant part of its funding needs.

As a Group operating in the logistics real estate industry, the Group requires significant levels of investment to fund the development of its projects and the growth of its business through the acquisition of real estate assets. To finance its business, the Group typically uses bank financing. If the Group does not have access to such financing or in the event the Group is unable to obtain financing on favorable terms, the Group's capacity to finance its ordinary activities and/or its ability to grow its business could be impaired, which would have a negative effect on its strategy and business. This risk is particularly relevant in adverse market conditions such as the current one, mainly due to rising inflation and the subsequent increase in interest rates. While such adverse market conditions have so far not significantly impacted the Group's ability to access debt financing, there can be no assurance that this will not be the case in the future. The Group's inability to access or obtain financing on reasonable terms could limit its growth and have an adverse effect on its business.

As of December 31, 2022, the consolidated Group's long-term bank borrowings and other financial liabilities were €282,227 thousand. Short-term bank borrowings and other financial liabilities amounted to €28,999 thousand.

Therefore, the Group is subject to risks normally associated with debt financing, including the risk that the cash flow from its operations is insufficient to meet its debt service requirements. If the Group does not have enough cash to service its debt, meet other obligations and fund other liquidity needs, the Group may be required to take actions such as reducing or delaying payments to its creditors, selling assets, restructuring or refinancing all or part of its existing debt, or seeking additional funds. These alternative measures may be costly, may not be successful and may not permit the Group to satisfy all its scheduled debt service requirements. In addition, the Group cannot assure that any of these remedies, including obtaining appropriate waivers from its lenders, can be carried out on reasonable terms or at all.

Furthermore, the Group's financing agreements are subject to complying with certain financial covenants and early termination provisions, including, as customary in this type of agreements, change of control provisions of the Company, which could result in early repayment of the financing. In addition, canceling the Business Management Agreement would imply the early termination of the mortgage loan maturing in June 2026. See section 3.7 of this Information Document for further details.

As of December 31, 2022, the Group has complied with all the required covenants, but any failure to comply with these covenants in the future, including as a result of the occurrence of extraordinary or unforeseen events, could result in early termination of the debt facilities.

Any of the foregoing factors could have a material adverse effect on the Group’s business, results and/or financial condition.

13) Risk of interest rate fluctuations.

As of December 31, 2022, 100% of the Group's bank debt was referenced to variable interest rates with a margin linked to the 3-month Euribor rate. In view of the persistent inflationary pressures that the global economy is currently suffering, reaching double-digit levels during 2022, caused mainly by the increase in energy and raw material prices, the respective central banks have intervened by raising interest rates significantly. In this regard, the European Central Bank has increased its interest rate by 350 basis points during the same period, currently standing at 3.5% (source: European Central Bank-April 2023). As a result, for example, the 3-month Euribor has risen steadily since the beginning of 2022, reaching 2.91% in March 2023 (source: Bank of Spain-April 2023).

For the purpose of reducing exposure to interest rate fluctuations, the Group has hedging agreements through IRS, as explained in section 3.7 of this Information Document. However, these hedging mechanisms not only involve a cost but also are limited and, therefore, in certain cases, could be insufficient to cover interest rate fluctuations. During 2022, the Group's average financing interest rate was 1.93%.

Therefore, upward variations in interest rates above the limits set in the hedging agreements or affecting financial liabilities that do not have these hedging mechanisms would increase the financing costs associated with the financial liabilities referenced to variable rates, which would ultimately affect the Company’s operating results. In addition, an upward variation in interest rates could increase the cost for the Company to enter into these hedging mechanisms.

Any of these factors could have a material adverse effect on the Group’s business, results and/or financial condition.

5.5. Risks relating to the SOCIMI special tax regime

14) The Company may cease to be qualified as a SOCIMI which would have adverse consequences for the Group.

As described in section 1.2.4 of this Information Document, the ordinary general shareholders meeting of the Company held on March 22, 2022, resolved to apply for the Spanish SOCIMI Regime established in the SOCIMI Act, and therefore the Company will be subject to the requirements imposed and the benefits defined from time to time in the regulations applicable to SOCIMIs.

The application of the Spanish SOCIMI Regime is subject to the fulfilment by the Company of certain complex requirements, among others, the listing of the Company’s shares in a regulated market or multilateral trading facility, investment in qualifying assets (as defined in the SOCIMI Act), the receipt of income from certain sources and mandatory distribution of certain profits.

As a SOCIMI, the Company is generally subject to a 0% corporate income tax. The loss of the Spanish SOCIMI Regime could occur in the Company if (i) on March 22, 2024, inclusive (i.e. within 2 years from the date of adoption of the Spanish SOCIMI Regime), the requirements outlined in the SOCIMI Act are not met, or if (ii) after the end of that period (i.e., as from March 23, 2024, inclusive) any of the following circumstances occur:

(i) Delisting the Company's shares from a regulated market or a multilateral trading system.

(ii) The substantial non-fulfilment of the information obligations referred to by article 11 of the SOCIMI Act, unless the report for the immediately following financial year remedies such non-fulfilment.

(iii) Any lack of distribution agreement or total or partial payment of the dividends in the terms and periods referred to by article 6 of the SOCIMI Act. In this case, taxation under the general regime will take place during the tax period corresponding to the financial year from the profit of which such dividends would have derived.

(iv) A de-registration of the Spanish SOCIMI Regime established in the SOCIMI Act.

(v) The non-fulfilment of any other of the requisites required under the SOCIMI Act so that the Company might apply the Spanish SOCIMI Regime, unless the reason for the non-fulfilment is remedied within the immediately following financial year. However, the non-fulfilment of the period for maintaining the investments (properties or shares of certain entities) referred to by article 3.3 of the SOCIMI Act will not involve the loss of the Spanish SOCIMI Regime.

The requirements for the maintenance of SOCIMI status are complex and the Spanish SOCIMI Regime is relatively brief, so its application to SOCIMIs has required much interpretation by the tax administration through written consultations.

In this regard, any changes, including changes of interpretation by the Spanish tax authorities or the courts, in the SOCIMI Act or in relation to tax legislation in general in Spain or in any other country in which the Company may operate in the future, including, among others: (i) the establishment of new taxes; (ii) the increase in the tax rates in force in Spain or in any other country whose legislation may be applicable; or (iii) the introduction of new requirements to be met in the future for the application of the Spanish SOCIMI Regime, could adversely affect the Company.

The loss of the Spanish SOCIMI Regime established in the SOCIMI Act would involve that its application may not be requested again for at least 3 years from the conclusion of the last tax period in which such regime applied. The loss of the Spanish SOCIMI Regime and subsequent eligibility for tax under the Spanish corporate income tax general regime (currently, 25%) in the financial year in which said loss takes place, would mean that the Company would be obliged to pay, if applicable, the difference between the tax quota owed under the general regime and the quota paid under the Spanish SOCIMI Regime in financial years prior to the breach, notwithstanding any default interest, surcharges and penalties that may be imposed.

Therefore, if the Company ceases to be qualified as a SOCIMI, this could have a material adverse effect on the Group's business, results and/or financial condition.

15) The disposal of qualifying assets would have negative implications under the Spanish SOCIMI Regime if carried out before the minimum three-year period elapses.

If a qualifying asset is sold before it is held for a minimum 3 year period, then (i) such capital gain computes as non-qualifying net income within the 20% thresholds that must not be exceeded for the maintenance of the Spanish SOCIMI Regime (although if this threshold were exceeded, the Spanish SOCIMI Regime qualification would not be lost provided that the Spanish SOCIMI Regime is complied with again in the following fiscal year) and it is taxed in accordance with the Spanish general corporate income tax regime and at the standard corporate income tax rate (currently, 25%); and (ii) in relation to qualifying assets that are real estate assets, the entire income, including rental income, derived from such assets in all tax periods where the Spanish SOCIMI Regime would have been applicable are taxed in accordance with the Spanish general corporate income tax regime and subject to the standard corporate 25% income tax rate. In both cases however, the use of pre-existing tax credits/assets would be possible under the applicable limitations.

Any of the above could have a material adverse effect on the Group's business, results and/or financial condition.

16) The application of the Spanish SOCIMI Regime requires the mandatory distribution of certain profits by the Company which may limit the Group's ability and flexibility to pursue growth through acquisitions.

As a result of the Company inclusion in the Spanish SOCIMI Regime, the Company is required to make payments or distributions to its shareholders as specified by the Spanish SOCIMI Regime (generally, 80% of its profits, and 100% of dividends received from its subsidiaries – for further details see section 6.6.4 of this Information Document). As a consequence, the Company's ability to make new investments could be limited, as it would only be able to apply a limited amount of its profits to the acquisition of new real estate assets (being required to distribute the majority of its profits to its shareholders), which could hinder its ability to grow unless the Company was able to obtain new financing, and could have a negative impact on the liquidity and the working capital of the Company.

Despite obtaining a profit, the Company may also be unable to carry out the payments and distributions in accordance with the legal requirements of the Spanish SOCIMI Regime due to not having immediately available cash (i.e., differences in timing between the receipt of cash and the recognition of the income and the effect of any potential debt amortization payment). Should this happen, the Company could be obliged to pay dividends in kind or implement a system to reinvest the dividends in new shares. As an alternative, the Company might have to borrow, increasing its financing costs and reducing its debt capacity. This could have a material adverse effect on the Group's business, results and/or financial condition.

17) The Company will be subject to a 15% levy on certain retained earnings.

The Spanish Law 11/2021, of 9 July 2021, on measures to prevent and fight against tax fraud, has amended the Spanish SOCIMI Regime, with effect from tax periods starting January 1, 2021. Accordingly, taxation over SOCIMI's retained earnings (other than (i) accounting profits subject to a 25% corporate income tax rate, and (ii) accounting profits subject to reinvestment pursuant to the Spanish SOCIMI Regime) has been raised and are now taxed at a 15% rate (as opposed to being subject to a 0% rate). Such increase in taxation may have a material adverse effect on the Group's business, results and/or financial condition.

18) The Company may become subject to an additional 19% tax charge on the gross dividend distributed to a Substantial Shareholder, that does not comply with the minimum tax requirement.

The Spanish SOCIMI Regime provides that the Company may become subject to a 19% corporate income tax on the gross dividend distributed to any shareholder that holds a stake equal to or higher than 5% of the share capital of the Company when such shareholder either (i) is exempt from any tax on the dividends or subject to tax on the dividends received at a rate lower than 10% or (ii) does not timely provide the Company with the information evidencing its equal or higher than 10% taxation on dividends distributed by the Company in the terms set forth in the Bylaws (a "**Substantial Shareholder**").

Notwithstanding the above, the Bylaws of the Company include indemnity obligations by any Substantial Shareholders in favor of the Company. In particular, article 33.3 of the Bylaws (see section 6.6.4 of this Information Document) requires that in the event a dividend payment is made to a Substantial Shareholder, the Company will be entitled to deduct an amount equivalent to the tax expenses incurred by the Company on such dividend payment from the amount to be paid to such Substantial Shareholder (the Board of Directors has certain discretion in deciding whether to exercise this right if making such deduction would put the Company in a worse position). However, these measures may not be effective. If these measures are ineffective, the payment of dividends to a Substantial Shareholder may generate an expense for the Company (since it may have to pay a 19% corporate income tax on such dividend) and, thus, may result in a loss of profits for the Company.

5.6. Risks relating to the industry in which the Group operates

19) Fluctuations in the prices of construction materials and raw materials could have a negative impact on the Company.

As a developer for the construction and development of its assets, the Group is exposed to the fluctuation of construction materials and raw materials prices. Since the Group does not construct its assets directly and therefore needs to contract with third parties for their construction, any increase in the prices of construction materials and raw materials experienced by such third parties could impact the Group as a result of the corresponding rise in price for these services and works.

The following table shows the price evolution between September 2021 and September 2022 of the main construction materials and raw materials that the Company considers relevant for the construction of its logistics assets:

	Steel materials	Aluminium	Cooper	Wood
Price variation during period September 2021 – September 2022 (both included)	16%	23%	-1%	15%

Source: INE (March 2023).

In economic terms, the current and foreseeable short-term environment is characterized by a substantial increase in the price level of raw materials, which in turn has led to an inflationary surge. Additionally, the real estate-logistics sector is exposed to shortages and delays in the supply of raw materials necessary for the construction, remodeling, and maintenance of buildings.

If, in a situation of increased prices for construction materials and raw materials, the Group were unable to pass on this increase in costs to its tenants entirely, there could be a decrease in its operating results, which could have a material adverse effect on the Group's business, results, and/or financial condition.

20) Relative illiquidity of real estate assets which could prevent timely divestments.

Logistics assets may be illiquid for a number of reasons, including, among other factors, fluctuations in demand, the unsuitability of assets to meet the requirements of investors, the level of investment required to acquire these type of assets, the limited number of operators that can lease these assets, their volume, etc. This risk is particularly relevant in adverse market situations when investments tend to be withdrawn.

Additionally, the Group could have difficulties to realize the actual value of some of the assets and be forced to lower the sale price or keep them in the portfolio for a longer period than expected. The illiquidity of the investments may limit the Group's capacity to adapt the portfolio of logistics assets to potential circumstantial changes.

Any of these factors could have a material adverse effect on the Group's business, results and/or financial condition.

21) The Group's business requires significant levels of investments.

To avoid a loss of value of the Group's real estate logistics assets, the Group regularly carries out maintenance and repair work as well as work aimed at modernizing and adapting its properties to increase their attractiveness or to comply with regulatory changes, such as energy saving regulations, safety, accessibility, and technical construction requirements, etc., all of which requires significant levels of investment. Likewise, the growing concern and commitment to the fight against climate change and sustainability has led the Group to adopt a series of investments and measures aimed at mitigating the impact of the assets in this area, including the energy certification of its buildings.

The success of the Company's business is dependent on such investments ultimately yielding the targeted return. For the year ended 31 December 2022, the Group invested a total amount of €227 million in real estate development, refurbishment or improvement projects and the acquisition of new properties, which represented 19% of the total value of the Group's property portfolio as of December 31, 2022.

In the event of any delay in the date of entry into operation of assets in the development phase (see section 3.3.1 of this Information Document), or in the event that the rents agreed under new leases are lower than expected, this could have a material adverse impact the Company.

Moreover, there are numerous expenditures associated with holding and managing of logistics properties over time (repair costs, management and maintenance, insurance, taxes), and such expenditures may unexpectedly increase. As of December 31, 2022, such consolidated expenses of the Group net of income passed on to tenants represented 11% of the Group's consolidated rental income. An increase in expenses that cannot be passed on to tenants could lead to a loss of competitiveness for the Group in the sector and limit agreement renewals or the entry of new tenants. In particular, this risk could be exacerbated by an economic recession to the extent that there could be a reduction in rental income while expenses associated with holding and managing properties could remain the same or even increase.

Likewise, in the development of its activity, the Company must identify suitable investment opportunities and negotiate them for acquisition on more appropriate terms. All of this requires significant prior expense before the consummation of such acquisitions. In this regard, the Company may incur certain third-party costs, even in relation to financing, valuations and professional services related to the location and analysis of assets that would not be recovered in those investments that do not materialize. Since the Company cannot ensure that it will be successful in its negotiations to acquire assets, the greater the number of possible investments that do not materialize, the greater the costs associated with them.

Any of the foregoing factors could have a material adverse effect on the Group's business, results and/or financial condition.

22) The success of the Group depends on the ability to retain existing tenants and attract new ones.

The Group's principal activity is the rental, acquisition and management of logistics properties, which accounted for almost 100% of the Group's net revenues as of December 31, 2022. If the Group is unable to retain its current tenants due to the non-renewal of their lease agreements upon expiry and the Group is unable to find new tenants, there is a risk that the properties will become vacant, resulting in a decrease in the Group's revenues.

As of December 31, 2022, the occupancy for the Group's completed logistics properties stood at 100% and the average lease term in the portfolio (calculated until the expiration date) was approximately 17 years, compared with an average lease term of 19 years in 2021. Additionally, as of December 31, 2022, 37% of the Group's total GLA was in operation under current leases with tenants.

Even if the Group enters into new lease agreements with its existing tenants or new tenants, there is a risk that the Group may have to do so on less favorable terms due to prevailing market conditions at the time of entering into such new leases or the bargaining power and financial condition of the Group's tenants.

Notwithstanding the above, there can be no assurance that the Group will be able to maintain such levels of occupancy for its logistics properties in the future or that the Group will be able to successfully let those properties in its portfolio that move from the project phase (non-operating) to the letting phase, which could have a material adverse effect on the Group's business, results and/or financial condition.

23) The lack of suitable land plots or properties for acquisition and development could negatively affect the growth of the Group's asset portfolio.

The Group's activity consists of acquiring land for development and existing properties for refurbishment to develop its logistics business. Therefore, the growth of the Group's business could be affected by the scarcity of suitable land plots and properties for exploitation.

Regulations on urban planning and zoning by local authorities, the lack of new real estate developments, and the limited supply from public or private entities for sale, among other reasons, could restrict the number of viable assets for acquisition. Similarly, this scarcity and the high level of national and international competition in the sector could lead to an increase in the prices of suitable land and properties, further complicating their acquisition and lowering their expected profitability.

Any of these factors could have a material adverse effect on the Group's business, results and/or financial condition.

24) Liabilities, defects or deficiencies not disclosed during the due diligence process prior to the acquisition of assets could adversely affect the Group.

Before acquiring new properties, the Group carries out a technical analysis and due diligence on the structural situation of the new properties and, if necessary, the existence of harmful environmental impacts. However, it is possible that certain damages or quality deficiencies may not be observed, or that the extent of these types of problems may not be completely evident and/or that the deficiencies may not become noticeable until after the acquisition.

Therefore, acquisitions of logistics real estate assets, whether completed or not or those that could be carried out in the future, imply a series of risks. For example, the companies of the Group could be faced with unforeseen events, liabilities, vices or defects of a material nature relating to assets acquired unknown to the Group and that were not disclosed during the due diligence processes. If any of these risks were to occur, this could, among other things, require the Group to incur higher than anticipated costs (which could even make it necessary to make adjustments in the business) and require a level of dedication and attention from management and staff which could stretch resources or prevent them from being deployed in other areas of the business, which could have an adverse effect on the Group's revenues.

Any of these factors could have a material adverse effect on the Group's business, results and/or financial condition.

5.7. Risks relating to the Company's shares

25) The valuation of the Company's shares may not precisely and accurately reflect the value of the shares at any given time.

As described in section 7.1 of this Information Document, the Company has issued a valuation report regarding the value of the Company's shares as of December 31, 2022.

In estimating the value of the shares, the Company has made certain assumptions and estimations, which, in the vent of turning out inaccurate or incorrect, the valuation of the Company's shares could be materially lower. In addition, any other valuation made by any third independent party could differ from the share valuation made by the Company.

The share valuation report made by the Company identifies the information basis for the valuation of the Company's shares, including mainly (i) the audited consolidated financial statements of the Company as of December 31, 2022; and (ii) the real estate asset valuation reports issued by Savills, as explained in section 7.2 of this Information Document. These real estate asset valuation reports were taken into account in the Company's audited consolidated financial statements for 2022 prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (EU-IFRS).

The Company's use of real estate asset valuations does not constitute an opinion or guarantee of the underlying assumptions, or the value concluded by Savills as any forward-looking information and assumptions may not materialize in the future as anticipated. Therefore, the asset valuation report prepared by Savills (see risk factor 5) and the Company's shares valuation report could not be accurate and complete to be used by potential investors in making an investment decision.

Any deviation of the valuation of the Company's shares could have a material adverse effect on the price of the shares and the Group's business, results and financial condition.

26) The market price of the shares may fluctuate widely in response to different factors.

The market price of the ordinary shares may not reflect the value of the underlying investments of the Company, but may also be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Company's ordinary shares or other securities exchangeable for, or convertible into, ordinary shares in the future, the addition or departure of members of the Board of Directors or the Investment Committee or the Managers team, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the real estate sector as a whole, the Company or any of its assets, a perception that other market sectors may have higher growth prospects, general economic conditions, legislative changes in the Company's sector and other events and factors within or outside the Company's control. The market value of a share may vary considerably from its underlying EPRA net asset value ("**EPRA NAV**") and the value of the ordinary shares may go down as well as up and the market price of the ordinary shares may not reflect their NAV.

Stock markets have from time to time experienced extreme price and volume volatility, particular over the last years, which, in addition to general economic, political and other conditions, could adversely affect the market price for ordinary shares.

27) A liquid market for the shares may fail to develop.

Admission to trading of the Company's shares on Euronext Access Paris should not be taken as implying that there will be a liquid market for the ordinary shares. Prior to admission, there has been no public market for the shares and there is no guarantee that an active trading market will develop or be sustained after admission.

Further, since the shareholders may decide, in the context of the Divestment Strategy or otherwise, to liquidate the Company, investors may decide to hold their shares until liquidation to realise their investment and not trade their shares in the same levels as they would otherwise do, resulting in a less liquid market for the shares.

If an active trading market is not developed or maintained, the liquidity and trading price of the shares could be adversely affected. If an active trading market develops, the market price of the ordinary shares may not reflect the value of the underlying investments of the Company.

28) The Company may in the future issue new shares, which may dilute shareholders.

In case a share capital increase is approved excluding pre-emption rights or existing shareholders choose not to subscribe new ordinary shares, the issuance of new shares may be dilutive to such existing shareholders and could have an adverse effect on the market price of the ordinary shares as a whole.

29) Future sales of shares in the public market could cause the share price to fall.

Although under the Shareholders Agreement, the Significant Shareholders undertook not to transfer the shares of the Company by any means (i) until the divestment of the total portfolio of assets is proposed to the General Shareholders Meeting by the Board of Directors (i.e. in principle not before May 2031); or (ii) at any time but with the authorization of the other Significant Shareholder, transfers of shares by the Significant Shareholders or other shareholders may occur. The Shareholders Agreement also provides that Valfondo Inmuebles may sell (all or part) of its shares when certain specific requirements are met (see section 6.5 of this Information Document). Sales of a substantial number of shares in the market by Valfondo Inmuebles or Bankinter Investment or other shareholders, or the perception that these sales might occur, could make the price to fall and could impair the Company's ability to raise capital in the future.

30) Shareholders from jurisdictions outside the EU may not be able to exercise their pre-emptive acquisition or subscription rights in order to acquire new shares.

Under the Spanish Companies Act, in an issuance of new ordinary shares, shareholders have a general right to subscribe for and/or acquire such number of ordinary shares which is necessary for them to be able to maintain their ownership percentage following such issuance of new ordinary shares. However, it is possible that shareholders from non-EU jurisdictions, and pursuant to applicable laws in such jurisdictions, may not be able to exercise such pre-emptive subscription and acquisition rights unless the requirements established in their corresponding laws are complied with or an exemption applies. The Company may decide not to comply with any such non-Spanish formalities and there can be no assurance that an exemption applies. As a result, any shareholder falling under this category may lose its pre-emptive subscription or acquisition rights and may, as a result, see its shareholding diluted. In particular, shareholders residing in the U.S. may not be able to exercise or sell any pre-emptive subscription or acquisition rights they may have in the future in relation to the ordinary shares unless an offer document is registered in the U.S., in accordance with the United States Securities Act of 1933, or an exemption applies.

31) It may be difficult for shareholders outside Spain to serve process on or enforce foreign judgments against the Company or the Directors.

The Company is a limited company (a *sociedad anónima* or S.A.) incorporated in Spain. The rights of the shareholders are governed by Spanish law and by the Bylaws. These rights may differ from the rights of shareholders in non-Spanish corporations. All of the current Directors are resident in Spain and most of the assets of the Company are expected to be located in Spain. As a result, it may be difficult for shareholders outside Spain to serve process on or enforce foreign judgments against the Company or the Directors.

32) Exchange rate fluctuations may expose an investor whose currency is not the euro.

The investments of the Company will be in euro. Furthermore, the shares will be priced in euro on their primary trading market and any dividends to be paid in respect of them will be denominated in euro. Any investment in shares of the Company by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange risk. Any depreciation of the euro in relation to such foreign currency will reduce the value to the investment in the ordinary shares or any dividends in foreign currency terms.

6. INFORMATION CONCERNING THE LISTING

6.1. Admission on Euronext Access

On April 17, 2023, the Company's Board of Directors, by virtue of the delegation of powers granted by the General Shareholders Meeting held the same day, approved the admission of the Company's shares to Euronext Access Paris.

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

ISIN: ES0105549002.

Euronext Ticker: MLMTP

Number of shares to be listed: 85,988,040 ordinary shares

Nominal price per share: €1.00

Reference price per share: €11.07

Market capitalization: €951,887,603

Initial listing and trading date: 06-06-2023

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

Paying agent: Bankinter, S.A.

6.2. Objectives of the listing process

This transaction is carried out within the framework of a procedure for admission to trading on the Euronext Access Market operated by Euronext Paris S.A., through a technical admission of the shares. The proposed transaction does not require approval from the Autorité des Marchés Financiers (AMF).

The listing on the Euronext Access Market will enable the Company to:

- Meet the requirements for SOCIMI pursuant to article 9 of the SOCIMI Act, whereby all SOCIMI shares must list in a regulated market or multilateral trading system, in Spain or any other Member State of the European Union or European Economic Area, or on a regulated market in any other country or territory with which tax information is effectively exchanged, on a non-interrupted basis, throughout the taxation period.
- Facilitate the incorporation of new shareholders into the capital of the Company.
- Provide a new mechanism for objectively appraising the Company's shares.
- Increase awareness, differentiate and position the image and disclosure of the Company vis-à-vis third parties (shareholders, potential investors, clients, suppliers, credit entities, etc.).

6.3. Company's share capital

Article 5 of the Bylaws sets the Company's share capital at €85,988,040, represented by 85,988,040 registered shares of the same class, each with a face value of €1, numbered sequentially from 1 to 85,988,040, both inclusive, fully subscribed and paid up.

6.4. Evolution of the share capital, increases and reductions

The Company was incorporated on March 30, 2021, with a total share capital of €60,000 divided into 60,000 shares with a face value of €1 each. Since its incorporation, the following increases in the Company's share capital took place:

- **May 12, 2021**. The General Shareholders Meeting of the Company approved a share capital increase, charged against cash contributions, for a total nominal amount of €63,166,500, by issuing 63,166,500 new shares with a face value of €1 plus a share premium of €9,00 per share, and, therefore, for a total effective amount (nominal plus share premium) of €631,665,000.

- **March 22, 2022.** The General Shareholders Meeting of the Company approved a share capital increase, charge against cash contributions, for a total nominal amount of €22,761,540, by issuing 22,761,540 new shares with a face value of €1 plus a share premium of €9,95 per share, and, therefore, for a total effective amount (nominal plus share premium) of €249,238,863.

As of the date of this Information Document, the Company's share capital is €85,988,040, and the Company has 1,813 shareholders.

The distribution of the share capital is as follows:

Shareholder	Number of shares	Shareholding
Bankinter Investment, S.A.U.	5,513,440	6.41%
Seguros Catalana Occidente S.A. Seguros y Reaseguros	5,440,000	6.32%
Valfondo Inmuebles, S.L.U.	4,392,800	5.11%
Minority shareholders(1)	70,641,800	82.15%
Total	**85,988,040**	**100.00%**

(1) Out of the 1,810 minority shareholders, none holds a stake of more than 1.69% of the share capital of the Company.

There are no lock-ups agreements entered into by Bankinter Investment, Valfondo Inmuebles or Seguros Catalana Occidente S.A. Seguros y Reaseguros.

The shareholdings in the Company held by the Board of Directors are as follows:

Director	Number of shares (direct)	Number of shares (indirect)	Shareholding
Mr. Fernando Moreno Marcos	27,200	-	0.03%
Mr. Iñigo Gortázar Sánchez-Torres	98,000	-	0.11%
Total	**125,200**	**-**	**0.14%**

Mr. Juan José Vera Vera (Director of the Company) owns 50% and Mr. Juan José Vera Villamayor (Director of the Company) owns 40% of Valfondo Holding, which holds 100% of Valfondo Inmuebles, a company that directly owns 5.11% of the Company's share capital.

As of today, the Company has not implemented any share-based incentive scheme either for its Directors or employees.

6.5. Shareholders Agreement

Under the Shareholders Agreement, Bankinter Investment and Valfondo Inmuebles undertook not to transfer the shares of the Company by any means, nor to encumber or pledge them, or adopt any resolution that might affect their interest in the Company until the divestment of the total asset portfolio is proposed to the General Shareholders Meeting by the Board of Directors, except with the authorization of the other Significant Shareholder. However, the Shareholders Agreement establishes that this obligation will not apply to Valfondo Inmuebles if (i) the death of one of the ultimate beneficial owners of Valfondo Inmuebles occurs, and his heirs need to have liquidity paying the applicable inheritance tax, and (ii) Valfondo Inmuebles holds a stake in the Company of at least 2 million shares with a face value of €1 each.

Any transfer of Company's shares owned by Bankinter Investment and Valfondo Inmuebles is subject to the acquirer entering into the Shareholders Agreement. The transferring shareholder will not be jointly and severally liable to the non-transferring shareholder, provided that the acquirer is sufficiently solvent to comply with the obligations contained in the Shareholders Agreement in the opinion of the non-transferring shareholder, who may not object provided that the solvency of the acquirer is sufficiently substantiated by the provision of the acquirer's last closed balance sheet.

Under the Shareholders Agreement, Bankinter Investment and Valfondo Inmuebles undertook to pool their voting rights and other political rights inherent at all General Shareholders Meetings of the Company save in case of violation of the law or the Bylaws, or detrimental to the interests of the Company.

The Shareholders Agreement may be terminated by mutual consent, or upon notice from either party in the event of termination of the Strategic Advisory Agreement or the Business Management Agreement.

The Shareholders Agreement provides for an Investment Committee in the Company as described in section 4.4 of this Information Document.

6.6. Main characteristics of the shares

6.6.1. Shares representation and accounting records.

The shares of the Company are represented by registered book entries and are constituted by such by virtue of their registration in the corresponding central securities depositary designated by the Company and governed by the applicable securities market regulation.

Application has been made to list the shares on Euronext Access Paris. The shared will be registered in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**IBERCLEAR**"), and all the settlement-related services of the shares will be carried out through IBERCLEAR.

6.6.2. Transferability of the shares

Article 7 of the Bylaws regulates the transferability of the shares:

"*1. The shares and the economic rights deriving from them, including those of preferential subscription and free allocation, are transferable by all means permitted by law. New share transfers may not be conveyed until the increase in capital has been registered with the Registrar of Companies.*

2. Notwithstanding the foregoing, anyone who, whether or not a shareholder of the Company, wishes to acquire - directly or indirectly - a number of shares which, added to those which, where applicable, it already holds, determines a shareholding, directly or indirectly, greater than 50% of the share capital must carry out, at the same time, a purchase bid directed, under the same conditions, to all the remaining shareholders.

3. The shareholder who receives, from a shareholder or from a third party, a purchase offer for its shares by virtue of which, due to its terms of formulation, the characteristics of the purchaser and other concurrent circumstances, must reasonably deduce that its purpose is to attribute to the purchaser a shareholding, direct or indirect, greater than 50% of the share capital and it may only transfer shares which determine that the purchaser exceeds said percentage if the potential purchaser proves that it has offered to all the shareholders the purchase of their shares under the same terms and conditions."

6.6.3. Rights for shareholders

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

- Right to dividend distributions.

  All the Company's shares are equally entitled to participate in the distribution of company earnings and the proceeds resulting from liquidation.

  The Company is subject to Spanish SOCIMI Regime in relation to the distribution of dividends, as described in section 6.6.4 below.

- Preferential subscription right.

  All the Company's shares grant their holder, in the terms established in the Spanish Companies Act, a preferential subscription right in capital increases with the issuance of new shares against cash contributions and the issue of share-convertible obligations, except where the preferential subscription right is excluded in accordance with articles 308 and 417 of the Spanish Companies Act.

  Moreover, shareholders have the right to freely assign the shares as recognized in the Spanish Companies Act in cases of capital increases charged to reserves.

- Right of attendance and right to vote.

  All shareholders have the right to attend and vote at the General Shareholders Meeting and to challenge the corporate resolutions in accordance with the general regime established in the Spanish Companies Act and the Bylaws.

  With regard to the right to attend General Shareholders Meetings, article 17 of the Bylaws states that holders of shares may attend the General Shareholders Meetings, regardless of the number of shares they hold, provided they are registered as such in the register of book entries 5 days prior to the date set for the General Shareholders Meetings.

The Bylaws provide the possibility of attending the General Shareholders Meetings remotely by the means and under the terms envisaged in the Bylaws.

Every shareholder entitled to attend may decide to be represented at the meeting by another person even if not a shareholder.

Each share confers the right to issue one vote.

- Right of information.

  Shareholders have the right of information contained in article 93 d) and article 197 of the Spanish Companies Act as well as those rights that, as special manifestations of the right of information, are contained in the articles of the Spanish Companies Act.

Rules of the General Shareholders Meeting

The General Shareholders Meeting is governed by articles 11 to 21 of the Bylaws.

Article 16 of the Bylaws establishes that the General Shareholders Meeting, whether ordinary or extraordinary, shall be validly constituted at first or second call when the shareholders present or represented hold the percentage of capital with voting rights established by law.

According to the Spanish Companies Act, the General Shareholders Meeting will be validly convened on first call when the shareholders attending in person or by proxy hold at least 25% of the share capital with voting rights. Meetings will be validly convened on second call regardless of the share capital attending.

Notwithstanding the above, in order for the Shareholders Meeting to validly resolve to increase or reduce share capital, amend the Bylaws, issue of notes, eliminate or restrict pre-emption rights on new shares, carry out any alteration of legal form, mergers, spin-offs or global transfer of assets and liabilities or transfer the registered office abroad, the attendance of shareholders in person or by proxy holding at least 50% of the subscribed share capital with voting rights will be required on first call. On second call, the attendance of shareholders representing 25% of this share capital will be sufficient.

However, where shareholders holding less than 50% of the subscribed share capital with voting rights are present in person or by proxy, the resolutions referred to in the preceding paragraph may only be validly passed with the affirmative vote of shareholders representing two-thirds of the share capital present in person or by proxy at the meeting.

General Shareholders Meetings shall be deemed convened and validly constituted to hear and decide on any matter, whenever the whole share capital is present, and the attendees unanimously accept to hold it.

6.6.4. Distribution of dividends

As of the date of this Information Document, the Company has not approved any dividend policy. Nevertheless, the Company will be required to adopt resolutions for the annual distribution of dividends to shareholders, in compliance with the conditions set out in the Spanish SOCIMI Regime, within 6 months following the closing of each financial year, as established in article 33.1 and 33.2 of the Company's Bylaws as follows:

"1. The Meeting shall make a decision on the distribution of the earnings for the financial year, with strict observance of the legal provisions that are applicable to the Company at any time. In particular, once the attendant commercial obligations have been fulfilled, the Board shall agree on the distribution of the Company's profits in accordance with the following breakdown:

a) 100% of the profits from dividends or profit shares distributed by entities whose corporate purpose is that referred to in section 1, article 2 of Law 11 enacted on 26 October 2009 on Listed Public Limited Real Estate Market Investment Companies (the "SOCIMI Law").

b) At least 50% of the profits deriving from the transfer of properties and shares or stakes in entities whose corporate purpose is that referred to in section 1, article 2 of the SOCIMIs Law, which have been carried out respecting the investment maintenance period of three years.

The remainder of these profits must be reinvested in other properties or shares related with the fulfilment of the Company's corporate purpose, within three years after the date of transfer. Failing that, said profits must be distributed in their entirety together with the profits, if any, deriving from the year in which the reinvestment period ends.

If the reinvented assets are transferred before the minimum investment maintenance period established in section 3, article 3 of the SOCIMIs Law, said profits must be distributed in their entirety together with the profits which, if applicable, derive from the financial year in which they were transferred.

c) At least 80% of the rest of the profits obtained.

The Meeting may decide that the dividend should be wholly or partially paid in kind, as long as the assets or securities which are the object of distribution are homogeneous, are not distributed at a lower value than the Company's balance sheet, are admitted to trading at the time agreement takes effect and the liquidity of the Company is duly guaranteed within a maximum period of one year.

2. The liquid profits shall be distributed between the shareholders in proportion to their stake in the share capital. The distribution of profits shall be agreed upon within six months after the end of each financial year and paid within the month following the date of the distribution agreement."

The Spanish SOCIMI Regime provides that the Company may become subject to a 19% corporate income tax on the gross dividend distributed to any shareholder that holds a stake equal to or higher than 5% of the share capital of the Company when such shareholder either (i) is exempt from any tax on the dividends or subject to tax on the dividends received at a rate lower than 10%; or (ii) does not timely provide the Company with the information evidencing its equal or higher than 10% taxation on dividends distributed by the Company in the terms set forth in the Bylaws (a Substantial Shareholder).

The Company´s Bylaws (article 39.3) contain information obligations applicable to Substantial Shareholders (as defined in the paragraph above) to enable the Company to comply with its tax obligations as a result of the application of the Spanish SOCIMI Regime.

Notwithstanding the above, the Bylaws of the Company include indemnity obligations of the Substantial Shareholders in favor of the Company. In particular, article 33.3 of the Bylaws requires that in the event a dividend payment is made to any Substantial Shareholder, the Company will be entitled to deduct an amount equivalent to the tax expenses incurred by the Company on such dividend payment from the amount to be paid to such Substantial Shareholder (the Board of Directors will maintain certain discretion in deciding whether to exercise this right if making such deduction would put the Company in a worse position). However, these measures may not be effective. If these measures are ineffective, the payment of dividends to a Substantial Shareholder may generate an expense for the Company (since it may have to pay a 19% corporate income tax on such dividend) and, thus, may result in a loss of profits for the Company.

On April 17, 2023, the ordinary general shareholders' meeting of the Company approved the distribution of €26,429 thousand to shareholders out of the share premium.

7. VALUATION

7.1. Company valuation

As stated in section 5.6 of this Information Document, the Company has issued a valuation report regarding the value of the Company's shares as of December 31, 2022.

The report considers the EPRA Net Tangible Assets (the "**EPRA NTA**") the most appropriate valuation method given the Company's characteristics and activities. The Company also used the EPRA NAV to determine the subscription price (€10.95 per share) for the €249 million capital increase carried out by the Company in May 2022.

Following the EPRA Best Practices Recommendations Guidelines dated February 2022, the Company has determined the EPRA NTA as the Group's consolidated equity under IFRS less/plus deferred tax assets/liabilities less fair value of financial instruments less intangible assets (goodwill on consolidation):

EPRA NTA (in € thousand)	**Unaudited 31-12-2022**
IFRS Equity attributable to Shareholders (a)	**949,874**
Deferred tax in relation to fair value gains of investment properties (1)	23,922
Fair value of financial instruments (2)	(25,978)
Goodwill as a result of deferred tax (3)	68,378
Goodwill as per the IFRS balance sheet (4)	(64,180)
Exclusions (b=1+2+3+4)	**2,142**
Net Tangible Assets NTA (c=a+b)	**952,016**
Outstanding shares of the Company (d)	85,988
EPRA NTA per share (in €) (c/d)	**11.07**

Therefore, the starting point for the EPRA NTA calculation is the Group's consolidated equity under IFRS (€949,874 thousand as of December 31, 2022), which includes the valuation of assets (as described in section 7.2 of this Information Document) and the valuation of liabilities at market value.

In order to obtain the EPRA NTA, the following exclusions are applied to the Group's consolidated equity under IFRS:

1. *Deferred tax in relation to fair value gains of investment properties*: The deferred tax liabilities arising from capital gains on real estate assets and the deferred tax assets up to the limit of the deferred tax liabilities, as the Company does not plan to sell real estate assets in the long term. These deferred tax liabilities and assets amounted to €23,922 thousand as of December 31, 2022.

2. *Fair value of financial instruments*: The derivative financial instruments (IRS) for hedging purposes with a total fair value of €25,978 thousand as of December 31, 2022.

3. *Goodwill as a result of deferred tax:* The deferred tax liabilities resulting from the business combinations carried out by the Company in 2021, as described in note 2.f of the Company's consolidated financial statements for the year 2022, and whose net impact (€68,378 thousand as of December 31, 2022) is detailed in note 13.

4. *Goodwill as per the IFRS balance sheet:* The goodwill on consolidation resulting from the business combinations described in note 2.f of the Company's consolidated financial statements for the year

2022. As of December 31, 2022, the goodwill on consolidation amounted to €64,180 thousand.

Based on the methodology and the procedures described above, the report concludes that as of December 31, 2022, the EPRA NTA of the Company was €952,016 thousand and the EPRA NTA per share was €11.07, which results from dividing the EPRA NTA by the 85,988 thousand outstanding shares of the Company.

Taking into account the EPRA NTA per share of the Company, on May 12, 2023, the Company's Board of Directors established €11.07 per share as the reference price for the 85,988,040 shares to be admitted to trading in Euronext Access Paris, which implies a total value for the Company of €951,887,603.

7.2. Real estate assets valuation

The market value of the asset portfolio was €1,209 thousand as of December 31, 2022, according to the valuation reports issued by Savills Valoraciones y Tasaciones, S.A.U. and Savills Portugal–Consultoria Lda.

The valuation was prepared in accordance with RICS' Valuation – Global Standards 2020 (the RICS Red Book), incorporating the IVSC International Valuation Standards issued in November 2019 and effective from January 31, 2020. In particular, in accordance with the requirement of VPS 3 entitled Valuations reports.

The valuation method used by Savills was the Discounted Cash Flow (the "**DCF**") method. To determine the value of the properties using the DCF, property expenses, current passing rents, and market rental levels considered for the vacant space have been estimated. In addition, costs associated with vacant spaces, reletting costs, and the future sale value of the properties at a yield were considered. As of December 31, 2022, a discount was applied to determine the present value of the properties' expenses, rents, and the future sale value of the properties.

The passing rent generated by the properties and their potential rental income based on the estimated market rental levels for each of the properties and the terms and conditions of the existing lease agreements were taken into account. An exit yield determined by the property's location, characteristics, tenants and passing rent, was applied to the resulting rental levels to obtain the exit value of the asset. The refurbishment costs necessary to achieve market rents were also been estimated in some cases. Similarly, costs such as reletting fees, void periods, vacancy rates, management fees, contingencies, discounts, etc., applicable to these types of assets have been considered in determining the market value of the assets.

To carry out the valuation, Savills visited all the Group's properties.

More detailed information about the valuation method used by Savills is provided in note 4.3 to the 2022 Company's audited consolidated financial statements.

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

Based on the Company's consolidated financial statements ended on December 31, 2022, the

Company's Board of Directors declared and acknowledged at the meeting held on March 14, 2023, that the Company and its wholly-owned subsidiaries have sufficient funds to carry out their activity during the 12-months following its admission to trading on Euronext Access Paris.

8. FINANCIAL INFORMATION FOR THE YEARS 2021 AND 2022

The selected financial data included in this Document have been derived from the audited consolidated financial statements of the Company for the year 2021 (March 30, 2021 –date of incorporation– to December 31, 2021) and the year 2022, contained in the respective financial reports, so they should be read in conjunction with the financial statements and notes included therein.

The 2021 and 2022 consolidated financial statements (including the audit report) are attached as Appendix I and Appendix II, respectively, to this Information Document, and they are also available on the Company's website: https://www.montepino.net/

The Spanish-language version of the consolidated financial statements for the fiscal years 2021 and 2022 has been audited by PricewaterhouseCoopers Auditores, S.L.

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

8.1. Consolidated financial statements for the years 2021 and 2022

Consolidated Balance Sheet as of December 31, 2021, and December 31, 2022

Assets (in € thousand)	31-12-2021 (audited)	31-12-2022 (audited)	Increase/ Decrease (21-22)
Non-Current Assets	**1,029,090**	**1,305,548**	**+27%**
Intangible assets	98,840	64,180	-35%
Goodwill on consolidation	98,840	64,180	-35%
Investment properties	923,627	1,208,642	+31%
Long-term investments	4,655	30,720	+560%
Derivatives	802	25,978	+3,139%
Other financial assets	3,853	4,742	+23%
Deferred tax assets	1,426	1,624	+14%
Long-term prepayments and accrued income	542	382	-30%
Current Assets	**29,916**	**54,577**	**82%**
Inventories	12	45	+275%
Trade and other receivables	11,683	23,387	+100%
Trade receivables for sales and provision of services	2,486	2,959	+19%
Current tax assets	204	74	-64%
Other amounts receivable from Public Administrations	8,993	20,354	+126%
Short-term financial assets	441	700	+59%
Other financial assets	441	700	+59%
Short-term prepayments and accrued income	1,773	3,596	+103%
Cash and other cash equivalents	16,007	26,849	+68%
Total Assets	**1,059,006**	**1,360,125**	**+28%**

Equity and Liabilities (in € thousand)	31-12-2021 (audited)	31-12-2022 (audited)	Increase/ Decrease (21-22)
Equity	662,290	949,874	+43%
Shareholders' funds	661,689	923,896	+40%
Capital	63,227	85,988	+36%
Share premium	568,499	794,976	+40%
Reserves	(6,393)	10,328	-
Profit/(loss) for the year attributable to parent company	36,356	32,604	-10%
Measurement adjustments	601	25,978	+4,222%
Non-Current Liabilities	346,605	376,180	+9%
Long-term payables	266,449	282,227	+6%
Bank borrowings	262,737	277,251	+6%
Other financial liabilities	3,712	4,976	+34%
Long-term provisions	-	29	-
Deferred taxes	80,156	93,924	+17%
Current Liabilities	50,111	34,071	-32%
Short-term payables	46,971	28,999	-38%
Bank borrowings	20,274	164	-99%
Other financial liabilities	26,697	28,835	+8%
Trade and other payables	3,033	4,914	+62%
Sundry payables	2,485	4,647	+87%
Accrued wages and salaries	-	19	-
Current tax liabilities	32	-	-
Other amounts payable to Public Administrations	516	248	-52%
Short-term accruals and deferred income	107	158	+48%
Total Equity and Liabilities	1,059,006	1,360,125	+28%

The evolution of the main items of the consolidated balance sheet of the Company is explained below:

- Investment properties: Fair value of land, buildings and other facilities held for rent, calculated based on the valuation reports issued by Savills. The increase between 2021 and 2022 corresponds to investments made during 2022 and asset revaluation as of December 31, 2022.

- Long-term investments**:** Fair value of interest rate hedges and security deposits with official bodies due to guarantee deposits received from tenants. The increase between 2021 and 2022 corresponds mainly to the change in the market value of the hedging derivatives.

- Trade and other receivables: This item mainly includes trade receivables for sale and provision of services and amounts receivable from governmental bodies corresponding to refunds of Value Added Tax ("**VAT**") accrued on investments. The variation corresponds mainly to the increase in VAT pending refund for transactions carried out during 2022.

- Equity: The difference between 2022 and 2021 corresponds to (i) a €249 million capital increase carried out in March 2022; (ii) the negative impact due to the absorption of €17 million of goodwill charged to reserves (as detailed in note 6 of the 2022 consolidated financial statements of the Company), (iii) €32 million profit for the year 2022; and (iv) the €25 million increase in the fair value of derivatives for hedging bank debt.

- Long-term payables: Bank borrowings carried at an amortized cost corresponding to the long-term loan with maturity in June 2026 and guarantee deposits received from tenants. The increase from 2021 to 2022 corresponds fundamentally to the drawdown of bank debt.

- Deferred taxes: This item includes tax liabilities result of the capital gains recorded in real estate assets. The increase between 2021 and 2022 corresponds mainly to deferred tax liabilities associated with assets owned by the Company's subsidiaries that were not under the Spanish SOCIMI Regime during 2022.

- Short-term payables: The balance of this item as of December 31, 2022 corresponds mainly to fixed assets suppliers. The decrease in 2022 with respect to 2021 was due to the cancellation of short-term credits amounting to €20 million.

- Trade and other payables: This item refers to liabilities for goods and services provided to the Group during 2022, which payment is outstanding. The growth between 2021 and 2022 in trade payables was due to expenses and management fees increase as a result of the higher value of assets.

Consolidated Income Statement corresponding to the years 2021 and 2022

Income Statement (in € thousand)	**2021(*) (audited)**	**2022 (audited)**	**Increase/ Decrease (21-22)**
Revenue	13,906	26,107	+88%
Provisions of services	13,906	26,107	+88%
Raw materials and consumables	-	(276)	-
Staff costs	(4)	(240)	+5,900%
Wages, salaries and similar remuneration	(3)	(181)	+5,933%
Staff welfare expenses	(1)	(59)	+5,800%
Other operating expenses	(8,102)	(13,118)	+62%
External services	(7,279)	(11,639)	+60%
Taxes	(823)	(1,479)	+80%
Impairment and profit/(loss) on fixed asset disposals	-	(685)	-
Other profit/(loss)	(341)	8	-
Negative difference on business combinations	3,362	3,795	+13%
Changes in the fair value of investment property	47,191	45,982	-3%
Goodwill impairment	-	(17,682)	-
Absorption of investment property restatement	-	(17,682)	-
Operating Profit/(Loss)	**56,012**	**43,891**	**-22%**
Financial income	12	18	50%
Financial expenses	(9,567)	(7,898)	-17%
Change in fair value of financial instruments	51	(4)	-
Net Financial Income/(Expense)	**(9,504)**	**(7,884)**	**-17%**
Profit/(Loss) before Income Tax	**46,508**	**36,007**	**-23%**
Income Tax	(10,152)	(3,403)	-66%
Consolidated Profit/(Loss) for the year	**36,356**	**32,604**	**-10%**
Profit/(Loss) attributable to parent company's shareholders	**36,356**	**32,604**	**-10%**

(*) from March 30, 2021 (date of incorporation) to December 31, 2021). Therefore, the 2021 consolidated financial statement data relates to a shorter period of time than the 2022 consolidated financial statement data, which means that such income statement information between 2021 and 2022 is not comparable and year-over-year variations are not representative.

The evolution of the main items of the consolidated income statement of the Company is explained below:

- Revenue: Correspond to rental income and general costs of properties charged to tenants. The increase between 2021 and 2022 was due to (i) 2021 data relates to a shorter period (March 30 to December 31) than 2022; and (ii) an increase in the number of leased assets.

- Other operating expenses: This item includes mainly external services referring to operating expenses of assets and services provided by other related parties. The increase between 2021 and 2022 was due to (i) 2021 data relates to a shorter period than 2022; (ii) an increase in the operating assets.

- Changes in the fair value of investment property: During 2022, there was an increase in the market value of the real estate assets owned by the Group supported by the valuation report issued by Savills.

- Goodwill impairment: This item relates to an increase in value of Montepino's real estate assets since the date of the business combination (May 14, 2021), in respect of which value generation had been forecast at that date. The Company considers that this capital gain represents the materialization of expectations existing at the business combination date and therefore goodwill was reduced by this amount (as detailed in note 6 of the 2022 consolidated financial statements of the Company).

- Financial expenses: Even though the 2021 accounting period was shorter than 2022, financial expenses decreased in 2022 with respect to 2021 due to the cancellation costs of loans recognized in 2021.

- Income Tax: The decrease between 2022 and 2021 was mainly because, in 2022, the Company and most of its subsidiaries (all but three) decided on applying for the Spanish SOCIMI Regime.

8.2. Principles, rules, and accounting methods

The consolidated financial statements for the fiscal years 2021 and 2022 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

8.3. Schedule date for the first publication of financial statements and the first Shareholder's General Meeting following the admission on Euronext Access Paris

The first publication of the Company's audited annual financial statements following the admission to trading of the shares on Euronext Access Paris will be the financial statements for 2023 not later than 5 months following the close of 2023.

The Company will hold its first Ordinary Shareholder's General Meeting as a listed company not later than June, 30 2024.

9. LISTING SPONSOR AND OTHER ADVISORS

Listing Sponsor

VGM Advisory Partners S.L.U.
Calle Serrano 68, 2º Derecha, 28001 Madrid (Spain)
Phone number: +34 91 772 91 63
www.vgmadvisory.com

Legal Advisor to the Company as to Spanish law

Ramón y Cajal Abogados, S.L.P.
Calle Almagro 16-18, 28010 Madrid (Spain)
Phone number: +34 91 576 19 00
www.ramonycajalabogados.com

APPENDIX I: CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021, INCLUDING THE AUDITOR'S REPORT.

Bankinter Logística, S.A. and Subsidiaries

Audit Report
Consolidated Annual Accounts
and Consolidated Management Report
for the period
30 March 2021 to 31 December 2021

Lucas González Cebolla
Traductor-Intérprete
Jurado de inglés
Nº 9526

[Logo]

Audit report on the consolidated annual accounts issued by an independent auditor

To the shareholders of Bankinter Logística, S.A.:

Opinion

We have audited the consolidated annual accounts of Bankinter Logística, S.A. (the parent company) and its subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated annual accounts for the period 30 March 2021 to 31 December 2021.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the Group's consolidated equity and financial position at 31 December 2021 and the consolidated results of its operations and consolidated cash flows for the period 30 March 2021 to 31 December 2021, in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

Our audit has been carried out in accordance with prevailing Spanish auditing regulations. Our responsibilities under said regulations are described below under *Auditors' responsibilities in relation to the audit of the consolidated annual accounts.*

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, applicable to our audit of the consolidated annual accounts in Spain, as required by auditing regulations. In this respect, we have not provided any services other than audit services, nor have any situations or circumstances arisen that, in accordance with those regulations, might have undermined said independence.

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

Key audit matters

Key audit matters are those that, in our professional judgement, were the most significant risks of material misstatement in the audit of the consolidated annual accounts of the current period. These risks have been addressed in the context of our audit of the consolidated annual accounts as a whole and in the preparation of our opinion thereon, and we do not express a separate opinion on these matters.

Lucas González Cebolla
Traductor-Intérprete
Jurado de inglés
Nº 9526

R. M. Madrid, page 87,250-1, folio 75, volume 9,267, book 8,054, section 3
Entered in the Official Register of Auditors (ROAC) under number S0242 - Tax code: B-79 031290

Key audit matters	How the matter was addressed in the audit
Valuation of investment property	
As indicated in Note 7 of the notes to the consolidated annual accounts, the Group has investment property totalling €923,627 thousand. As indicated in Note 4.3 of the notes to the consolidated annual accounts, these assets are recognised at fair value at the year-end and fair value changes are taken to the consolidated income statement. To obtain the fair value of these assets, the Group requests independent expert valuations, which are carried out using the discounted cash flow method, as is common market practice. The valuations are based on a number of significant judgements and estimates. We have therefore focused on this area due to the materiality of investment property with respect to the Group's total assets and results, and in view the significant judgements and estimates assumed by management. Changes to these assumptions could cause relevant changes to the assets and their respective effect on the consolidated income statement and consolidated balance sheet.	We obtained the valuations for all the investment property performed at the year-end by the independent expert and we assessed related competence and independent requirements. We checked that the valuations were carried out in accordance with the standards of the Royal Institution of Chartered Surveyors (RICS). To this end, among other audit procedures, we held meetings with the valuer and we verified the reasonableness of the input used in the valuation, including the discount and growth rates. Finally, we checked the corresponding disclosures in Notes 4.3 and 7 of the notes to the consolidated annual accounts. We consider that we obtained sufficient audit evidence in the course of our work to corroborate the reasonableness of the investment property valuations.

Other information: Consolidated Management Report

Other information refers exclusively to the consolidated management report for the period 30 March 2021 to 31 December 2021, the preparation of which is the responsibility of the parent company's directors and which is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the consolidated management report, in accordance with auditing legislation, consists of assessing and reporting on the consistency of the consolidated management report with the consolidated annual accounts, based on our knowledge of the Group obtained during the audit of the accounts, as well as reporting on whether the content and presentation of the consolidated management report are in conformity with applicable legislation. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

On the basis of the work performed, as described above, the information set out in the consolidated management report is consistent with the consolidated annual accounts for the period 30 March 2021 to 31 December 2021 and its content and presentation are in line with applicable legislation.

Lucas González Cebolla
Traductor-Intérprete
Jurado de inglés
Nº 9526

Responsibility of the directors in relation to the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts such that they present fairly the Group's consolidated equity, financial situation and results in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for the internal control which they consider necessary to enable the preparation of annual accounts free from material misstatements, due to fraud or error.

In the preparation of the consolidated annual accounts, the parent company's directors are responsible for assessing the Group's capacity to continue as a going concern, disclosing, as appropriate, any going concern-related issues and applying the going-concern accounting principle, unless the directors intend to wind up the Group or discontinue its operations, or unless no other realistic alternative exists.

Auditors' responsibilities in relation to the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance that the consolidated annual accounts as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing our opinion.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit conducted in accordance with current Spanish auditing regulations will always detect a material misstatement when such exists. Misstatements may be due to fraud or error and are regarded as material if, individually or in 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 conducted in accordance with prevailing Spanish audit regulations, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the consolidated annual accounts due to fraud or error; we design and apply audit procedures to respond to those risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, misrepresentations or the override of internal control.

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

- We assess whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the relevant information disclosed by the parent company's directors.

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- We conclude on the appropriateness of the parent company's directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosed information, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that succeeds in expressing a true and fair view.

- We obtain sufficient, adequate evidence relating to the financial information of the Group's entities or business activities to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our audit opinion.

We liaise with the parent company's administrators in relation to, among other matters, the planned scope and timing of the audit and the significant audit findings, as well as any major internal control weakness that we identify in the course of our audit.

Among the significant risks notified to the parent company's directors, we determine those that have been of the greatest significance in the audit of the consolidated annual accounts for the current period and which therefore are the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

[Signature]

Javier Campos Leza (20427)

21 February 2022

[Logotype]

Spanish Institute of Chartered Accountants

PricewaterhouseCoopers Auditores, S.L.

2022 No. 08/22/00612

96.00 EUR

COMPANY STAMP:

Audit report on accounts subject to Spanish or international auditing legislation

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Bankinter Logística, S.A. and Subsidiaries

Consolidated Annual Accounts and
Consolidated Management Report
for the period
30 March 2021 to 31 December 2021

[Signature]

BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 2021 YEAR-END
(Thousand euro)

ASSETS	Note	2021
NON-CURRENT ASSETS		**1,029,090**
Intangible assets	**6**	**98,840**
Goodwill on consolidation		98,840
Investment property	**7**	**923,627**
Long-term investments	**8, 9**	**4,655**
Derivatives		802
Other financial assets		3,853
Deferred tax assets		**1,426**
Long-term prepayments and accrued income		**542**
CURRENT ASSETS		**29,916**
Inventories		**12**
Trade and other receivables	**8, 9**	**11,683**
Trade receivables for sales and provision of services		2,486
Current tax assets		204
Other amounts receivable from Public Administrations		8,993
Short-term financial assets	**8, 9**	**441**
Other financial assets		441
Short-term prepayments and accrued income		**1,773**
Cash and cash equivalents	**10, 9**	**16,007**
TOTAL ASSETS		**1,059,006**

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 2021 YEAR-END
(Thousand euro)

EQUITY AND LIABILITIES	Note	2021
EQUITY		**662,290**
Shareholder's funds		**661,689**
Capital	11	63,227
Share premium		568,499
Reserves	11	(6,393)
Profit/(loss) for the year attributed to parent company		36,356
Measurement adjustments		**601**
NON-CURRENT LIABILITIES		**346,605**
Long-term payables	8, 12	**266,449**
Bank borrowings		262,737
Other financial liabilities		3,712
Deferred taxes	13	**80,156**
CURRENT LIABILITIES		**50,111**
Short-term payables	8, 12	**46,971**
Bank borrowings		20,274
Other financial liabilities		26,697
Trade and other payables	8, 12	**3,033**
Sundry payables		2,485
Current tax liabilities		32
Other amounts payable to Public Administrations		516
Short-term accruals and deferred income		**107**
TOTAL EQUITY AND LIABILITIES		**1,059,006**

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021
(Thousand euro)

CONTINUING OPERATIONS	Note	2021
Revenue	**14**	**13,906**
Provisions of services		13,906
Staff costs		**(4)**
Wages, salaries and similar remuneration		(3)
Staff welfare expenses		(1)
Other operating expenses	**14**	**(8,102)**
External services		(7,279)
Taxes		(823)
Other profit/(loss)	**14**	**(341)**
Negative difference on business combinations	**2.f**	**3,362**
OPERATING PROFIT/(LOSS) BEFORE VALUATION OF INVESTMENT PROPERTY		**8,821**
Change in fair value of investment property	7	47,191
OPERATING PROFIT/(LOSS)		**56,012**
Financial income		12
Financial expenses		(9,567)
Change in fair value of financial instruments		51
NET FINANCIAL INCOME/(EXPENSE)	**16**	**(9,504)**
PROFIT/(LOSS) BEFORE INCOME TAX		**46,508**
Income tax	**15**	(10,152)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**36,356**
Profit/(loss) attributed to parent company	**11**	**36,356**

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021
(Thousand euro)

	Capital	Share premium	Reserves	Profit/(loss) for the year attributed to parent company	Measurement adjustments	Total
Opening balance 2021	**60**	**-**	**-**	**-**	**-**	**60**
Consolidated total recognised revenues and expenses	-	-	(6,393)	36,356	601	30,564
Transactions with shareholders or owners:						
- Capital increases (Note 11)	63,167	568,499	-	-	-	631,666
Closing balance 2021	**63,227**	**568,499**	**(6,393)**	**36,356**	**601**	**662,290**

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021
(Thousand euro)

	2021
CONSOLIDATED NET PROFIT	**36,356**
Income and expense attributed directly to consolidated equity	**(5,754)**
Other expenses (Note 11)	(6,393)
On cash flow hedges	852
Tax effect	(213)
Transfers to consolidated income statement	**(38)**
On cash flow hedges	(51)
Tax effect	13
TOTAL COMPREHENSIVE INCOME	**30,564**

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021
(Thousand euro)

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	**(91,394)**
Profit/(loss) for the year before tax	**46,508**
Adjustments to profit/(loss)	**(41,959)**
Financial expenses	9,567
Financial income	(12)
Change in fair value of investment property (Note 8)	(47,191)
Negative consolidation difference	(3,362)
Other income and expenses	(961)
Changes in working capital	**(91,554)**
Inventories	6
Debtors and other receivables	(375)
Other current assets	(9,955)
Creditors and other payables	(28,816)
Other current liabilities	(52,414)
Other cash flows from operating activities	**(4,389)**
Interest paid	(4,373)
Interest collected	12
Corporate income tax paid	(28)
CASH FLOWS FROM INVESTING ACTIVITIES	**(595,277)**
Amounts paid on investments	**(597,233)**
Group companies, net of cash in consolidated companies	(519,915)
Investment property	(76,826)
Other financial assets	(492)
Amounts collected from divestments	**1,956**
Other financial assets	1,956
CASH FLOWS FROM FINANCING ACTIVITIES	**702,618**
Collections and payments, equity instruments:	**625,213**
Issuance of equity instruments	625,213
Collections and payments, financial liability instruments	**77,405**
Issuance:	
Bank borrowings	282,614
Other payables	433
Repayment and redemption of:	
Bank borrowings	(205,205)
Other payables	(437)
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	**15,947**
Cash and cash equivalents at beginning of the year	60
Cash and cash equivalents at year-end	16,007

Notes 1 to 21 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2021.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021
(Thousand euro)

1. General information

The Bankinter Logística Group operates in the real estate industry and engages primarily in the acquisition, construction, development and leasing of properties.

The Group's parent company is Bankinter Logística, S.A., with registered office at Calle Felipe San Clemente 26, piso 3, Zaragoza. The parent company was incorporated in Madrid as a public limited company ("sociedad anónima") in the formation deed authorised by a notary public on 30 March 2021.

The parent company's objects encompass the acquisition and development of municipal properties for leasing.

As indicated in Note 2.f, on 14 May 2021 Bankinter Logística, S.A. acquired all the shares in the company Montepino Logística, S.L., the parent of a group of companies operating in the real estate logistics sector.

For the purposes of preparing the consolidated annual accounts, a group is understood to exist when the parent company has one or more subsidiaries, i.e. companies over which the parent has direct or indirect control. The principles applied in the preparation of the Group's consolidated annual accounts, together with the consolidation scope, are set out in Note 4. Although the Group is not required to issue consolidated annual accounts based on its size in accordance with prevailing legislation, these consolidated annual accounts are issued voluntarily and will be filed at the Zaragoza Commercial Registry.

The Group comprises the above-mentioned parent company and 11 subsidiaries, all 100%-controlled by the parent company. Appendix I provides a list of subsidiaries and related information.

All the annual accounts of the Group companies used in the consolidation process relate to the financial year ended 31 December 2021. Adjustments were made to the income statements in each company's annual accounts so as to adapt them to the period between the creation of the Group and the year-end, 31 December 2021.

In view of the Group's current activities, there are no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its equity, financial situation and results. For this reason, no specific disclosures are provided in these notes to the consolidated annual accounts regarding environmental matters.

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The presentation and functional currency of the parent company and the subsidiaries is the euro.

2. Basis of presentation of the consolidated annual accounts

a) Fair presentation

The consolidated annual accounts were prepared on the basis of the accounting records of Bankinter Logística S.A. and of the subsidiaries included in the scope of consolidation, and have been drawn up in accordance with the financial reporting regulatory framework described at the end of this note so as to present fairly the Group's consolidated equity and financial situation at 31 December 2021 and the consolidated results of its operations, changes in consolidated equity and consolidated cash flows for the year then ended.

As the accounting principles and measurement methods used in preparing the Group's consolidated annual accounts for 2021 may differ from those used by some of the Group companies, the required adjustments and reclassifications were made on consolidation to unify the principles and methods used and to bring them into line with the IFRS adopted by the European Union.

The parent company's accounting principles and standards were applied to all the companies included in the consolidation scope in order to ensure the uniform presentation of the items making up the consolidated annual accounts.

These consolidated accounts are presented in accordance with prevailing commercial legislation set forth in the reformed Spanish Code of Commerce introduced under Law 16/2007 of 4 July on the reform and adaptation of accounting legislation for international harmonisation under the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

b) Critical measurement issues and estimates of uncertainty

The preparation of annual accounts requires the use by the Group of certain estimates and judgements in relation to the future that are assessed constantly and are based on historical experience and other factors, including expectations of future events considered reasonable under the circumstances.

Although the estimates considered are based on the best information available at the preparation date of these consolidated annual accounts, any future changes to the estimates will be applied prospectively as from that time, recognising the effect of the change to the estimate in the consolidated income statement for the year in question.

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The main estimates and judgements considered when preparing the consolidated annual accounts refer to:

- Market value of assets acquired in business combinations (Note 2.f).

- Market value of the Group's real estate assets (Note 7). The Group obtained independent expert valuations at 31 December 2021.

- Recovery of deferred tax assets and the tax rate applicable to temporary differences (Note 4.5).

The fair value was obtained from periodic independent expert valuations. These valuations were carried out at 31 December 2021 using the methods described in Note 4.4.

c) Grouping of items

For clarity, the items presented in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement are grouped together and, where necessary, a breakdown is included in the relevant notes to the consolidated annual accounts.

d) Comparability

Pursuant to IFRS 1 and as this is the first year in which consolidated annual accounts are issued under IFRS, the Bankinter Logística Group having been formed in 2021 (Note 1), the consolidated annual accounts are issued without comparative information.

e) Functional and presentation currency

These consolidated annual accounts are presented in the Group's functional currency, the euro, which is the currency of the Group's primary economic environment.

f) Business combinations

The following business acquisitions were completed as part of the parent company's investment strategy in the real estate logistics sector:

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Montepino Group

On 14 May 2021, the Group's parent company Bankinter Logística, S.A. acquired all the share capital of Montepino Logística, S.L. at an acquisition cost of €518,747 thousand and incurred transaction costs of €581 thousand that were taken to the consolidated income statement for the period 30 March to 31 December 2021, in accordance with the applicable regulatory framework. Montepino Logística, S.L. in turn owns 100% of the share capital of a number of companies listed at the end of this section. Control was acquired by means of a cash disbursement for the full amount.

The business combination to acquire control through 100% ownership interests in the companies included in the transaction, the breakdown of the assets and liabilities acquired and movements in cash funds are set out below:

Fair value	**Thousand euro**
Investment property	741.133
Long-term financial investments	4.923
Deferred tax assets	3.933
Inventories	4
Receivables	4.077
Short-term financial assets	835
Prepayments and accrued income	211
Cash and cash equivalents	4,846
Assets acquired	**759,962**
Borrowings and other financial liabilities	(270,089)
Deferred tax liabilities	(67,130)
Payables	(1,918)
Accruals and deferred income	(918)
Liabilities acquired	**340,055**
Net assets acquired	**419,907**
Purchase consideration	518,747
Fair value of net assets acquired	(419,907)
Goodwill	**98,840**

Movements in cash funds on the transaction date are as follows:

	Thousand euro
Purchase consideration	518,747
Cash and cash equivalents	(4,846)
Cash outflow/(inflow) on the acquisition	513,901

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The goodwill resulting from the acquisition reflects the future profitability of the business acquired, including the purchase consideration, which exceeds the fair value of the assets and liabilities acquired. Any impairment of the goodwill in the future will not be tax deductible.

The only difference between the carrying amounts and fair values relates to the investment property and the corresponding tax effect, fair value having been determined on the basis of independent expert valuations at 31 May 2021 in the various locations, which has therefore been adapted to reflect the date of the business combination. The discounted cash flow (DCF) method was used to determine the fair value of the assets acquired, following the RICS (Royal Institution of Chartered Surveyors) standards, as indicated in Note 4.3.

The analysis of the business combination, as well as the process for allocating the price paid to the assets and liabilities acquired, is practically complete and no significant changes are expected therein.

The acquired business contributed €13,906 thousand in revenues and €29,998 thousand in profits to the Group for the period 14 May 2021 to 31 December 2021. Had the acquisition been made on 30 March 2021, the parent company's incorporation date, revenues and profits for the period contributed by the companies to the Group would have amounted to €16,185 thousand and €38,266 thousand, respectively. The above figures include Logística Ruiseñor, S.L., which was acquired by Montepino Logística, S.L. on 30 June 2021. Its individual figures are shown below in this note.

In addition, as the Montepino Logística Group was operational as from 1 January, the following theoretical figures are reported in view of their relevance, reflecting its consolidated income statement for the 12-month period, i.e. 1 January to 31 December 2021: revenue: €21,099 thousand; operating loss before change in fair value of investment property: €(22,780) thousand; change in fair value of investment property: €113,353 thousand; and consolidated profit for the year: €49,089 thousand. The above figures include the amounts contributed by Logística Ruiseñor, S.L. as from 30 June 2021, when it was acquired by Montepino Logística, S.L.

Logística Ruiseñor

On 30 June 2021, the subsidiary Montepino Logística, S.L. acquired all the share capital of Logística Ruiseñor, S.L.U., which in turn owns 100% of the share capital of Chacailo ITG, S.L., at an acquisition cost of €6,130 thousand that was fully paid in cash.

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The business combination to acquire control through 100% ownership interests in the companies included in the transaction, the breakdown of the assets and liabilities acquired and movements in cash funds are set out below:

Fair value	Thousand euro
Investment property	43,794
Inventories	14
Deferred tax assets	388
Receivables	133
Cash and cash equivalents	116
Assets acquired	**44,445**
Borrowings and other financial liabilities	(29,378)
Deferred tax liabilities	(5,570)
Payables	(5)
Liabilities acquired	**(34,953)**
Net assets acquired	**9,492**
Purchase consideration	6,130
Fair value of net assets acquired	(9,492)
Negative consolidation difference	**(3,362)**

Movements in cash funds on the transaction date are as follows:

	Thousand euro
Purchase consideration	6,130
Cash and cash equivalents	(116)
Cash outflow/(inflow) on the acquisition	**6,014**

The combination gave rise to a negative consolidation difference recognised in the consolidated income statement in accordance with the applicable regulatory framework. The difference is explained by the fact that the acquired company's fair value was higher than the acquisition price, thanks to the Group's negotiating capacity and to development potential.

The analysis of the business combination, as well as the process for allocating the price paid to the assets and liabilities acquired, is practically complete and no significant changes are expected therein.

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The fair value of investment properties is based on independent expert valuations carried out at 30 June 2021, the date of the business combination, this heading and the corresponding deferred tax liability being the only difference between the carrying amounts and fair values. The discounted cash flow (DCF) method was used to determine the fair value of the assets acquired, following the RICS (Royal Institution of Chartered Surveyors) standards, as indicated in Note 4.4.

The acquired business contributed revenues of €0 thousand and profits of €5,423 thousand, respectively, to the Group for the period 30 June 2021 to 31 December 2021. Had the acquisition been made on 30 March 2021, revenues and profits for the period contributed by Logística Ruiseñor to the Group would have amounted to €0 thousand and €5,334 thousand, respectively. These results are due to the change in the fair value of investment property during the period.

Internal Group restructuring

Set out below are details of the companies that were wholly owned by Montepino Logística, S.L. at the date of the business combination referred to previously:

Montepino Logística CLI 1, S.L.U.
Montepino Logística Fuentemar, S.L.U.
Montepino Logística Torija, S.L.U.
Montepino Logística Toledo, S.L.U.
Montepino Logística Romero, S.L.U.
Montepino Logística Industria, S.L.U.
Montepino Logística Guadalajara 2, S.L.U.
Montepino Logística Marchamalo 2, S.L.U.
Montepino Logística Ontina, S.L.U.
Montepino Logística Barcelona, S.L.U.
Montepino Logística Cabanillas, S.L.U.
Montepino Logística Guadalajara, S.L.U.
Montepino Logística Sant Esteve, S.L.U.
Montepino Logística Castellbisbal, S.L.U.
Montepino Logística Coslada 2, S.L.U.
Montepino Logística Málaga, S.L.U.
Montepino Logística Marchamalo III, S.L.U.
Montepino Logística San Fernando, S.L.U.
Montepino Logística Illescas, S.L.U.

The following mergers were completed following the business combination date:

- The merger of Montepino Logística, S.L. into the Group's parent company Bankinter Logística, S.A. was approved on 9 December 2021.

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- The merger of the companies Montepino Logística CLI1, S.L., Montepino Logística Cabanillas, S.L., Montepino Logística Guadalajara, S.L., Montepino Logística Marchamalo II and Montepino Logística Marchamalo III, S.L. into Montepino Logística Toledo, S.L. was approved on 18 November. Montepino Logística Toledo, S.L.'s business name was also changed to Montepino Big Box, S.L. (Sociedad Unipersonal) on 18 November.

- The merger of the companies Montepino Logística Romero, S.L., Montepino Logística Industria, S.L., Montepino Logística Ontina, S.L., Montepino Logística Fuentemar, S.L, Montepino Logística Castellbisbal, S.L. and Montepino Logística San Fernando, S.L. into Montepino Logística Sant Esteve, S.L. was approved on 18 November. Montepino Logística Sant Esteve, S.L.'s business name was also changed to Montepino Last Mile, S.L. (Sociedad Unipersonal) on 18 November.

- In addition, the merger of Logística Ruiseñor, S.L. into Chacailo ITG, S.L. was approved on 18 November.

Appendix I includes the Group's subsidiaries at 31 December 2021.

3. List and summary of standards, amendments to standards and interpretations published to date

3.1 Standards, amendments and interpretations mandatory for all years commencing on or after 1 January 2021

The Group has first-time adopted the following standards and amendments in the financial year beginning 30 March 2021:

- IFRS 4 (Amendment) "Extension of the temporary exemption from applying IFRS 9"
- Interest rate benchmark reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.
- IFRS 16 (Amendment) "Covid-19-related rent concessions beyond 30 June 2021"

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3.2 Standards, amendments and interpretations which have not yet come into effect but which may be adopted early

The Group also opted to early-adopt the following amendments:

- IAS 16 (Amendment) "Property, plant and equipment: proceeds before intended use".
- IAS 37 (Amendment) "Onerous contracts: cost of fulfilling a contract".
- IFRS 3 (Amendment) "Reference to the Conceptual Framework".
- Annual IFRS improvements. Cycle 2018 – 2020 and
- IFRS 17 "Insurance contracts".

The above-mentioned amendments did not have a material effect during the year and are not expected to have a material effect in future years.

3.3 Standards, interpretations and amendments to existing standards that cannot be early adopted or have not been adopted by the European Union

- IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associate or joint venture".
- IAS 1 (Amendments) "Classification of liabilities as current or non-current".
- IAS 1 (Amendment) "Disclosure of accounting policies".
- IAS 8 (Amendment) "Definition of accounting estimates".
- IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction".
- IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 — Comparative information".

These standards, amendments and interpretations are not expected to have a material impact on the Company in future years or on forthcoming transactions.

4. Accounting policies

4.1. Consolidation principles and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed, or entitled, to variable returns from its involvement in the investee and has the capacity to influence these returns through the power to direct the entity's activities. Subsidiaries are consolidated as from the date control is transferred to the Group. They are deconsolidated as from the date such control ceases.

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The purchase method of accounting is used to recognise the Group's business combinations.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Where necessary, the subsidiaries' accounting policies are brought into line with the policies adopted by the Group for consistency.

Non-controlling interests in the profit/(loss) and equity of subsidiaries are shown separately in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated balance sheet, respectively.

b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case when the Group holds between 20% and 50% of voting rights. Investments in associates are equity accounted (see 4.1.4) below) after being initially recognised at cost.

The Group has no investees classed as associates.

c) Equity method

Under the equity method, investments are initially recognised at cost and are subsequently adjusted to recognise in the income statement the Group's share of the investee's post-acquisition profits or losses, as well as to recognise in the statement of other comprehensive income the Group's portion of movements in the investee's other comprehensive income. Dividends received or receivable from associates and joint ventures are carried as a reduction in the investment's carrying amount.

When the Group's share of losses on an investment carried under the equity method is equal to or exceeds its shareholding in the entity, including any other unsecured long-term receivable, the Group does not recognise additional losses, unless obligations have been incurred or payments have been made on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of equity-accounted investees are changed when necessary to ensure consistency with the policies adopted by the Group.

The impairment of equity-accounted investments is analysed following the policy described in Note 4.8.

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d) Changes in ownership interests

The Group reflects transactions with non-controlling interests that do not result in the loss of control as transactions with the Group's equity holders. A change in an ownership interest gives rise to an adjustment to the carrying amounts of controlling and non-controlling interests to reflect their relative shareholdings in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate equity reserve attributable to the owners of Bankinter Logística, S.A.

When the Group discontinues consolidation or equity consolidation of an investment due to the loss of control, joint control or significant influence, any interest retained in the entity is remeasured to fair value, recognising the change in the carrying amount in the income statement. This fair value then becomes the initial carrying amount for the purposes of the subsequent recognition of the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amount previously recognised in other comprehensive income in relation to the entity concerned is recorded as if the Group had directly disposed of the related assets or liabilities. This could entail that the amounts previously recognised in other comprehensive income are reclassified to the income statement.

If its ownership interest in a joint venture or associate is reduced but joint control or significant influence is retained, only the proportionate part of the amounts previously recognised in other comprehensive income is reclassified to the income statement, if appropriate.

e) First-time consolidation differences

The subsidiary's assets and liabilities are measured at their fair values at the date of acquisition. Any excess of the acquisition cost over the fair values of the net identifiable assets acquired is recognised as goodwill. In the event of a shortfall in the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a bargain purchase), the values of the net assets are reviewed and, if applicable, the shortfall is taken to the income statement during the acquisition period.

f) Consolidation scope

Appendix I to the consolidated annual accounts provides details of the Group companies and consolidation methods at 31 December 2021.

g) Covid-19 health crisis

The Covid pandemic has had a significant impact on the economy as a whole in both domestic and global markets.

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In view of the type of properties, the categories of tenants and the logistics sector in which it operates, no significant effects have arisen or are expected as a result of this situation. It should also be noted that the independent expert valuations at both 31 December 2021 (Note 7) and the dates of the business combinations (Note 4.2.) include no uncertainty in relation to this matter.

4.2 Business combinations

Business combinations are accounted for using the acquisition method.

The cost of the business combination is allocated at the acquisition date by recognising the assets, liabilities and contingent liabilities of the acquired company at fair value, provided the applicable requirements of IFRS 3 are met. The positive difference between the cost of the business combination and the acquired company's assets, liabilities and contingent liabilities allocated is recognised as goodwill, which therefore represents the advance payment made by the Group for future economic benefits derived from the assets that have not been individually and separately identified and recognised.

Any negative difference between the cost of the business combination and the acquired company's assets, liabilities and contingent liabilities allocated is taken to the income statement for the year it is incurred.

In a step acquisition, the acquiring company will remeasure its interest in the acquired company's equity previously recognised at fair value on the acquisition date and will take any resulting gains or losses to the consolidated income statement.

Goodwill impairment

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently where there are events or changes to circumstances indicating that it may have become impaired. An impairment loss is recognised in 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. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash inflows that are largely independent from the cash inflows of other assets or groups of assets (cash-generating units).

4.3 Investment property

The consolidated balance sheet heading "Investment property" reflects the values of land, buildings and other installations held for rent or to obtain a capital gain on their sale as a result of future increases in market prices.

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Investment property is recognised at fair value at the year-end and is not depreciated annually.

Gains or losses arising from changes in the fair value of investment property are taken to the consolidated income statement for the period in which they arise under "Changes in fair value of investment property". Such gains or losses are not included in operating profit/(loss) since the value changes are not directly related to the management of the Group's affairs.

The transfer from investment property in course of construction to investment property takes place when the assets are ready for use.

The Group calculates the fair value of investment property periodically in accordance with IAS 40. This fair value is determined taking into account the valuations carried out by an independent third-party expert (Savills Aguirre Newman) at the consolidated balance sheet date such that, at the end of each period, fair value reflects the market conditions applicable to the investment properties at that date. The independent expert valuation reports only contain the usual disclaimers and/or limitations on the scope of the findings of the valuations carried out, which refer to the acceptance of the information provided by the Group as complete and correct.

The method used to determine the market value of the Group's investment property in 2021 is the discounted cash flow (DCF) method, following the RICS (Royal Institution of Chartered Surveyors) standards.

Unless the specific features of an investment indicate otherwise, the DCF method is applied over a 10-year horizon, in line with customary market practice. Cash flows are calculated month-by-month over the study period so as to reflect CPI increases and the schedule of rent reviews, lease expiration, etc.

CPI increases are usually based on generally accepted forecasts.

As the valuer cannot be certain of the occurrence or duration of void periods following lease expiry, the forecast is based on the building's quality and location, and an average lease term is generally used if no information is available on each tenant's future intentions. The specific circumstances relating to vacancy periods and other factors are explained in each valuation.

The final yield or Terminal Capitalisation Rate (TCR) used in each case refers not only to the market conditions forecast at the end of each cash flow period but also to the lease terms and the building's physical state, taking into account any betterments planned for the property and included in the analysis.

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The properties were valued individually considering each of the leases in force at the year-end. Vacant areas in buildings were valued on the basis of estimated future rent, discounting a marketing period.

The key variables are net income, the period of time in which the income is discounted, the approximate value calculation carried out at the end of each period and the target internal rate of return used to discount the cash flows.

Estimated yields depend primarily on the type, age and location of the properties, the market situation, the asset's technical quality, type of tenant and level of occupancy, among other factors considered by the independent experts.

Set out below is a breakdown of the yields and assumptions employed to estimate growth in forecast flows for 2021:

Exit Yields (%)	**2021**
Central zone – Prime Yield	
Operational logistics buildings	3.99% - 4.75%
Logistics buildings under construction	4.25% - 4.40%
Catalonia	
Operational logistics buildings	4% - 4.25%
Logistics buildings under construction	4% - 4.25%
Other	
Operational logistics buildings	5.50%
Logistics buildings under construction	4% - 5%
Discount rate	2021
Central zone – Prime Yield	
Operational logistics buildings	4.00% -6.25%
Logistics buildings under construction	6.00% -8.50%
Catalonia	
Operational logistics buildings	5.25%
Logistics buildings under construction	5.75% - 6.75%
Other	
Operational logistics buildings	6.00%-6.75%
Logistics buildings under construction	6.00% -8.50%

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Rent increase (%)	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
Central zone					
Operational logistics buildings	0.81	4.16	6.77	6.78	2.51
Logistics buildings under construction	0.00	0.27	1.33	1.41	1.93
Catalonia					
Operational logistics buildings	0.00	0.93	1.07	1.13	2.50
Logistics buildings under construction	0.00	1.40	1.60	1.70	1.98
Other					
Operational logistics buildings	0.00	1.41	1.60	1.70	2.75
Logistics buildings under construction	0.00	0.47	1.56	1.68	1.70

When lease commitments have already been signed for projects under construction, the agreed rent and all investments and costs yet to be incurred are taken into consideration. Where there are no lease commitments, market rent is used based on comparables.

A change of 0.25% in yields has the following effect on the valuations used by the Group to calculate the value of its investment property at 31 December 2021:

Sensitivity of the valuation to 0.25% yield changes	Valuation	Decrease	Increase
December 2021	909,866	63,205	(64,793)

4.4 Financial assets

4.4.1 Trade receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less the provision for impairment.

4.4.2 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- financial assets at amortised cost,
- financial assets at cost and
- financial assets at fair value through equity.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments on initial recognition and, in the case of held-to-maturity investments, reassesses the classification at each consolidated balance sheet date.

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b) Reclassification

The Group may opt to reclassify a held-for-trading non-derivative financial asset out of the held-for-trading category if the financial asset is no longer held for sale in the immediate future. Financial assets other than loans and receivables may be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to be repeated in the near future. The Group may also opt to reclassify financial assets that would meet the definition of loans and receivables outside the held-for-trading or available-for-sale categories if the Group has the intention and capacity to hold the financial assets in the immediate future or to maturity on the reclassification date.

Reclassifications are effected at the fair value on the reclassification date. The fair value becomes the new cost or amortised cost, as appropriate, and no fair value gain or loss recognised before the reclassification date will be subsequently reversed. Effective interest rates for financial assets reclassified to loans and receivables and held to maturity are determined on the reclassification date. The effective interest rates are adjusted prospectively to account for additional increases in estimated cash flows.

c) Recognition and derecognition

Conventional purchases and sales of financial assets are recognised at the trade date, this being the date the Group undertakes to purchase or sell the asset. Financial assets are derecognised when they expire or the rights to receive cash flows from the financial assets are assigned and the Group has transferred substantially all the risks and rewards of ownership.

When securities carried as available for sale are sold, cumulative fair value adjustments recognised in other comprehensive income are reclassified to the income statement as gains or losses on the investment.

d) Valuation

A financial asset is initially recognised by the Group at its fair value plus, in the case of a financial asset not recognised at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Loans and receivables and investments held to maturity are subsequently measured at amortised cost using the effective interest method.

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Available-for sale financial assets and financial assets at fair value through profit or loss are subsequently measured at fair value. Unrealised gains or losses resulting from fair value changes are recognised as follows:

- for "financial assets at fair value through profit or loss" – in the income statement for the year under other income or other expenses;
- in the case of available-for-sale financial assets that are monetary instruments denominated in foreign currencies – translation differences related to changes in the amortised cost of the instrument are recognised in the income statement for the year and other changes in the carrying amount are recognised in other comprehensive income;
- for other monetary and non-monetary instruments carried as available for sale – in other comprehensive income.

Dividends from financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in the income statement for the year as part of revenue from continuing activities when the Group's right to receive payment is established.

Interest income from financial assets at fair value through profit or loss is included in net gains/(losses). Interest from available-for-sale instruments, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the income statement as part of revenue from continuing activities.

e) Impairment losses

The Group assesses expected credit losses associated with its assets at amortised cost and at fair value through consolidated profit or loss on a prospective basis. The impairment method applied depends on whether there has been a significant increase in credit risk.

For trade receivables, given the composition of the Group's portfolio, formed by companies of recognised prestige and proven financial standing, and the low level of bad debt write-offs, impairment losses on these financial assets are deemed to be immaterial.

The Group assesses expected credit losses associated with its assets at amortised cost and at fair value through consolidated profit or loss on a prospective basis. The impairment method applied depends on whether there has been a significant increase in credit risk.

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For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires losses expected over the life of the receivables to be recognised at the time they are initially recorded, although the effect is immaterial given the characteristics of the tenants, all of which are highly solvent companies.

4.5 Income tax

The income tax expense or credit for the year is the tax payable on the tax base for the current year at the tax rate applicable in each jurisdiction, adjusted for changes to deferred tax assets and liabilities attributable to temporary differences and to tax losses not utilised.

Current income tax expense is calculated on the basis of laws enacted or substantively enacted at the balance sheet date in the countries where the entity's subsidiaries and associates operate and generate taxable income. Management periodically evaluates stances adopted in tax returns with respect to situations in which applicable tax legislation is subject to interpretation. Provisions are posted, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred taxes are also not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither reported results nor taxable results. Deferred income tax is determined applying tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to be applicable when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax liability related to a property investment carried at fair value is determined assuming the taxable gain that would be generated in the event of the sale of the assets.

Deferred tax assets are recognised only if future taxable income is likely to be available to use the losses and temporary differences.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current and deferred tax assets and liabilities, and when the deferred tax balances relate to the same tax authorities. Current tax assets and liabilities are offset when the entity has a legally enforceable offset right and intends to settle the net amount or to realise the asset and settle the liability simultaneously.

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Current and deferred tax is recognised in the income statement for the year, unless the tax relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

4.6 Leases

In accordance with IFRS 16, leases are classified as finance leases when on the basis of the terms of the lease it may be inferred that all the risks and rewards of ownership of the leased asset have been transferred to the lessee. All other leases are classified as operating leases. The Group is not the lessee under any significant leases at 31 December 2021.

When the Group is the lessor, operating lease revenues are recognised on a straight-line basis over the lease term and the initial direct costs incurred when arranging the operating leases are taken to the consolidated income statement on a straight-line basis over the minimum term of the lease. The minimum lease term is the period from inception to the first lease renewal option date.

4.7 Asset impairment losses

Goodwill has an indefinite useful life, is not amortised and is tested annually for impairment (Note 4.2). Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised in 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. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash inflows that are largely independent from the cash inflows of other assets or groups of assets (cash-generating units). Impairment losses on non-financial assets (other than goodwill) are reviewed for possible reversal at the end of each reporting period.

4.8 Cash and cash equivalents

As presented in the cash flow statement, cash and cash equivalents include petty cash, demand deposits in financial institutions, other short-term highly-liquid investments with an original maturity of three months or less that are easily convertible into specific amounts of cash and are exposed to an insignificant risk of value changes, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are included under borrowings in current liabilities.

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4.9 Equity

Ordinary shares are classed as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.10 Financial liabilities

a) Trade and other payables

These amounts relate to liabilities for goods and services provided to the Group to the end of the financial year for which payment is pending. They are unsecured and are usually settled at 30 days as from recognition. Trade and other payables are presented as current liabilities unless payment does not fall due within 12 months as from the balance sheet date. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

b) Borrowings

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayment value is recognised in the income statement over the life of the borrowings using the effective interest method. Loan arrangement fees are recognised as transaction costs provided that it is probable that a part or all of the credit facility will be utilised. In this case, the fees are deferred until the facility is utilised. Insofar as there is no evidence that all or part of the credit line will probably be utilised, the fee is capitalised as an advance payment for liquidity services and is amortised over the period during which the facility is available.

Borrowings are written off the balance sheet when the obligation specified in the contract has been paid or settled or has expired. The difference between the carrying amount of a financial liability that has been repaid or assigned and the consideration paid, including any asset assigned other than the cash or liability assumed, is taken to the income statement for the year as other financial income or expense.

When the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to settle all or part of the liability (debt/equity swap), a gain or loss is recognised in the income statement for the year in the amount of the difference between the financial liability's carrying amount and the fair value of the equity instruments issued.

Borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement for at least 12 months as from the consolidated balance sheet date.

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In the event of the renegotiation of existing debts, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of cash flows, including net fees, is not more than 10% higher or lower than the present value of cash flows payable on the original liability, calculated using the same method.

4.11 Estimation of the fair value of financial instruments

Financial instruments measured at fair value following initial recognition are classified in levels one to three based on the extent to which fair value is observable:

- Level 1: prices are quoted (unadjusted) on active markets for identical assets or liabilities.

- Level 2: inputs other than the quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: measurement techniques using asset or liability input that is not based on observable market data (non-observable input).

The financial instruments measured at fair value are derivative financial instruments (Note 4.12).

Note 7 includes information on the fair value measurement of investment property.

4.12 Derivative financial instruments

Financial derivatives are measured at fair value at both initial recognition and subsequent measurement. Resulting gains or losses are recognised depending on whether or not the derivative has been designated as a hedging instrument and, if so, on the type of hedge. The Group only recognises cash flow hedges stabilising the impact of variable borrowing rates on the income statement.

Cash flow hedges:

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is transitionally recognised in equity. It is taken to the consolidated income statement in the periods in which the forecast hedged transaction affects results, unless the hedge relates to a forecast transaction resulting in the recognition of a non-financial asset or liability, in which case the amounts reflected in equity are included in the cost of the asset or liability when it is acquired or assumed.

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Hedging instruments are measured and accounted for by nature insofar as they are not or are no longer effective hedges (Note 12).

4.13 Revenue recognition

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed.
However, the Group recognises accrued revenue and all necessary associated expenses, following the principles contained in the IFRS-EU conceptual framework.

Interest income accrues on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

Property leases

In accordance with IFRS 16, leases are classified as finance leases when on the basis of the terms of the lease it may be inferred that all the risks and rewards of ownership of the leased asset have been transferred to the lessee. All other leases are classified as operating leases. All the Group's leases are classed as operating leases at 31 December 2021.

Operating lease revenue is recognised on a straight-line basis over the lease term.

The minimum lease term is the period from inception to the earliest possible termination date.

Specific lease terms and conditions: rent incentives

Leases include certain specific terms and conditions relating to incentives or rent-free periods offered by the Group to customers. The Group recognises the aggregate cost of incentives granted as a reduction in lease revenue. The effects of rent-free periods are recognised over the minimum term of the lease on a straight-line basis.

Indemnities paid by tenants to terminate leases before the end of the minimum term are recognised as income in the consolidated income statement on the due date.

4.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during period necessary to complete and prepare the asset for its intended use or sale. Qualifying assets are those that necessarily require a substantial period of time before they are ready for their intended use or sale.

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Returns obtained from the temporary investment of specific loans pending their application to the qualifying assets are deducted from borrowing costs able to be capitalised.

Other borrowing costs are expensed in the income statement for the year in which they are incurred.

4.15 Provisions

Provisions for legal claims, service guarantees and performance obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation, and the amount may be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required to settle the obligations is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the disbursement required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.16 Related-party transactions

In general, transactions between related parties are initially recognised at fair value. In this case, if the price agreed upon differs from fair value, the difference is recognised in accordance with the economic substance of the transaction. These transactions are subsequently measured in accordance with the corresponding regulations.

4.17 Foreign currency transactions

The Group's functional currency is the euro. Transactions in currencies other than the euro are thus deemed to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At the year end, monetary assets and liabilities denominated in foreign currency are translated applying the exchange rates in force at the consolidated balance sheet date. Gains or losses are taken directly to the consolidated income statement in the period in which they arise.

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4.18 Current assets and liabilities

The Group classifies assets and liabilities as current and non-current in the consolidated statement of financial position. Current assets or liabilities are described below:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within 12 months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least 12 months after the reporting date.

- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- Derivative financial instruments not held for trading are classified as current or non-current based on the maturity or periodic settlement period.

4.19 Environment

The Group carries out transactions whose main purpose is to prevent, reduce or repair the environmental damage resulting from its operations.

Expenses deriving from environmental activities are recognised as operating expenses in the year in which they are incurred. However, the Group's business, by nature, does not have any significant environmental impact.

4.20 Consolidated statement of comprehensive income

In accordance with the options provided by IAS 1, paragraph 81, the Group has opted to present separately a statement showing the components of consolidated profit/(loss) ("consolidated income statement") and a second statement which, based on consolidated profit/(loss) for the year, shows the components of other income and expenses for the year recognised directly in equity ("consolidated statement of recognised income and expense"). The "statement of recognised income and expense" presents the income and expenses generated by the Group's business during the year, distinguishing those recognised in the consolidated income statement for the year from other income and expenses taken directly to consolidated equity in accordance with prevailing legislation. For income and expenses recognised directly in equity, those that will not be reclassified to the income statement are distinguished from those that may be reclassified to the income statement. In general, income and expenses recognised directly in equity are presented gross and the corresponding tax effect is reflected under "corporate income tax".

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4.21 Consolidated cash flow statement

In the consolidated cash flow statement, prepared under the indirect method, the terms employed have the following meanings:

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly-liquid investments with no significant risk of value changes.

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly-liquid investments with no significant risk of value changes.

- Investing activities: acquisition, sale or disposal by other means of long-term 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 of liabilities and do not form part of operating activities.

5. Financial risk management

a) Financial risk factors

The Group's activities are exposed to various types of financial risk: market risk (price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the companies' financial performance.

Risk management is controlled by the Administration Departments in accordance with policies approved by the Board of Directors, providing guidelines for overall risk management and for specific areas such as foreign exchange risk, interest rate risk, liquidity risk and investment of cash surpluses.

b) Liquidity risk

The companies apply a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities, as well as sufficient financing through credit facilities, to settle market positions.

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c) Interest rate risk

As the Group has no significant interest-bearing assets, income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from non-current borrowings. Floating rate borrowings expose the Group to cash flow interest rate risk. Fixed interest rate borrowings expose the Group to fair value interest rate risks.

The Group analyses its exposure to interest rate risk dynamically. A simulation is performed of various scenarios, taking into account refinancing, renewal of current positions, alternative financing and hedging. On the basis of these scenarios, the Group calculates the effect on results of a certain fluctuation in the interest rate. For each simulation, the same interest rate fluctuation is used for all currencies. Scenarios are only simulated for liabilities representing the most significant interest-bearing positions.

On the basis of the different scenarios, the Group manages the cash flow interest rate risk through variable-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting variable interest borrowings to fixed interest borrowings. Generally the Group obtains long-term borrowings at variable interest rates and swaps them for borrowings at fixed interest rates which are lower than those which would be available if the Group obtained borrowings directly at fixed interest rates. Under interest rate swaps, the Group undertakes with other parties to exchange, on a regular basis, the difference between fixed and variable interest calculated on the basis of the principal notional amounts contracted.

6. Goodwill on consolidation

Set out below is a breakdown goodwill at 31 December 2021:

			Euro
	Arising in	**Initial amount**	**Balance at 31.12.2021**
Montepino Logística	14-05-2021	98,840	98,840
		98,840	**98,840**

The goodwill on consolidation arose from the business combination described in Note 2.f in the amount of €98,840 thousand.

At the year-end, the Group analysed the recoverability of the cash-generating unit to which the goodwill was allocated. An analysis was performed to identify the recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use. Fair value is defined as the price for which a business could be sold between knowledgeable parties in a transaction effected at arm's length.

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The recoverable amount of the cash-generating unit determined in this way is compared with the carrying amount. Where the recoverable amount is below the carrying amount, an irreversible impairment loss is recognised in the consolidated income statement. Where the recoverable amount cannot be reliably estimated (generally because the company does not operate in an organised financial market), other measurement methods are used.

The recoverability analysis undertaken by the Group identified a fair value well above the carrying amount of the cash-generating unit. The fair value calculation took into account the following variables, other than the fair values of the real estate assets themselves (Note 7):

- Increase in fair value of the asset portfolio as a whole with respect to the sum of the individual values of the assets, given the synergies and positioning in the domestic logistics market; and

- Additionally, the portfolio of opportunities in progress was valued at year-end 2021 based on cash flow projections for a 10-year period, assuming 2% annual growth and using the final cash flow to calculate the end value assuming perpetual income. Both figures were also discounted at a rate of 5%.

Considering the three variables described above, the fair value obtained is well above the CGU's carrying amount and therefore there are currently no reasonably possible changes to those variables that could cause the impairment of the goodwill on consolidation.

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7. Investment property

Set out below is an analysis of investment property showing movements and taking into account the increase in fair value:

Thousand euro

	Land	Buildings	Installations	Investment property in course of construction	Total
Balance at 30.03.2021	-	-	-	-	-
Cost	-	-	-	-	-
Incentives	-	-	-	-	-
Change in fair value	-	-	-	-	-
Carrying amount	-	-	-	-	-
Business combination (cost)	101,856	423,515	18,411	229,255	773,037
Business combination (incentives)	-	11,890	-	-	11,890
Additions	11,621	7,695	751	70,481	90,548
Cost transfers	15,395	13,666	1,090	(30,151)	-
Other movements (incentives)	-	961	-	-	961
Change in fair value	-	13,625	-	33,566	47,191
Fair value transfer		6,467	-	(6,467)	-
Balance at 31.12.2021	**128,872**	**477,819**	**20,252**	**296,684**	**923,627**
Cost	128,872	444,876	20,252	269,585	863,585
Incentives	-	12,851	-	-	12,851
Change in fair value	-	20,092	-	27,099	47,191
Carrying amount	**128,872**	**477,819**	**20,252**	**296,684**	**923,627**

At year-end 2021, accrued rent not yet collected due to the linearisation of rent-free periods is recognised as an increase of €12,851 thousand in the value of investment property (Note 4.13), adjusted as a fair value reduction in the capital gain.

As regards 2021 additions, €11,621 thousand relates to the acquisition of plots of land, €19,805 thousand to other capitalisable costs and €59,122 thousand to progress billings. No interest was capitalised in 2021.

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Advance payments on future projects are recognised at the year-end in the amount of €13,761 thousand and are not carried at fair value because they do not relate to properties owned by the Group. Accordingly, real estate assets carried at fair value amount to €909,866 thousand, relating almost entirely to the logistics sector and classified on level 3 of the fair value hierarchy (Note 4.11). Note 4.3 identifies the main valuation input used by an independent expert and a sensitivity analysis based on changes in the main variables.

At 31 December 2021, there are 27 projects, 11 of which generated monetary rent totalling €12,079 thousand in 2021, as well as lease income due to the linearisation of rent-free periods in the amount of €963 thousand (Note 14.a). Operating expenditure accrued in 2021 in the amount of €6,702 thousand, this being the sum of the operating expenses of the companies owning the assets that generated the rent, not all of which are directly related to these assets.

As indicated in Note 4.3, investment property is carried at fair value and differences between fair value and cost are taken to the income statement for the year. At 31 December 2021, fair value was calculated based on the valuations of independent experts of recognised professional standing and long experience in the industry, using the discounted cash flow method, taking account of rent already agreed in future leases for the developments and using discount and growth rates that reflect the status of the development (Note 4.3).

Gross income of €47,191 thousand for the year was recognised as a result of the independent expert's calculation of fair value.

a) Investment property acquired from other related parties

In 2021, investment properties in the construction phase were acquired from other related parties for the sum of €4,542 thousand (Note 19).

b) Assets pledged as collateral

At 31 December 2021, bank borrowings the outstanding principal of which totals €269,399 thousand (Note 12) are secured by investment property with a cost of €557,312 thousand and a fair value of €584,221 thousand.

c) Assets under operating leases

The Group leases a number of properties, referred to previously, under non-cancellable operating leases. These leases have different terms depending on the development.

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Total minimum future instalments under non-cancellable operating leases are analysed below:

Category	Thousand euro 2021
Less than 1 year	21,887
Between 1 and 5 years	87,319
More than 5 years	119,418
	228,624

d) Insurance

The Group has taken out a number of insurance policies to cover risks relating to investment property. The coverage provided by these policies is considered to be sufficient.

8. Analysis of financial instruments

8.1 Analysis by category

The carrying amount of each category of financial instruments stipulated in the recognition and measurement standard "Financial instruments" is as follows:

	Thousand euro		
	Long-term financial assets		
	Equity instruments 2021	**Debt securities 2021**	**Other 2021**
Other financial assets (Note 9)	-	-	4,655
	-	**-**	**4,655**

	Thousand euro		
	Short-term financial assets		
	Equity instruments 2021	**Debt securities 2021**	**Other 2021**
Trade and other receivables (Note 9)	-	-	2,486
Other financial assets (Note 9)	-	-	441
Cash and cash equivalents (Note 10)	-	-	16,007
	-	**-**	**18,934**

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	Thousand euro		
	Long-term financial liabilities		
	Bank borrowings	Debentures and other marketable securities	Derivatives, Other
	2021	2021	2021
Creditors and payables (Note 12)	262,737	-	3,712
	262,737	-	3,712

	Thousand euro		
	Short-term financial liabilities		
	Bank borrowings	Debentures and other marketable securities	Derivatives, Other
	2021	2021	2021
Creditors and payables (Note 12)	20,274	-	29,182
	20,274	-	29,182

8.2 Analysis by maturity

The breakdown of financial assets by year of maturity at 31 December 2021 was as follows:

	Thousand euro						
	Financial assets						
	2022	2023	2024	2025	2026	Beyond	Total
Security deposits (Note 9)	-	-	-	-	-	3,853	3,853
Derivatives	-	-	-	-	802	-	802
Trade and other receivables	2,486	-	-	-	-	-	2,486
Other financial assets	441	-	-	-	-	-	441
Cash and cash equivalents	16,007	-	-	-	-	-	16,007
Totals	**18,934**	**-**	**-**	**-**	**802**	**3,853**	**23,589**

The breakdown of financial liabilities by year of maturity at 31 December 2021 is as follows:

	Thousand euro						
	Financial liabilities						
	2022	2023	2024	2025	2026	Other	Total
Bank borrowings (Note 12)	20,274	172	177	180	259,701	2,507	283,011
Security deposits	-	-	-	-	-	3,712	3,712
Creditors and payables (Note 12)	29,182	-	-	-	-	-	29,183
Subtotal	**49,456**	**172**	**177**	**180**	**259,701**	**6,219**	**315,905**
Unaccrued interest	4,503	4,511	4,520	4,504	2,257	303	20,598
Totals	**53,959**	**4,683**	**4,697**	**4,684**	**261,958**	**6,522**	**336,503**

Unaccrued includes interest includes interest payable in the future that has not accrued at year-end 2021.

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9. Loans and receivables

	Thousand euro 2021
Long-term loans and receivables:	
Long-term deposits	2
Long-term security deposits	3,851
Derivatives (Note 12)	802
	4,655
Short-term loans and receivables:	
Short-term deposits	441
Trade receivables for sales and provision of services	2,486
Current tax assets	204
Other amounts receivable from Public Administrations	8,993
	12,124

a) Long-term security deposits

Non-current security deposits relate to amounts deposited with official bodies in respect of security deposits received from tenants (Note 12).

b) Trade receivables

Trade receivables include rent for leased properties billed and pending collection.

c) Other amounts receivable from Public Administrations

The balance in other amounts receivable from Public Administrations reflects refunds of value added tax (VAT) accrued on investments made during the period.

10. Cash and cash equivalents

Cash and cash equivalents break down as follows:

	Thousand euro 2021
Cash at bank and in hand	16,007
	16,007

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11. Shareholders' funds

a) Capital

The parent company was incorporated on 30 March 2021 with an initial share capital of €60 thousand consisting of 60,000 shares with a par value of €1 each, all fully subscribed and paid up by Bankinter S.A.

On 12 May 2021, capital was increased by €63,167 thousand through the issuance of 9,500 ordinary shares with a par value of €1 each and a share premium of €568,499 thousand or €9 per share. The unit issuance price of the new shares is therefore €10.

The effective amount of the capital increase is €631,665 thousand. The increased share capital is fully-subscribed and paid-up. The Company ceased to be a sole shareholder company as a result of the share capital increase.

At 31 December 2021, Bankinter Logística, S.A.'s share capital stands at €63,227 thousand, consisting of 63,226,500 fully-subscribed and paid-up shares with a par value of €1 each.

No shareholder owns more than 10% of share capital at 31 December 2021.

The parent company's shares are not listed on the stock exchange.

b) Share premium

The share premium stands at €568,499 thousand and is fully paid.

c) Voluntary reserves

The negative balance of €6,393 thousand in the voluntary reserve mainly reflects the costs of issuing the parent company's own equity instruments, which are generally recognised directly in equity as a reduction in reserves.

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d) Profit/(loss) for the year attributed to the parent company

The proposed distribution of the parent company's profit/(loss) for the period 30 March 2021 to 31 December, which will be submitted to the Annual General Meeting for approval, is as follows:

	Thousand euro 2021
Available for distribution	
Loss for the year	(1.180)
	(1.180)
Application	
Prior-year losses	(1.180)
	(1.180)

12. Creditors and payables

	Thousand euro 2021
Long- term creditors and payables:	
Bank borrowings	262,737
Security deposits (Note 9)	3,712
	266,449
Short-term creditors and payables:	
Bank borrowings	20,118
Accrued unmatured interest	156
Fixed asset suppliers	26,697
Payables	2,486
Current tax liabilities	32
Other amounts payable to Public Administrations	516
	50,004

The carrying amounts of other payables are the same as their fair values, in view of their short-term nature.

a) Bank borrowings

At year-end 2021, bank borrowings have been drawn down in the amount of €269,399 thousand. These loans are carried at amortised cost and are associated with origination fees pending allocation at year-end 2021 in the amount of €6,544 thousand, the amount of €619 thousand having accrued and been recognised as financial expense in 2021.

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As indicated in Note 2.f, as a result of the Montepino Group business combination on 13 May, a number of loans were recognised and were written off on 22 June 2021, the related origination fees totalling €4,580 thousand pending allocation having been taken to the income statement, as explained in Note 4.10, and the hedging instrument associated with the loans was settled and also written off (Note 16).

Following the derecognition of those loans, the Group arranged a long-term bank loan on 22 June 2021. The loan comprises two tranches, Tranche A of €265,998 thousand, which is fully drawn down and subject to a mortgage guarantee, and Tranche B of €156,282 thousand, which is not yet drawn down and will be utilised and subjected to a mortgage guarantee once the assets that were under construction when it was arranged are completed and begin to generate revenues. Tranche B is available for 21 months as from 22 June 2021. The loan accrues interest at the Euribor rate plus a spread of 1.65% on the drawn tranche, has a commitment fee of 0.6% and falls due on 22 June 2026.

Origination fees for this new loan totalled €7,116 thousand, of which €619 thousand was taken to the income statement from the loan signing date to 31 December 2021. The financial ratios to which this loan is subject are fulfilled at 31 December 2021.

Tranche A of the loan has an associated interest rate hedging instrument (IRS) covering 100% of the principal amount, which has a positive value of €802 thousand, the net tax effect having been recognised in measurement adjustments in equity.

As a result of the business combination, the Company recognises a mortgage loan for a principal amount of €4,108 thousand that is pending repayment at year-end 2021 in the amount of €3,401 thousand. This loan bears interest at the 12-month Euribor rate plus a spread of 3%.

As indicated in Note 8, all these loans are secured by real estate assets.

The loans accrued interest of €3,007 thousand in 2021, none of which was compounded as an increase in the value of investment property during the year (Note 8). Accrued unmatured interest amounts to €156 thousand at year-end 2021.

Financial expenses are also recognised in the amount of €1,244 thousand due to the early repayment of the above-mentioned loans as a result of the business combination.

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The Group also has the following financing facilities:

	Thousand euro	
	Limit	Utilised
Credit line 1	10,000	10,000
Credit line 2	20,000	10,000
	30,000	**20,000**

c) Information on the deferral of payments to suppliers. Additional Provision Three, "Duty of information", of Law 15/2010 of 5 July

Pursuant to Final Provision Two of Law 31/2014 (3 December), amending Additional Provision Three of Law 15/2010 (5 July), which amended Law 3/2004 (29 December) on measures to combat late payment in commercial transactions, and in connection with the information to be included in the notes to the annual accounts on the deferral of payments to suppliers in commercial transactions, calculated in accordance with the Spanish Institute of Accounting and Auditing's Ruling of 29 January 2016, the information is as follows:

	2021
	Days
Average supplier payment period	23
Ratio of transactions settled	22
Ratio of transactions pending payment	41
	Thousand euro
Total payments made	9,289
Total payments pending	751

13. Deferred taxes

Set out below is an analysis of deferred taxes:

	Thousand euro
	2021
Deferred tax assets	
- Tax credits for tax-loss carryforwards	6,583
- Temporary differences	1,426
	8,009
Deferred tax liabilities	
- Consolidation adjustments (FV measurement of Investment property)	(86,539)
- Temporary differences	(200)
	(86,739)
	(78,730)

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Movements during the year in deferred taxes are as follows:

Deferred taxes	Assets - Deductible interest	Change in fair value	Tax credits	Derivatives	Total
					Thousand euro
Balance at 30 March 2021	-	-	-	-	-
Business combination (note 2.f)	12	(72,699)	4,309	-	(68,378)
Charged (credited) to income statement	1,414	(13,840)	2,274	-	(10,152)
Charged (credited) to equity	-	-	-	(200)	(200)
Balance at 31 December 2021	**1,426**	**(86,539)**	**6,583**	**(200)**	**(78,730)**

Deferred tax assets reflecting tax credits for tax-loss carryforwards net the deferred tax liabilities, since these assets and liabilities are expected to be realised simultaneously.

Deferred tax assets are recognised up to the limit of the deferred tax liabilities, i.e. all the deferred tax assets are recognised, save for the Montepino Logística Group's tax credits transferred to the parent company following the merger completed during the year (Note 2.f) for a cumulative total amount of €59,359 thousand in tax losses not capitalised (tax payable of €14,840 thousand).

Deferred tax liabilities reflect the difference between the carrying amount of investment properties measured at market value (IFRS base) and their tax value (acquisition cost, net of deductible depreciation charges and impairment losses). They include the deferred taxes associated with the Group's investment properties that would accrue were the assets to be transferred at the fair value at which they are recognised, using the applicable effective rate.

14. Income and expenses

a) Revenue

Revenue relates to lease agreements entered into with tenants in the course of the Group's business and is obtained entirely in the domestic market.

Revenue for the period 30 March 2021 to 31 December 2021 totalled €13,906 thousand, comprising €963 thousand in rent incentives accrued during the minimum term of leases (Note 4.12) and the rent itself, billed in the amount of €12,079 thousand. Revenue also includes general property costs recharged to the tenants in the amount of €864 thousand during the period 30 March to 31 December 2021.

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b) Other operating expenses

	Thousand euro 2021
External services	(7,279)
Taxes	(823)
	(8,102)

"External services" relate basically to services provided by other related parties in the amount of €4,318 thousand (Note 18).

c) Change in fair value of investment property (Note 8)

As indicated in Note 7, income of €47,191 thousand was recognised in the amount of the difference between the fair value and cost of investment property, supported by independent expert valuations.

d) Staff costs

Staff costs relate only to three employees contracted in the last half of December 2021, management tasks during the period 30 March 2021 to 31 December 2021 having been performed by the company Valfondo Gestión, S.L.U. (Note 18).

e) Other profit/(loss)

Extraordinary expenses amounting to €341 thousand were incurred in 2021 due to the failure to meet the contractual delivery deadlines for a leased building.

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15. Corporate income tax and tax situation

The reconciliation between reported results and the income tax base for the period 30 March 2021 to 31 December 2021 is set out below:

			Thousand euro
	Consolidated income statement		
	Increases	Decreases	Total
Reported profit/(loss) after tax			36,356
Corporate income tax			10,152
			46,508
Consolidation adjustments			
- Adjustments due to FV measurement of investment property	-	(47,191)	(47,191)
- Adjustment for tax depreciation/amortisation	-	(8,165)	(8,165)
- Negative consolidation difference	-	(3,362)	(3,362)
- Other adjustments	-	(1,731)	(1,731)
Permanent differences	3	(6,358)	(6,355)
Temporary differences	8.580	-	8,580
Tax base (taxable income)			**(11,716)**

Positive temporary differences relate to differences between accounting and tax depreciation/amortisation resulting from the mergers described in Note 2.f (€2,921 thousand) and to the limit on the deductibility of interest under applicable tax legislation (€5,659 thousand). The negative permanent difference reflects placement costs incurred in relation to the capital increase carried out during the year, recognised entirely as a tax-deductible reduction in reserves (Note 11).

Current income tax is the result of applying the 25% rate to the tax bases of companies that recorded positive tax bases. Tax credits were recognised for a total amount of €2,036 thousand in all the companies that had negative tax bases.

Income tax expense is analysed below:

	Thousand euro
	2021
Deferred tax	(10,152)
	(10,152)

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At 31 December 2021, the Group records tax-loss carryforwards in the amount of €26,332 thousand, i.e. all the tax losses except for those generated by the Montepino Logística, S.L. Group and transferred to the parent company following the business combination during the year. The parent company therefore has tax losses not included in assets amounting to €59,111 thousand and there are also tax losses not reflected in assets in other subsidiaries totalling €248 thousand. As indicated in Note 13, deferred tax assets are recognised up to the limit of the deferred tax liabilities generated by each development.

The Group companies are open to inspection by the tax authorities for the last four years and the main taxes to which they are subject, i.e. since the incorporation of the companies that were formed in the last four years.

In accordance with current legislation, tax assessments may not be considered definitive until the returns filed have been inspected by the tax authorities or the four-year limitation period has ended. The Company's directors do not expect any significant additional liabilities to arise in the event of an inspection of the years open to inspection.

As a result, among other things, of the different interpretations to which current tax legislation lends itself, additional liabilities could arise as a result of an inspection. In any event, the directors consider that any such liabilities will not have a significant effect on the consolidated annual accounts.

16. Net financial income/(expense)

	Thousand euro
	2021
Financial income:	
On marketable securities and other financial instruments	
- From third parties	12
	12
Financial expense (Note 12):	
Borrowing costs	3,007
Loan origination fees	5,199
Other financial expenses	1,361
	(9,567)
Change in fair value of financial instruments (Note 12)	**51**
Net financial income/(expense)	**(9,504)**

Financial expense of €619 thousand was recognised in 2021 in relation to the amortised cost of the new loan arranged in the current year (Note 13). €5,199 thousand was taken to the income statement as a result of the repayment of the loans obtained through the business combination, as explained in Note 2.f.

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17. Directors' and senior management remuneration

Parent company's Board directors' remuneration

The members of the parent company's Board of Directors did not carry out any transactions outside the ordinary course of business or applying non-market terms with the parent company or any other Group company.

In 2021, no wages or salaries accrued to or were received by the parent company's Board directors, although per diems accrued in the amount of €24 thousand for attendance at Board meetings.

No contributions were made to pension plans or funds for members of the parent company's Board of Directors in 2021.

No advances or loans were granted to the Board directors during the year. Neither were any directors' liability insurance premiums fully or partially paid in the current or previous years.

There are seven non-employee directors at year-end 2021, all men.

Senior management remuneration

The Company considers that there are no other senior management personnel, since these duties are performed by the Board directors.

Directors' conflicts of interest

As regards the duty to avoid conflicts of interest with the parent company, during the year the directors holding office on the parent company's Board fulfilled the obligations stipulated in Article 228 of the Consolidated Text of the Spanish Companies Act. Both the directors and their related parties avoided the conflict of interest scenarios envisaged in Article 229 of the Act.

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18. Other transactions with related parties

Set out below is a breakdown of transactions and year-end balances with related parties by company:

	Thousand euro 2021
Transactions:	
Purchases of investment property and project management services (Note 8)	
Other related parties:	
- Valfondo Gestión, S.L.U.	2,481
- Ingeniería Logística Tectónica, S.L.	2,061
Services received and provided (other related parties):	
- Valfondo Gestión, S.L.U.	2,661
- Bankinter, S.A.	7,953
- Valfondo Desarrollos Técnicos, S.L.U.	(34)
	15,122

	Thousand euro 2021
Balances payable and receivable:	
Other related parties:	
- Valfondo Gestión, S.L.U.	(1,512)
- Valfondo Desarrollos Técnicos, S.L.U.	41
- Ingeniería Logística Tectónica, S.L.	(1,003)
- Bankinter, S.A.	(698)
	(3,172)

These transactions were completed at fair value.

The services received from Valfondo Gestión, S.L.U. relate partly to bookkeeping, partly to property management services and partly to asset management services under the "Business Management Agreement" dated 14 May 2021 whereby that company mainly performs management, administration, customer relations and project monitoring tasks.

The agreement also stipulates a performance fee that will accrue and be calculated and settled in the event of a change of control in the Company, divestment or once 10 years have elapsed as from the agreement signing date. No fee is recognised at year-end 2021 since the minimum profitability required for accrual has not been reached.

Although there is no shareholder relationship with the Company, it is classed as a related party under IAS 24 due to being a management company that influences operating, business and management decisions, as well as sharing certain directors or executives with the Company. For tax purposes, it is not deemed to be a related party under Article 18 of Corporate Income Tax Act 27/2014 of 27 November.

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The services received from Bankinter, S.A. relate partly to asset management and partly to structural advisory services and the placement of the Company's capital among its investors in the capital increases, both under the "Strategic Advisory Services Agreement" of 14 May 2021.

The services provided by Bankinter, S.A. include a placement fee of €6,317 thousand relating to the capital increase carried out during the period 30 March to 31 December 2021.

The above-mentioned agreement also stipulates a performance fee that will accrue and be calculated and settled in the event of a change of control in the Company, divestment or once 10 years have elapsed as from the agreement signing date. As in the case of Valfondo Gestión, S.L.U., no fee is recognised at year-end 2021 since the minimum profitability required for accrual has not been reached.

19. Environmental information

LEED certificates were obtained in 2021 attesting to the fact that the buildings meet the required eco-efficiency and sustainability standards. These certificates were granted due to the use of materials that more than meet the required quality standards in the various developments executed.

20. Events after the reporting period

On 21 February 2021, after issuing the consolidated annual accounts, the Board of directors resolved to propose a capital increase and share premium of €250 million to the Annual General Meeting.

The certificate attesting to the issuance of the consolidated annual accounts also includes the decision to propose the adoption of the SOCIMI tax scheme to the Annual General Meeting.

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21. Audit fees

The fees accrued during the period 30 March 2021 to 31 December 2021 to PricewaterhouseCoopers Auditores, S.L. and other PwC network firms are set out below:

			Thousand euro
Items	PwC	Other PwC network firms	Total
Audit services	118	-	118
Other assurance services	18	-	18
Tax advice	-	13	13
Total	**136**	**13**	**149**

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APPENDIX I - SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION

FY 2021	Activity	Thousand euro Cost	Company holding the interest	Incorporation date	% control	Capital	Reserves	Profit/(loss) for the period	Thousand euro Shareholder contributions
Montepino Logística Big Box, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	333,642	Bankinter Logística, S.A.	27/12/2017	100%	135	247,830	(7,884)	9,135.
Montepino Logística Last Mile, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	80,459	Bankinter Logística, S.A.	29/10/2018	100%	3	57,051	(825)	4,662
Montepino Logística Torija, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	29,162	Bankinter Logística, S.A.	24/11/2017	100%	292	2,631	(1,890)	15,259
Montepino Logística Málaga, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	54,895	Bankinter Logística, S.A.	07/08/2019	100%	3	-	(726)	28,317
Montepino Logística Coslada 2, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	5,399	Bankinter Logística, S.A.	13/11/2019	100%	3	-	(107)	5,159
Montepino Logística Guadalajara 2, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	50,303	Bankinter Logística, S.A.	03/07/2018	100%	15	105	(629)	38,835
Montepino Logística Illescas, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	14,595	Bankinter Logística, S.A.	20/01/2020	100%	3	-	(50)	14,610
Montepino Logística Levante, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	3	Bankinter Logística, S.A.	28/03/2021	100%	3	-	(2)	-
Montepino Logística Parla, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	3	Bankinter Logística, S.A.	28/03/2021	100%	3	-	(2)	-
Montepino Logística Barcelona, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	6,220	Bankinter Logística, S.A.	03/07/2018	100%	3	-	(168)	3,638
Chacailo ITG, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	36,499	Bankinter Logística, S.A.	24/04/2018	100%	85	(256,965)	(2,759)	47,501

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021

In accordance with current legislation, the 2021 Management Report is set out below, its content fulfilling the requirements of Article 262 of the Spanish Companies Act.

Macroeconomic scenario

Economic activity in Spain turned around in 2021, when GDP grew by 5% according to provisional data published by the Spanish Institute of Statistics (INE). Though far short of the 10.8% fall observed in 2020, it is the largest increase since 2000.

The job market also ended the year well. According to the Spanish Public Employment Service (SEPE), unemployment fell by the largest annual amount in the entire historical series, with 782,000 fewer jobless people and the lowest year-end figure since 2007, the unemployed totalling 3,105,905.

In December, inflation rose to 6.7% year-on-year, driven primarily by the rise in energy prices. This is the highest figure in three decades and could affect private consumption.

In the real estate logistics sector, according to the consultancy CBRE, 2021 saw record contracting figures in Madrid, Barcelona and other sub-markets, as well as in investment.

The Group's situation

On 14 May 2021, the Group's parent company Bankinter Logística, S.A. acquired all the share capital of Montepino Logística, S.L. in a transaction that was a milestone in the Spanish logistics market due to being the largest to date.

The Group's economic performance since then has been excellent. It has focused on growth by expanding and increasing the value of its portfolio assets, cementing projects launched in previous years and beginning new projects.

The Group has 27 projects at 31 December 2021 of which 11 generated monetary income in 2021.

The Group's year-end highlights are described below:

- The volume of assets managed by the Group reached €1,059 million at 31 December 2021, which is 39% more than the €760 million managed by the Montepino Group when the business combination took place.

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- The fair value of investment property rose from €182 million when the Montepino Group was acquired up to €923.6 million. The amount of €47.2 million was recognised in the income statement for the period 30 March 2021 to 31 December 2021 due to the change in the fair value of investment property.

- The Group's revenue for the period 30 March to 31 December 2021 totalled €13.9 million.

- The Group obtained consolidated comprehensive income of €36 million after taxes.

- Equity stands at €662 million, placing the solvency ratio at 62.6%.

The Group has a solid financial situation that will allow future commitments to be honoured. Drawable bank borrowings and financing in course will ensure that the Group can meet short-term obligations arising from the strong growth strategy followed.

In addition, as indicated in the note on events after the reporting period in the notes to the consolidated annual accounts, in February 2021 the Board of Directors resolved to ask the Annual General Meeting to approve a capital increase of €250 million so as to guarantee the resources needed for further growth in the future.

Context and outlook

In their latest economic outlook reports (published in October and November, respectively), the IMF and the OECD included similar messages pointing to solid growth in 2022 on the back of the retreating pandemic and huge economic and fiscal stimulus packages. Both institutions state that the majority of developed countries are already returning to pre-pandemic levels, though they reiterate that there are still considerable differences between the advanced and emerging economies. As regards price pressures, the IMF, despite describing the upticks in inflation as “temporary misalignments”, also refers to the risk of them becoming more persistent and of the need for central banks to take preventive measures.

As regards macro forecasts, the European Commission recently upgraded its 2022 growth forecast for Spain to 5.6%, the 2023 forecast remaining stable at 4.4%.

The ECB believes that inflation could rise further during a part of 2022 but will begin to slow at some time in 2022 and in 2023. The ECB attributes the increase in prices mainly to the rise in energy prices (oil, gas and power), mismatches between supply and demand, and bottlenecks that are still affecting production chains. In any case, the bank remains confident that prices will finally stabilise below 2% over the projection horizon.

The upcoming years will be marked by the intensity and duration of the economic recovery as the health crisis is overcome and the effects of the NextGenerationEU (NGEU) programme become apparent.

Consumption and investment will be the drivers of this recovery, supported by a favourable external sector thanks to the gradual improvement in tourism.

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According to forecasts by the consulting firm CBRE for 2022, the real estate logistics sector will continue to grow in terms of both contracting and investment on the back of growing demand from tenants, led by the fashion, food and online sectors. Rents are also estimated to grow due to the rising construction costs of new properties.

In this context, the Group will continue to focus on developing and leasing logistics space through an ambitious growth plan that will allow it to remain a benchmark at the national level while maintaining its characteristic competitiveness, effective and quality.

Financial risk management

The Group's activities are exposed to various types of financial risk: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the companies' financial performance.

The Group manages liquidity risk prudently by keeping sufficient cash and drawable financing to meet its commitments.

The Group hedges interest rate risk arising from variable-interest financing.

Sustainability

The Group made further progress in integrating sustainability aspects into management and the asset portfolio in 2021.

The Group's sustainability commitment is reflected in the ESG policy approved by the Board of Directors, establishing Bankinter Logística's fundamental principles and lines of action to promote and achieve responsible business management while building value for all its stakeholders. This policy is part of the internal regulations of the parent company, its subsidiaries and the management company.

Similarly, the Group continues to progress with its Sustainable Building Development and Management commitment, having obtained four new LEED Gold certificates in 2021, in addition to the other certified assets forming a portfolio that is 100% LEED certified (projects with issued certificates or in the process of certification).

It should also be noted that a collaboration agreement was entered into in 2021 with Marchamalo Town Council to favour the development, execution and dissemination of sports activities offered to citizens. The Group is still working with UNIVERSITAT POLITÉCNICA DE CATALUNYA under agreements to study the environmental sustainability of logistics platforms.

For the second year running, the Company voluntarily underwent a GRESB assessment in 2021, which measures sustainability or ESG performance and commitment, obtaining a score of 76 points, well above the score in the previous assessment.

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Other matters

The Group has three employees contracted in the last half of December 2021, management tasks during the period 30 March 2021 to 31 December 2021 having been performed by the company Valfondo Gestión, S.L.U. The Company has ethical policies covering equality, non-discrimination and disability.

The average supplier payment period was 23 days.

No R&D activities were carried out in 2021.

The parent company had no dealings in own shares during the year, either itself or for the account of a third party. None of the Group companies hold any treasury shares.

Events after the reporting period

On 21 February 2021, after issuing the consolidated annual accounts, the Board of directors resolved to propose a capital increase and share premium of €250 million to the Annual General Meeting.

The certificate attesting to the issuance of the consolidated annual accounts also includes the decision to propose the adoption of the SOCIMI tax scheme to the Annual General Meeting.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT FOR THE PERIOD 30 MARCH 2021 TO 31 DECEMBER 2021

On 21 February 2022, in accordance with Article 253 of the Consolidated Text of the Spanish Companies Act and Article 44 of the Code of Commerce, the directors of Bankinter Logística, S.A. hereby issue the Consolidated Annual Accounts and Management Report for the period 30 March 2021 to 31 December 2021, consisting of the preceding documents, which have been initialled by the Non-Voting Secretary by delegation of the other members of the Board of Directors.

a) Consolidated balance sheet at year-end 2021.

b) Consolidated income statement for the period 30 March 2021 to 31 December 2021.

c) Consolidated statement of comprehensive income for the period 30 March 2021 to 31 December 2021.

d) Consolidated statement of changes in equity for the period 30 March 2021 to 31 December 2021.

e) Consolidated cash flow statement for the period 30 March 2021 to 31 December 2021.

f) Notes to the consolidated annual accounts for the period 30 March 2021 to 31 December 2021.

g) Consolidated management report for the period 31 March 2021 to 31 December 2021.

SIGNATORIES:

Fernando Moreno Marcos **Chair**	[Signature]
Juan Jose Vera **Vice-Chair**	[Signature]
Juan José Vera Villamayor **Director**	[Signature]
Ignacio Larrú Martínez **Director**	[Signature]
Victor Martí Gilabert **Director**	[Signature]
Iñigo Gortázar Sánchez-Torres **Director**	[Signature]
Jaime Iñigo Guerra Azcona **Director**	[Signature]
Alfonso Cárcamo Gil **Non-Voting Secretary**	[Signature]

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Don Lucas González Cebolla, Traductor-Intérprete Jurado de inglés, en virtud de título otorgado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y exacta al inglés de un documento redactado en español.

En Madrid, a 21 de marzo de 2023.

Mr Lucas Gonzalez Cebolla, Sworn Translator and Interpreter of English appointed by the Ministry of Foreign Affairs, European Union and Cooperation, hereby certifies that the preceding translation is an accurate and faithful translation into English of a document written in Spanish.

Signed in Madrid on March 21, 2023.

Lucas González Cebolla
Traductor-Intérprete
Jurado de inglés
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APPENDIX II: CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022, INCLUDING THE AUDITOR’S REPORT.

Bankinter Logística SOCIMI, S.A.
and Subsidiaries

Audit Report
Consolidated Annual Accounts at 31 December 2022
Consolidated Management Report

Lucas González Cebolla
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Jurado de inglés
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Audit report on the consolidated annual accounts issued by an independent auditor

To the shareholders of Bankinter Logística SOCIMI, S.A.:

Opinion

We have audited the consolidated annual accounts of Bankinter Logística SOCIMI, S.A. (the parent company) and its subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated annual accounts for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the Group's consolidated equity and financial position at 31 December 2022 and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

Our audit has been carried out in accordance with prevailing Spanish auditing regulations. Our responsibilities under said regulations are described below under Auditors' responsibilities in relation to the audit of the consolidated annual accounts.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, applicable to our audit of the consolidated annual accounts in Spain, as required by auditing regulations. In this respect, we have not provided any services other than audit services, nor have any situations or circumstances arisen that, in accordance with those regulations, might have undermined said independence.

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

Key audit matters

Key audit matters are those that, in our professional judgement, were the most significant risks of material misstatement in the audit of the consolidated annual accounts of the current period. These risks have been addressed in the context of our audit of the consolidated annual accounts as a whole and in the preparation of our opinion thereon, and we do not express a separate opinion on these matters.

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Traductor-Intérprete
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Key audit matters	How the matter was addressed in the audit
Valuation of investment property	
As indicated in Note 7 of the notes to the consolidated annual accounts, the Group has investment property totalling €1,208,642 thousand. As indicated in Note 4.3 of the notes to the consolidated annual accounts, these assets are recognised at fair value at the year-end and fair value changes are taken to the consolidated income statement. To obtain the fair value of these assets, the Group requests independent expert valuations, which are carried out using the discounted cash flow method, as is common market practice. The valuations are based on a number of significant judgements and estimates. We have therefore focused on this area due to the materiality of investment property with respect to the Group's total assets and results, and in view the significant judgements and estimates assumed by management. Changes to these assumptions could cause relevant changes to the assets and their respective effect on the consolidated income statement and consolidated balance sheet.	We obtained the valuations for all the investment property performed at the year-end by the independent expert and we assessed related competence and independent requirements. We checked that the valuations were carried out in accordance with the standards of the Royal Institution of Chartered Surveyors (RICS). To this end, among other audit procedures, we held meetings with the valuer and we verified the reasonableness of the input used in the valuation, including the discount and growth rates. Finally, we checked the corresponding disclosures in Notes 4.3 and 7 of the notes to the consolidated annual accounts. We consider that we obtained sufficient audit evidence in the course of our work to corroborate the reasonableness of the investment property valuations.

Other information: Consolidated Management Report

The other information only relates to the consolidated management report for 2022, the preparation of which is the responsibility of the parent company's directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility for the consolidated management report, in accordance with auditing legislation, consists of assessing and reporting on the consistency of the consolidated management report with the consolidated annual accounts, based on our knowledge of the Group obtained during the audit of the accounts, as well as reporting on whether the content and presentation of the consolidated management report are in conformity with applicable legislation. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

On the basis of the work performed, as described in the preceding paragraph, the information contained in the consolidated management report is consistent with that of the consolidated annual accounts for 2022 and its content and presentation comply with application legalisation.

Responsibility of the directors in relation to the consolidated annual accounts

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts such that they present fairly the Group's consolidated equity, financial situation and results in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for the internal control which they consider necessary to enable the preparation of annual accounts free from material misstatements, due to fraud or error.

In the preparation of the consolidated annual accounts, the parent company's directors are responsible for assessing the Group's capacity to continue as a going concern, disclosing, as appropriate, any going concern-related issues and using the going concern basis of accounting, unless the directors intend to wind up the Group or to cease trading, or have no other realistic alternative but to do so.

Auditors' responsibilities in relation to the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance that the consolidated annual accounts as a whole are free from material misstatement due to fraud or error, and to issue an audit report containing our opinion.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit conducted in accordance with current Spanish auditing regulations will always detect a material misstatement when such exists. Misstatements may be due to fraud or error and are regarded as material if, individually or in 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 conducted in accordance with prevailing Spanish audit regulations, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the consolidated annual accounts due to fraud or error; we design and apply audit procedures to respond to those risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, misrepresentations or the override of internal control.

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

- We assess whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the relevant information disclosed by the parent company's directors.

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- We conclude on the appropriateness of the parent company's directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosed information, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that succeeds in expressing a true and fair view.

- We obtain sufficient, adequate evidence relating to the financial information of the Group's entities or business activities to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We are solely responsible for our audit opinion.

We liaise with the parent company's directors in relation to, among other matters, the planned scope and timing of the audit and the significant audit findings, as well as any major internal control deficiencies that we identify in the course of our audit.

Among the significant risks notified to the parent company's directors, we determine those that have been of the greatest significance in the audit of the consolidated annual accounts for the current period and which therefore are the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

[Signature]

Javier Campos Leza (20427)

15 March 2023

[Logotype]

Spanish Institute of Chartered Accountants

PricewaterhouseCoopers Auditores, S.L.

2023 No. 08/23/00302

96.00 EUR

COMPANY STAMP:

Audit report on accounts subject to Spanish or international auditing legislation

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Traductor-Intérprete
Jurado de inglés
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Bankinter Logística SOCIMI, S.A. and Subsidiaries

Consolidated Annual Accounts and
Consolidated Management Report
at 31 December 2022

[Signature]

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 2022 YEAR-END
(Thousand euro)

ASSETS	Note	2022	2021
NON-CURRENT ASSETS		**1,305,548**	**1,029,090**
Intangible assets	**6**	**64,180**	**98,840**
Goodwill on consolidation		64,180	98,840
Investment property	**7**	**1,208,642**	**923,627**
Long-term investments	**8, 9**	**30,720**	**4,655**
Derivatives		25,978	802
Other financial assets		4,742	3,853
Deferred tax assets	**13**	**1,624**	**1,426**
Long-term prepayments and accrued income		**382**	**542**
CURRENT ASSETS		**54,577**	**29,916**
Inventories		**45**	**12**
Trade and other receivables	**8, 9**	**23,387**	**11,683**
Trade receivables for sales and provision of services		2,959	2,486
Current tax assets		74	204
Other amounts receivable from Public Administrations		20,354	8,993
Short-term financial assets	**8, 9**	**700**	**441**
Other financial assets		700	441
Short-term prepayments and accrued income	**9**	**3,596**	**1,773**
Cash and cash equivalents	**8, 9**	**26,849**	**16,007**
TOTAL ASSETS		**1,360,125**	**1,059,006**

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 2022 YEAR-END
(Thousand euro)

EQUITY AND LIABILITIES	Note	2022	2021
EQUITY		**949,874**	**662,290**
Shareholder's funds		**923,896**	**661,689**
Capital	11	85,988	63,227
Share premium	11	794,976	568,499
Reserves	11	10,328	(6,393)
Profit/(loss) for the year attributable to parent company's shareholders		32,604	36,356
Measurement adjustments	9	**25,978**	**601**
NON-CURRENT LIABILITIES		**376,180**	**346,605**
Long-term payables	8, 12	**282,227**	**266,449**
Bank borrowings		277,251	262,737
Other financial liabilities		4,976	3,712
Long-term provisions		**29**	**-**
Deferred taxes	13	**93,924**	**80,156**
CURRENT LIABILITIES		**34,071**	**50,111**
Short-term payables	8, 12	**28,999**	**46,971**
Bank borrowings		164	20,274
Other financial liabilities		28,835	26,697
Trade and other payables	8, 12	**4,914**	**3,033**
Sundry payables		4,647	2,485
Accrued wages and salaries		19	-
Current tax liabilities		-	32
Other amounts payable to Public Administrations		248	516
Short-term accruals and deferred income		**158**	**107**
TOTAL EQUITY AND LIABILITIES		**1,360,125**	**1,059,006**

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousand euro)

CONTINUING OPERATIONS	Note	2022	2021 (*)
Revenue	14	**26,107**	**13,906**
Provisions of services		26,107	13,906
Raw materials and consumables	14	**(276)**	-
Staff costs		**(240)**	**(4)**
Wages, salaries and similar remuneration		(181)	(3)
Staff welfare expenses		(59)	(1)
Other operating expenses	14	**(13,118)**	**(8,102)**
External services		(11,639)	(7,279)
Taxes		(1,479)	(823)
Impairment and profit/(loss) on fixed asset disposals	7, 14	**(685)**	-
Other profit/(loss)		**8**	**(341)**
Negative difference on business combinations	2.f	**3,795**	**3,362**
Change in fair value of investment property	7	**45,982**	**47,191**
Goodwill impairment	6	**(17,682)**	-
Absorption of investment property restatement		(17,682)	-
OPERATING PROFIT/(LOSS)		**43,891**	**56,012**
Financial income		18	12
Financial expenses		(7,898)	(9,567)
Change in fair value of financial instruments		(4)	51
NET FINANCIAL INCOME/(EXPENSE)	16	**(7,884)**	**(9,504)**
PROFIT/(LOSS) BEFORE INCOME TAX		**36,007**	**46,508**
Income tax	15	(3,403)	(10,152)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**32,604**	**36,356**
Profit/(loss) attributable to parent company's shareholders	11	**32,604**	**36,356**

(*) Relates to the period 30 March 2021 to 31 December 2021

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousand euro)

	2022	2021 (*)
CONSOLIDATED NET PROFIT/(LOSS)	**32,604**	**36,356**
Income and expense attributed directly to consolidated equity	**22,720**	**(5,754)**
Other expenses (Note 11)	(2,657)	(6,393)
On cash flow hedges	25,176	852
Tax effect	201	(213)
Transfers to the consolidated income statement	**-**	**(38)**
On cash flow hedges	-	(51)
Tax effect	-	13
TOTAL COMPREHENSIVE INCOME	**55,324**	**30,564**

(*) Relates to the period 30 March 2021 to 31 December 2021

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousand euro)

	Capital	Share premium	Reserves	Profit/(loss) for the year attributable to parent company's shareholders	Measurement adjustments	Total
Opening balance 2021	**60**	**-**	**-**	**-**	**-**	**60**
Consolidated total recognised revenues and expenses	-	-	(6,393)	36,356	601	30,564
Transactions with shareholders or owners:						
- Capital increases (Note 11)	63,167	568,499	-	-	-	631,666
Closing balance 2021	**63,227**	**568,499**	**(6,393)**	**36,356**	**601**	**662,290**
Consolidated total recognised revenues and expenses	-	-	(2,657)	32,604	25,377	55,324
Transactions with shareholders or owners:						
- Capital increases (Note 11)	22,761	226,477	-	-	-	249,238
- Other changes in equity (Note 11)	-	-	19,378	(36,356)	-	(16,978)
Closing balance 2022	**85,988**	**794,976**	**10,328**	**32,604**	**25,978**	**949,874**

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

[Signature]

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
(Thousand euro)

	2022	2021 (*)
CASH FLOWS FROM OPERATING ACTIVITIES	(20,245)	(91,394)
Profit/(loss) for the year before tax	36,007	46,508
Adjustments to profit/(loss)	(24,846)	(41,959)
Financial expenses	7,921	9,567
Financial income	(18)	(12)
Absorption of investment property restatement (Note 5)	17,682	-
Change in fair value of investment property (Note 8)	(45,982)	(47,191)
Change in fair value of financial instruments	4	
Negative consolidation difference	(3,795)	(3,362)
Other income and expenses	(658)	(961)
Changes in working capital	(23,256)	(91,554)
Inventories	(33)	6
Debtors and other receivables	(11,357)	(375)
Other current assets	(1,612)	(9,955)
Creditors and other payables	(9,986)	(28,816)
Other current liabilities	(268)	(52,414)
Other cash flows from operating activities	(8,150)	(4,389)
Interest paid	(8,077)	(4,373)
Interest collected	18	12
Corporate income tax paid	(91)	(28)
CASH FLOWS FROM INVESTING ACTIVITIES	(207,579)	(595,277)
Amounts paid on investments	(207,579)	(597,233)
Group companies, net of cash in consolidated companies	(27,117)	(519,915)
Investment property	(180,127)	(76,826)
Other financial assets	(335)	(492)
Amounts collected from divestments	-	1,956
Other financial assets	-	1,956
CASH FLOWS FROM FINANCING ACTIVITIES	238,666	702,618
Collections and payments, equity instruments:	246,581	625,213
Issuance of equity instruments	246,581	625,213
Collections and payments, financial liability instruments	(7,915)	77,405
Issuance:		
Bank borrowings	12,562	282,614
Other payables	1,264	433
Repayment and redemption of:		
Bank borrowings	(21,741)	(205,205)
Other payables	-	(437)
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	10,842	15,947
Cash and cash equivalents at beginning of the year	16,007	60
Cash and cash equivalents at year-end	26,849	16,007

(*) Relates to the period 30 March 2021 to 31 December 2021

Notes 1 to 22 and Appendix I to the accompanying notes to the accounts are an integral part of the Consolidated Annual Accounts at 31 December 2022.

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1. General information

The Bankinter Logística Group operates in the real estate industry and engages primarily in the acquisition, construction, development and leasing of properties.

The Group's parent company is Bankinter Logística SOCIMI, S.A. (formerly named Bankinter Logística, S.A.), with registered office at Calle Felipe Sanclemente 26, piso 3, Zaragoza. The parent company was incorporated in Madrid as a public limited company ("sociedad anónima") in the formation deed authorised by a notary public on 30 March 2021.

The parent company's corporate purpose is the acquisition and development of municipal properties for leasing, holding of shares in listed property investment companies ("SOCIMI") or in other entities not resident in Spain having the same corporate purpose as a SOCIMI and subject to a regime similar to the scheme governing SOCIMIs, and holding of shares in collective property investment undertakings.

As indicated in Note 2.f, on 14 May 2021 Bankinter Logística SOCIMI, S.A. acquired all the shares in the company Montepino Logística, S.L., the parent of a group of companies operating in the real estate logistics sector.

On 14 September 2022, the parent company notified the Tax Agency that it opted to apply the scheme for listed property investment companies ("Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario") in accordance with Law 11/2009 of 26 October on listed property investment companies ("SOCIMI Law" or "Law 11/2009"). Therefore, the parent company and most of its subsidiaries have been under the said SOCIMI tax scheme since 1 January 2022.

On 22 March 2022, the change of the parent company's business name to Bankinter Logística SOCIMI, S.A. was approved.

For the purposes of preparing the consolidated annual accounts, a group is understood to exist when the parent company has one or more subsidiaries, i.e. companies over which the parent has direct or indirect control. The principles applied in the preparation of the Group's consolidated annual accounts, together with the consolidation scope, are set out in Note 4. Although the Group is not required to issue consolidated annual accounts based on its size in accordance with prevailing legislation, these consolidated annual accounts are issued voluntarily and will be filed at the Zaragoza Commercial Registry.

The Group comprises the above-mentioned parent company and 14 subsidiaries, all 100%-controlled by the parent company. Appendix I provides a list of subsidiaries and related information.

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All the annual accounts of the Group companies used in the consolidation process relate to the financial year ended 31 December 2022. As regards 2021, adjustments were made to the income statements in each company's annual accounts so as to adapt them to the period between the creation of the Group and the 2021 year-end.

SOCIMI scheme

As indicated previously, the Company's tax scheme is laid down in Law 11/2009 of 26 October, amended by Law 26/2009 of 23 December, Law 16/2012 of 27 December, Law 27/2014 of 27 November, Royal Decree-Law 3/2016 of 2 December and Law 11/2021 of 9 July on listed property investment companies:

The following main features must be observed in order to correctly apply the SOCIMI scheme:

1. Corporate purpose obligation. A SOCIMI's main corporate purpose must be the holding of municipal real property for lease or the holding of shares in other SOCIMIs or companies having similar objects and subject to the same dividend distribution scheme, or in collective investment undertakings.

2. Investment obligation. Article 3 lays down the following investment requirements applicable to companies of this kind:

   1. SOCIMIs must invest at least 80% of the value of their assets in municipal property for leasing, in land to develop such property, provided the development commences within three years as from the acquisition of the land, and in shareholdings or equity interests in the other entities referred to in Article 2.1 of the Law (entities with a corporate purpose similar to that of SOCIMIs and an identical dividend distribution policy to that established by Law 11/2009).

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The value of the assets will be determined based on the average of the quarterly individual balance sheets for the year. When calculating that value, the SOCIMI may opt to replace the carrying amount with the market value of the balance sheet assets, which would apply to all balance sheets for the year. To this end, monies or credit rights arising from the transfer of the said properties or shareholdings, if applicable, during the same year or prior years, will not be counted, provided that, in the latter case, the investment period referred to in Article 6 of the said Law has not elapsed.

2. At least 80% of the income for the tax period, excluding income from the transfer of the shares or properties held by the Company in order to pursue its core corporate purpose, following the end of the holding period referred to in the following paragraph (three years), must derive from the leasing of properties and from dividends or shares of profits deriving from such investments held to pursue the corporate purpose.

This percentage will be calculated based on the consolidated results if the company is the parent of a group as defined in Article 42 of the Code of Commerce, irrespective of residence and of the obligation to issue consolidated annual accounts. The group will consist solely of the SOCIMI and the other entities referred to in Article 2.1 of the said Law.

3. The properties forming the SOCIMI's assets must remain leased for at least three years. This period will include the time during which the properties have been available to let, subject to a maximum of one year.

The period will be calculated as follows:

a) In the case of properties forming part of the SOCIMI's assets before the scheme was applied, as from the start date of the first tax period in which the special tax scheme laid down in the Law is applied, provided that the asset has been leased or offered for lease at that date. Otherwise, the provisions of the following paragraph will apply.

b) In the case of properties developed or acquired at a later date by the SOCIMI, as from the date on which they are leased or offered for lease for the first time.

c) The shares in entities referred to in Article 2.1 of the Law must remain in the SOCIMI's assets for at least three years following acquisition or, if applicable, as from the start of the first tax period in which the special tax scheme laid down in this Law is applied.

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3. Regulated market trading obligation. SOCIMIs must be listed on a regulated market in Spain or in a multilateral trading system, whether in Spain or in any other country with which Spain has a tax information exchange arrangement. The shares must be nominative.

4. Profit distribution obligation. The Company must pay out the profits obtained each year as dividends after meeting legal requirements. The distribution resolution must be adopted within six months as from the year-end, in the following terms:

    - 100% of profits from dividends or shares of profits distributed by the entities referred to in Article 2.1 of Law 11/2009.

    - At least 50% of profits from the transfer of real property, shares or ownership interests referred to in Article 2.1 of Law 11/2009 and held to fulfil the core corporate purpose, completed once the minimum holding period has elapsed. The remainder of these profits must be reinvested in other property or interests held in order to fulfil the said purpose, within three years as from the transfer date.

    - At least 80% of all other profits obtained. Where dividends are paid out of reserves deriving from profits for a period in which the special tax scheme has been applied, the distribution must be made as described above.

5. Information obligation. SOCIMIs must disclose in the notes to their annual accounts the information required by tax legislation governing the special scheme for SOCIMIs.

6. Minimum capital. The parent company SOCIMI's minimum share capital is €5 million.

As stipulated in Transitional Provision One of Law 11/2009, the special tax scheme may be applied in the terms stipulated in Article 8 of the Law even if the requirements are not fulfilled, on the condition that the requirements are met within two years as from the date on which the decision is taken to apply the scheme.

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The corporate income tax rate for SOCIMIs is generally 0%. However, when the dividends distributed by the SOCIMI to its shareholders holding interests of over 5% are exempt or are taxed at a rate of below 10%, the SOCIMI will pay a special 19% tax on the amount of the dividend paid out to those shareholders, which will be treated as an income tax payment. In addition, a special 15% tax will be applicable to the part of the profit that, having been taxed at 0%, has not been distributed to the shareholders, even where the distribution requirements laid down in legislation and described in section 4 above have been fulfilled, save for income coming under the reinvestment period rules set out in Article 6.1.b) of Law 11/2009. These taxes will be deemed corporate income tax payments. If applicable, these special taxes must be self-assessed and paid by the SOCIMI within two months as from the dividend distribution date.

The Group is within the two-year transition period in which certain requirements of the scheme can be infringed. Therefore, at 31 December 2022 there are no grounds for excluding the parent company and its subsidiaries from the SOCIMI scheme. The subsidiaries Inmobisanro, S.L. (Sociedad Unipersonal), El Higueron Logística S.L.U. and RPLP Ribatejo Plataforma Logística LDA, the latter located in Portugal, have not opted to apply the scheme in 2022.

Consequently, the Group's consolidated annual accounts and the parent company's individual annual accounts for 2022, issued by the directors and pending approval by the Annual General Meeting, have been drawn up under the assumption that the SOCIMI scheme is applicable.

The 2022 annual accounts of the Group companies are pending issuance by the corresponding directors and are expected to be approved by their respective General Shareholders' Meetings within the applicable stipulated legal periods.

In view of the Group's current activities, there are no environmental liabilities, expenses, assets, provisions or contingencies that could be significant with respect to its equity, financial situation and results. For this reason, no specific disclosures are provided in these notes to the consolidated annual accounts regarding environmental matters.

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2. Basis of presentation of the consolidated annual accounts

a) Fair presentation

The consolidated annual accounts were prepared on the basis of the accounting records of Bankinter Logística SOCIMI, S.A. and of the subsidiaries included in the scope of consolidation, and have been drawn up in accordance with the financial reporting regulatory framework described at the end of this note so as to present fairly the Group's consolidated equity and financial situation at 31 December 2022 and the consolidated results of its operations, changes in consolidated equity and consolidated cash flows for the year then ended.

As the accounting principles and measurement methods used in preparing the Group's consolidated annual accounts for 2022 may differ from those used by some of the Group companies, the required adjustments and reclassifications were made on consolidation to unify the principles and methods used and to bring them into line with the IFRS adopted by the European Union.

The parent company's accounting principles and standards were applied to all the companies included in the consolidation scope in order to ensure the uniform presentation of the items making up the consolidated annual accounts.

These consolidated accounts are presented in accordance with prevailing commercial legislation set forth in the reformed Spanish Code of Commerce introduced under Law 16/2007 of 4 July on the reform and adaptation of accounting legislation for international harmonisation under the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

b) Critical measurement issues and estimates of uncertainty

The preparation of annual accounts requires the use by the Group of certain estimates and judgements in relation to the future that are assessed constantly and are based on historical experience and other factors, including expectations of future events considered reasonable under the circumstances.

Although the estimates considered are based on the best information available at the preparation date of these consolidated annual accounts, any future changes to the estimates will be applied prospectively as from that time, recognising the effect of the change to the estimate in the consolidated income statement for the year in question.

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The main estimates and judgements considered when preparing the consolidated annual accounts refer to:

- Market value of assets acquired in business combinations (Note 2.f).
- Market value of the Group's real estate assets (Notes 4.3 and 7). The Group obtained independent expert valuations at 31 December 2022. The fair value was obtained from periodic independent expert valuations. These valuations were carried out at 31 December 2022 using the methods described in Note 4.4.
- Recovery of deferred tax assets and the tax rate applicable to temporary differences (Note 4.5).
- Recoverability of goodwill (Note 4.7).

c) Grouping of items

For clarity, the items presented in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement are grouped together and, where necessary, a breakdown is included in the relevant notes to the consolidated annual accounts.

d) Comparability

The information contained in the 2021 consolidated annual accounts is presented solely and exclusively for comparative purposes with respect to the information for the year ended 31 December 2022. The 2021 comparative figures refer to the period 30 March 2021 (the Group's formation date; see Note 1) to 31 December 2021.

e) Functional and presentation currency

These consolidated annual accounts are presented in the Group's functional currency, the euro, which is the currency of the Group's primary economic environment.

f) Business combinations

The following business acquisitions were completed as part of the parent company's investment strategy in the real estate logistics sector:

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(Thousand euro)

FY 2022

On 1 July 2022, the Group's parent company Bankinter Logística SOCIMI, S.A. acquired all the share capital of Inmobisanro, S.L. at an acquisition cost of €27,370 thousand that was fully paid in cash.

The business combination to acquire control through 100% ownership interests in the companies included in the transaction, the breakdown of the assets and liabilities acquired and movements in cash funds are set out below:

Fair value	**Thousand euro**
Investment property	54,945
Long-term financial investments	608
Deferred tax assets	4
Inventories	1,173
Receivables	477
Cash and cash equivalents	253
Assets acquired	**57,460**
Long-term payables	(3,740)
Deferred tax liabilities	(10,360)
Payables	(12,195)
Liabilities acquired	**(26,295)**
Net assets acquired	**31,165**
Purchase consideration	27,370
Fair value of net assets acquired	(31,165)
Negative consolidation difference	**(3,795)**

Movements in cash funds on the transaction date are as follows:

	Thousand euro
Purchase consideration	(27,370)
Cash and cash equivalents	253
Cash outflow/(inflow) on the acquisition	**(27,117)**

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The combination gave rise to a negative consolidation difference recognised in the consolidated income statement in accordance with the applicable regulatory framework. The difference is explained by the fact that the acquired company's fair value was higher than the acquisition price, thanks to the Group's negotiating capacity and to development potential.

The analysis of the business combination and allocation of the purchase price paid to the carrying amounts of the assets and liabilities acquired is practically complete and no material changes are envisaged.

The fair value of investment properties is based on independent expert valuations carried out at 30 June 2022, the date of the business combination, this heading and the corresponding deferred tax liability being the only difference between the carrying amounts and fair values. The static residual method was used to determine the fair value of the assets acquired, following the RICS (Royal Institution of Chartered Surveyors) standards, as indicated in Note 4.4.

The acquired business contributed revenue of €276 thousand and a profit of €22,160 thousand, respectively, to the Group for the period 1 July 2022 to 31 December 2022. These results are due to the change in the fair value of investment property during the period. Had the acquisition been made on 1 January 2022, revenue and profit for the period contributed by the business to the Group would have amounted to €312 thousand and €22,003 thousand, respectively.

FY 2021

Montepino Group

On 14 May 2021, the Group's parent company Bankinter Logística SOCIMI, S.A. acquired all the share capital of Montepino Logística, S.L. at an acquisition cost of €518,747 thousand and incurred transaction costs of €581 thousand that were taken to the consolidated income statement for the period 30 March to 31 December 2021, in accordance with the applicable regulatory framework. Montepino Logística, S.L. in turn owns 100% of the share capital of a number of companies listed at the end of this section. Control was acquired by means of a cash disbursement for the full amount.

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(Thousand euro)

The business combination to acquire control through 100% ownership interests in the companies included in the transaction, the breakdown of the assets and liabilities acquired and movements in cash funds are set out below:

Fair value	**Thousand euro**
Investment property	741,133
Long-term financial investments	4,923
Deferred tax assets	3,933
Inventories	4
Receivables	4,077
Short-term financial assets	835
Prepayments and accrued income	211
Cash and cash equivalents	4,846
Assets acquired	**759,862**
Borrowings and other financial liabilities	(270,089)
Deferred tax liabilities	(67,130)
Payables	(1,918)
Prepayments and accrued income	(918)
Liabilities acquired	**(340,055)**
Net assets acquired	**419,907**
Purchase consideration	518,747
Fair value of net assets acquired	(419,907)
Goodwill	**98,840**

Movements in cash funds on the transaction date are as follows:

	Thousand euro
Purchase consideration	518,747
Cash and cash equivalents	(4,846)
Cash outflow/(inflow) on the acquisition	**513,901**

The goodwill resulting from the acquisition reflects the future profitability of the business acquired, including the purchase consideration, which exceeds the fair value of the assets and liabilities acquired. Any impairment of the goodwill in the future will not be tax deductible.

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(Thousand euro)

The only difference between the carrying amounts and fair values relates to the investment property and the corresponding tax effect, fair value having been determined on the basis of independent expert valuations at 31 May 2021 in the various locations, which has therefore been adapted to reflect the date of the business combination. The discounted cash flow (DCF) method was used to determine the fair value of the assets acquired, following the RICS (Royal Institution of Chartered Surveyors) standards, as indicated in Note 4.3.

Logística Ruiseñor

On 30 June 2021, the subsidiary Montepino Logística, S.L. (subsequently absorbed by Bankinter Logística, S.A., as explained below) acquired all the share capital of Logística Ruiseñor, S.L.U., which in turn owns 100% of the share capital of Chacailo ITG, S.L., at an acquisition cost of €6,130 thousand that was fully paid in cash.

The business combination to acquire control through 100% ownership interests in the companies included in the transaction, the breakdown of the assets and liabilities acquired and movements in cash funds are set out below:

Fair value	**Thousand euro**
Investment property	43,794
Inventories	14
Deferred tax assets	388
Receivables	133
Cash and cash equivalents	116
Assets acquired	**44,445**
Borrowings and other financial liabilities	(29,378)
Deferred tax liabilities	(5,570)
Payables	(5)
Liabilities acquired	**(34,953)**
Net assets acquired	**9,492**
Purchase consideration	6,130
Fair value of net assets acquired	(9,492)
Negative consolidation difference	**(3,362)**

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Movements in cash funds on the transaction date are as follows:

	Thousand euro
Purchase consideration	6,130
Cash and cash equivalents	(116)
Cash outflow/(inflow) on the acquisition	**6,014**

The combination gave rise to a negative consolidation difference recognised in the consolidated income statement in accordance with the applicable regulatory framework. The difference is explained by the fact that the acquired company's fair value was higher than the acquisition price, thanks to the Group's negotiating capacity and to development potential.

The fair value of investment properties is based on independent expert valuations carried out at 30 June 2021, the date of the business combination, this heading and the corresponding deferred tax liability being the only difference between the carrying amounts and fair values. The discounted cash flow (DCF) method was used to determine the fair value of the assets acquired, following the RICS (Royal Institution of Chartered Surveyors) standards, as indicated in Note 4.3.

Internal Group restructuring in 2021

Set out below are details of the companies that were wholly owned by Montepino Logística, S.L. at the date of the 2021 business combination referred to previously:

Montepino Logística CLI 1, S.L.U.
Montepino Logística Fuentemar, S.L.U.
Montepino Logística Torija, S.L.U.
Montepino Logística Toledo, S.L.U.
Montepino Logística Romero, S.L.U.
Montepino Logística Industria, S.L.U.
Montepino Logística Guadalajara 2, S.L.U.
Montepino Logística Marchamalo 2, S.L.U.
Montepino Logística Ontina, S.L.U.
Montepino Logística Barcelona, S.L.U.
Montepino Logística Cabanillas, S.L.U.
Montepino Logística Guadalajara, S.L.U.
Montepino Logística Sant Esteve, S.L.U.
Montepino Logística Castellbisbal, S.L.U.
Montepino Logística Coslada 2, S.L.U.
Montepino Logística Málaga, S.L.U.
Montepino Logística Marchamalo III, S.L.U.
Montepino Logística San Fernando, S.L.U.
Montepino Logística Illescas, S.L.U.

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The following mergers were completed following the business combination date:

- The merger of Montepino Logística, S.L. into the Group's parent company Bankinter Logística, S.A. was approved on 9 December 2021.

- The merger of the companies Montepino Logística CLI1, S.L., Montepino Logística Cabanillas, S.L., Montepino Logística Guadalajara, S.L., Montepino Logística Marchamalo II and Montepino Logística Marchamalo III, S.L. into Montepino Logística Toledo, S.L. was approved on 18 November 2021. Montepino Logística Toledo, S.L.'s business name was also changed to Montepino Big Box, S.L. (Sociedad Unipersonal) on 18 November.

- The merger of the companies Montepino Logística Romero, S.L., Montepino Logística Industria, S.L., Montepino Logística Ontina, S.L., Montepino Logística Fuentemar, S.L, Montepino Logística Castellbisbal, S.L. and Montepino Logística San Fernando, S.L. into Montepino Logística Sant Esteve, S.L. was approved on 18 November 2021. Montepino Logística Sant Esteve, S.L.'s business name was also changed to Montepino Last Mile, S.L. (Sociedad Unipersonal) on 18 November.

- In addition, the merger of Logística Ruiseñor, S.L. into Chacailo ITG, S.L. was approved on 18 November.

Appendix I includes the Group's subsidiaries at 31 December 2022 and 2021.

3. List and summary of standards, amendments to standards and interpretations published to date

3.1 Standards, amendments and interpretations mandatory for all years commencing on or after 1 January 2022

The Group has first-time adopted the following standards and amendments in the financial year beginning 1 January 2022:

- IAS 16 (Amendment) "Property, plant and equipment: proceeds before intended use"
- IAS 37 (Amendment) "Onerous contracts: cost of fulfilling a contract"

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- IFRS 3 (Amendment) “Reference to the Conceptual Framework”.
- Annual IFRS improvements. Cycle 2018 - 2020.
    - IFRS 1 “First-time adoption of IFRS”
    - IFRS 9 “Financial instruments”
    - IAS 41 “Agriculture”

The amendments mentioned above had no impact on the amounts recognised in previous years and are not expected to significantly affect the current year or future years.

3.2 Standards, amendments and interpretations which have not yet come into effect but which may be adopted early

- IFRS 17 “Insurance contracts”.
- IFRS 17 (Amendment) "Initial application of IFRS 17 and IFRS 9 — Comparative information”
- IAS 1 (Amendment) "Disclosure of accounting policies”
- IAS 8 (Amendment) "Definition of accounting estimates"
- IAS 12 (Amendment) "Deferred tax related to assets and liabilities arising from a single transaction”

The Group is analysing the possible impact of the new regulations on the consolidated financial statements, although they are not expected to be material.

3.3 Standards, interpretations and amendments to existing standards that cannot be early adopted or have not been adopted by the European Union

As of the date of authorisation for issue of these consolidated annual accounts, the IASB and IFRIC had published the standards, amendments and interpretations described below, which are pending adoption by the European Union:

- IFRS 10 (Amendment) and IAS 28 (Amendment) “Sale or contribution of assets between an investor and its associate or joint venture”
- IFRS 16 (Amendment) “Lease liability in a sale and leaseback”
- IAS 1 (Amendments) “Classification of liabilities as current or non-current”

These standards, amendments and interpretations are not expected to have a material impact on the Company in future years or on forthcoming transactions.

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4. Accounting policies

4.1. Consolidation principles and equity accounting

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed, or entitled, to variable returns from its involvement in the investee and has the capacity to influence these returns through the power to direct the entity's activities. Subsidiaries are consolidated as from the date control is transferred to the Group. They are deconsolidated as from the date such control ceases.

The purchase method of accounting is used to recognise the Group's business combinations.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Where necessary, the subsidiaries' accounting policies are brought into line with the policies adopted by the Group for consistency.

Non-controlling interests in the profit/(loss) and equity of subsidiaries are shown separately in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated balance sheet, respectively.

b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. This is generally the case when the Group holds between 20% and 50% of voting rights. Investments in associates are equity accounted (see 4.1.4) below) after being initially recognised at cost.

The Group has no investees classed as associates.

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c) Equity method

Under the equity method, investments are initially recognised at cost and are subsequently adjusted to recognise in the income statement the Group's share of the investee's post-acquisition profits or losses, as well as to recognise in the statement of other comprehensive income the Group's portion of movements in the investee's other comprehensive income. Dividends received or receivable from associates and joint ventures are carried as a reduction in the investment's carrying amount.

When the Group's share of losses on an investment carried under the equity method is equal to or exceeds its shareholding in the entity, including any other unsecured long-term receivable, the Group does not recognise additional losses, unless obligations have been incurred or payments have been made on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of equity-accounted investees are changed when necessary to ensure consistency with the policies adopted by the Group.

The impairment of equity-accounted investments is analysed following the policy described in Note 4.8.

d) Changes in ownership interests

The Group reflects transactions with non-controlling interests that do not result in the loss of control as transactions with the Group's equity holders. A change in an ownership interest gives rise to an adjustment to the carrying amounts of controlling and non-controlling interests to reflect their relative shareholdings in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate equity reserve attributable to the owners of Bankinter Logística SOCIMI, S.A.

When the Group discontinues consolidation or equity consolidation of an investment due to the loss of control, joint control or significant influence, any interest retained in the entity is remeasured to fair value, recognising the change in the carrying amount in the income statement. This fair value then becomes the initial carrying amount for the purposes of the subsequent recognition of the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amount previously recognised in other comprehensive income in relation to the entity concerned is recorded as if the Group had directly disposed of the related assets or liabilities. This could entail that the amounts previously recognised in other comprehensive income are reclassified to the income statement.

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If its ownership interest in a joint venture or associate is reduced but joint control or significant influence is retained, only the proportionate part of the amounts previously recognised in other comprehensive income is reclassified to the income statement, if appropriate.

e) First-time consolidation differences

The subsidiary's assets and liabilities are measured at their fair values at the date of acquisition. Any excess of the acquisition cost over the fair values of the net identifiable assets acquired is recognised as goodwill. Where there is a shortfall in the cost of acquisition below the fair values of the identifiable net assets (i.e. a bargain purchase), the values of the net assets are reviewed and, if applicable, the shortfall is taken to the income statement during the acquisition period.

f) Consolidation scope

Appendix I to the consolidated annual accounts provides details of the Group companies and consolidation methods at 31 December 2022.

4.2 Business combinations

Business combinations are accounted for using the acquisition method.

The cost of the business combination is allocated at the acquisition date by recognising the assets, liabilities and contingent liabilities of the acquired company at fair value, provided the applicable requirements of IFRS 3 are met. The positive difference between the cost of the business combination and the acquired company's assets, liabilities and contingent liabilities allocated is recognised as goodwill, which therefore represents the advance payment made by the Group for future economic benefits derived from the assets that have not been individually and separately identified and recognised.

Any negative difference between the cost of the business combination and the acquired company's assets, liabilities and contingent liabilities allocated is taken to the income statement for the year it is incurred.

In a step acquisition, the acquiring company will remeasure its interest in the acquired company's equity previously recognised at fair value on the acquisition date and will take any resulting gains or losses to the consolidated income statement.

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Goodwill impairment

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently where there are events or changes to circumstances indicating that it may have become impaired. An impairment loss is recognised in 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. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash inflows that are largely independent from the cash inflows of other assets or groups of assets (cash-generating units).

4.3 Investment property

The consolidated balance sheet heading "Investment property" reflects the values of land, buildings and other installations held for rent or to obtain a capital gain on their sale as a result of future increases in market prices.

Investment property is recognised at fair value at the year-end and is not depreciated annually.

Gains or losses arising from changes in the fair value of investment property are taken to the consolidated income statement for the period in which they arise under "Changes in fair value of investment property". Such gains or losses are not included in operating profit/(loss) since the value changes are not directly related to the management of the Group's affairs.

The transfer from investment property in course of construction to investment property takes place when the assets are ready for use.

The Group calculates the fair value of investment property periodically in accordance with IAS 40. This fair value is determined taking into account the valuations carried out by an independent third-party expert (Savills Aguirre Newman) at the consolidated balance sheet date such that, at the end of each period, fair value reflects the market conditions applicable to the investment properties at that date. The independent expert valuation reports only contain the usual disclaimers and/or limitations on the scope of the findings of the valuations carried out, which refer to the acceptance of the information provided by the Group as complete and correct.

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The method used to determine the market value of the Group's investment property in 2022 is the discounted cash flow (DCF) method, following the RICS (Royal Institution of Chartered Surveyors) standards.

Unless the specific features of an investment indicate otherwise, the DCF method is applied over a 10-year horizon, in line with customary market practice. Cash flows are calculated month-by-month over the study period so as to reflect CPI increases and the schedule of rent reviews, lease expiration, etc. A 30-year time horizon is applied to the specific case of Ribatejo Plataforma Logística, LDA.

CPI increases are usually based on generally accepted forecasts.

As the valuer cannot be certain of the occurrence or duration of void periods following lease expiry, the forecast is based on the building's quality and location, and an average lease term is generally used if no information is available on each tenant's future intentions. The specific circumstances relating to vacancy periods and other factors are explained in each valuation.

The final yield or Terminal Capitalisation Rate (TCR) used in each case refers not only to the market conditions forecast at the end of each cash flow period but also to the lease terms and the building's physical state, taking into account any betterments planned for the property and included in the analysis.

The properties were valued individually considering each of the leases in force at the year-end. Vacant areas in buildings were valued on the basis of estimated future rent, discounting a marketing period.

The key variables are net income, the period of time in which the income is discounted, the approximate value calculation carried out at the end of each period and the target internal rate of return used to discount the cash flows.

Estimated yields depend primarily on the type, age and location of the properties, the market situation, the asset's technical quality, type of tenant and level of occupancy, among other factors considered by the independent experts.

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(Thousand euro)

Set out below is a breakdown of the yields and assumptions employed to estimate growth in forecast flows for 2022 and 2021:

Exit yields (%)	**2022**	**2021**
Central zone – Prime yield		
Operational logistics buildings	4.00% - 4.25%	3.99% - 4.75%
Logistics buildings under construction	4.25% - 4.50%	4.25% - 4.40%
Catalonia		
Operational logistics buildings	4.00% - 4.25%	4.00% - 4.25%
Logistics buildings under construction	4.25%	4.00% - 4.25%
Other		
Operational logistics buildings	4.00% - 5.50%	5.50%
Logistics buildings under construction	5.00%	4.00% - 5.00%

Discount rate:	**2022**	**2021**
Central zone – Prime yield		
Operational logistics buildings	4.5% - 7%	4.00% - 6.25%
Logistics buildings under construction	6.0% - 9.25%	6.00% - 8.50%
Catalonia		
Operational logistics buildings	6.00% - 6.50%	5.25%
Logistics buildings under construction	6.25%	5.75% - 6.75%
Other		
Operational logistics buildings	6.00% - 7.50%	6.00% - 6.75%
Logistics buildings under construction	6.25% - 9.50%	6.00% - 8.50%

Rent increase (%) - 2022	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5 and beyond**
Central zone					
Operational logistics buildings	3.74%	3.99%	2.06%	2.14%	1.44%
Logistics buildings under construction	0.00%	0.0%	0.40%	1.95%	2.14%
Catalonia					
Operational logistics buildings	4.03%	1.77%	1.42%	1.47%	2.01%
Logistics buildings under construction	0%	2.16%	1.87%	1.96%	2.00%
Other					
Operational logistics buildings	2.72%	19.63 %	1.94%	2.94%	0.99%
Logistics buildings under construction	0.00%	0.36%	1.89%	1.95%	2.37%

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(Thousand euro)

Rent increase (%) - 2021	Year 1	Year 2	Year 3	Year 4	Year 5 and beyond
Central zone					
Operational logistics buildings	0.81%	4.16%	6.77%	6.78%	2.51%
Logistics buildings under construction	0.00%	0.27%	1.33%	1.41%	1.93%
Catalonia					
Operational logistics buildings	0.00%	0.93%	1.07%	1.13%	2.50%
Logistics buildings under construction	0.00%	1.40%	1.60%	1.70%	1.98%
Other					
Operational logistics buildings	0.00%	1.41%	1.60%	1.70%	2.75%
Logistics buildings under construction	0.00%	0.47%	1.56%	1.68%	1.70%

When lease commitments have already been signed for projects under construction, the agreed rent and all investments and costs yet to be incurred are taken into consideration. Where there are no lease commitments, market rent is used based on comparables.

A change of 0.25% in yields has the following effect on the valuations used by the Group to calculate the value of its investment property at 31 December 2022 and 2021:

Sensitivity of the valuation to 0.25% yield changes - Exit yield	Valuation	Decrease	Increase
FY 2022	1,208,606	67,633	(60,359)
FY 2021	909,866	41,579	(44,100)

Sensitivity of the valuation to 0.25% yield changes - IRR	Valuation	Decrease	Increase
FY 2022	1,208,606	36,824	(35,728)
FY 2021	909,866	17,682	(24,944)

4.4 Financial assets

4.4.1 Trade receivables

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less the provision for impairment.

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4.4.2 Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- financial assets at amortised cost,
- financial assets at cost, and
- financial assets at fair value through equity.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments on initial recognition and, in the case of held-to-maturity investments, reassesses the classification at each consolidated balance sheet date.

b) Reclassification

The Group may opt to reclassify a held-for-trading non-derivative financial asset out of the held-for-trading category if the financial asset is no longer held for sale in the immediate future. Financial assets other than loans and receivables may be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to be repeated in the near future. The Group may also opt to reclassify financial assets that would meet the definition of loans and receivables outside the held-for-trading or available-for-sale categories if the Group has the intention and capacity to hold the financial assets in the immediate future or to maturity on the reclassification date.

Reclassifications are effected at the fair value on the reclassification date. The fair value becomes the new cost or amortised cost, as appropriate, and no fair value gain or loss recognised before the reclassification date will be subsequently reversed. Effective interest rates for financial assets reclassified to loans and receivables and held to maturity are determined on the reclassification date. The effective interest rates are adjusted prospectively to account for additional increases in estimated cash flows.

c) Recognition and derecognition

Conventional purchases and sales of financial assets are recognised at the trade date, this being the date the Group undertakes to purchase or sell the asset. Financial assets are derecognised when they expire or the rights to receive cash flows from the financial assets are assigned and the Group has transferred substantially all the risks and rewards of ownership.

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When securities carried as available for sale are sold, cumulative fair value adjustments recognised in other comprehensive income are reclassified to the income statement as gains or losses on the investment.

d) Valuation

A financial asset is initially recognised by the Group at its fair value plus, in the case of a financial asset not recognised at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Loans and receivables and investments held to maturity are subsequently measured at amortised cost using the effective interest method.

Available-for sale financial assets and financial assets at fair value through profit or loss are subsequently measured at fair value. Unrealised gains or losses resulting from fair value changes are recognised as follows:

- for "financial assets at fair value through profit or loss" – in the income statement for the year under other income or other expenses;
- in the case of available-for-sale financial assets that are monetary instruments denominated in foreign currencies – translation differences related to changes in the amortised cost of the instrument are recognised in the income statement for the year and other changes in the carrying amount are recognised in other comprehensive income;
- for other monetary and non-monetary instruments carried as available for sale – in other comprehensive income.

Dividends from financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in the income statement for the year as part of revenue from continuing activities when the Group's right to receive payment is established.

Interest income from financial assets at fair value through profit or loss is included in net gains/(losses). Interest from available-for-sale instruments, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the income statement as part of revenue from continuing activities.

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e) Impairment losses

The Group assesses expected credit losses associated with its assets at amortised cost and at fair value through consolidated profit or loss on a prospective basis. The impairment method applied depends on whether there has been a significant increase in credit risk.

For trade receivables, given the composition of the Group's portfolio, formed by companies of recognised prestige and proven financial standing, and the low level of bad debt write-offs, impairment losses on these financial assets are deemed to be immaterial.

The Group assesses expected credit losses associated with its assets at amortised cost and at fair value through consolidated profit or loss on a prospective basis. The impairment method applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires losses expected over the life of the receivables to be recognised at the time they are initially recorded, although the effect is immaterial given the characteristics of the tenants, all of which are highly solvent companies.

4.5 Income tax.

In accordance with the SOCIMI tax scheme, the parent company is subject to corporate income tax at the general rate of 0%.

Pursuant to Article 9.2 of Law 11/2009, the Group will be subject to a special 19% tax on gross dividends or shares of profits distributed to shareholders owning 5% or more of the parent company, where the dividends, for the shareholders, are tax exempt or subject to tax of less than 10% (the amount of tax owed under the Law on Non-Resident Income Tax will be taken into consideration).

However, that 19% special tax will not be applicable when the dividends or shares of profits are received by entities engaged in holding shares in other SOCIMIs or in other entities not resident in Spain that have the same corporate object as a SOCIMI and are subject to a tax scheme similar to the SOCIMI scheme as regards the obligation, stipulated by law or in the by-laws, to distribute profits to shareholders owning 5% or more of the entity's capital and paying tax of at least 10% on such dividends or shares of profits.

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With effect in tax periods beginning on or after 1 January 2021, the entity will be subject to a special 15% tax on the portion of retained earnings deriving from income not already taxed at the general income tax rate or in the reinvestment period regulated by Article 6.1.b) of Law 11/2009.

For Group companies not included in the above-mentioned scheme, income tax expense (income) is the amount of income tax that accrues during the period and includes both current and deferred tax expense (income).

Both current and deferred tax expense (income) are recognised in the income statement. However, the tax effect of items recorded directly in equity is recognised in equity.

Current tax assets and liabilities are carried at the amounts that are expected to be payable to or recoverable from the tax authorities, in accordance with prevailing legislation or regulations that have been approved and are pending publication at the year-end. Deferred income tax is calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination that at the time of the transaction has no effect on the tax or accounting gain or loss, they are not recognised. Deferred tax is determined applying tax regulations and rates approved or about to be approved at the balance sheet date and which are expected to be applied when the corresponding deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current and deferred tax assets and liabilities, and when the deferred tax balances relate to the same tax authorities. Current tax assets and liabilities are offset when the entity has a legally enforceable offset right and intends to settle the net amount or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised insofar as future taxable profits will probably arise against which to offset the temporary differences.

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4.6 Leases

In accordance with IFRS 16, leases are classified as finance leases when on the basis of the terms of the lease it may be inferred that all the risks and rewards of ownership of the leased asset have been transferred to the lessee. All other leases are classified as operating leases. The Group is not the lessee under any significant leases at 31 December 2022.

When the Group is the lessor, operating lease revenues are recognised on a straight-line basis over the lease term and the initial direct costs incurred when arranging the operating leases are taken to the consolidated income statement on a straight-line basis over the minimum term of the lease. The minimum lease term is the period from inception to the first lease renewal option date.

4.7 Asset impairment losses

Goodwill has an indefinite useful life, is not amortised and is tested annually for impairment (Note 4.2). Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised in 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. For the purposes of assessing impairment losses, assets are grouped together at the lowest level for which there are separately identifiable cash inflows that are largely independent from the cash inflows of other assets or groups of assets (cash-generating units). Impairment losses on non-financial assets (other than goodwill) are reviewed for possible reversal at the end of each reporting period.

4.8 Cash and cash equivalents

As presented in the cash flow statement, cash and cash equivalents include petty cash, demand deposits in financial institutions, other short-term highly-liquid investments with an original maturity of three months or less that are easily convertible into specific amounts of cash and are exposed to an insignificant risk of value changes, and bank overdrafts. In the consolidated balance sheet, bank overdrafts are included under borrowings in current liabilities.

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4.9 Equity

Ordinary shares are classed as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4.10 Financial liabilities

a) Trade and other payables

These amounts relate to liabilities for goods and services provided to the Group to the end of the financial year for which payment is pending. They are unsecured and are usually settled at 30 days as from recognition. Trade and other payables are presented as current liabilities unless payment does not fall due within 12 months as from the balance sheet date. They are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

b) Borrowings

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayment value is recognised in the income statement over the life of the borrowings using the effective interest method. Loan arrangement fees are recognised as transaction costs provided that it is probable that a part or all of the credit facility will be utilised. In this case, the fees are not deferred until the facility is utilised. Insofar as there is no evidence that all or part of the credit line will probably be utilised, the fee is capitalised as an advance payment for liquidity services and is amortised over the period during which the facility is available.

Borrowings are written off the balance sheet when the obligation specified in the contract has been paid or settled, or has expired. The difference between the carrying amount of a financial liability that has been repaid or assigned and the consideration paid, including any asset assigned other than the cash or liability assumed, is taken to the income statement for the year as other financial income or expense.

When the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to settle all or part of the liability (debt/equity swap), a gain or loss is recognised in the income statement for the year in the amount of the difference between the financial liability's carrying amount and the fair value of the equity instruments issued.

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Borrowings are classified as a current liability unless the Group has an unconditional right to defer settlement for at least 12 months as from the consolidated balance sheet date.

In the event of the renegotiation of existing debts, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of cash flows, including net fees, is not more than 10% higher or lower than the present value of cash flows payable on the original liability, calculated using the same method.

4.11 Estimation of the fair value of financial instruments

Financial instruments measured at fair value following initial recognition are classified in levels one to three based on the extent to which fair value is observable:

- Level 1: prices are quoted (unadjusted) on active markets for identical assets or liabilities.

- Level 2: inputs other than the quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: measurement techniques using asset or liability input that is not based on observable market data (non-observable input).

The financial instruments measured at fair value are derivative financial instruments (Note 4.12).

Note 7 includes information on the fair value measurement of investment property.

4.12 Derivative financial instruments

Financial derivatives are measured at fair value at both initial recognition and subsequent measurement. Resulting gains or losses are recognised depending on whether or not the derivative has been designated as a hedging instrument and, if so, on the type of hedge. The Group only recognises cash flow hedges stabilising the impact of variable borrowing rates on the income statement.

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Cash flow hedges:

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is transitionally recognised in equity. It is taken to the consolidated income statement in the periods in which the forecast hedged transaction affects results, unless the hedge relates to a forecast transaction resulting in the recognition of a non-financial asset or liability, in which case the amounts reflected in equity are included in the cost of the asset or liability when it is acquired or assumed.

Hedging instruments are measured and accounted for by nature insofar as they are not or are no longer effective hedges (Note 12).

4.13 Revenue recognition

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed.

However, the Group recognises accrued revenue and all necessary associated expenses, following the principles contained in the IFRS-EU conceptual framework.

Interest income accrues on a time proportion basis by reference to the principal outstanding and the effective interest rate applicable.

Property leases

In accordance with IFRS 16, leases are classified as finance leases when on the basis of the terms of the lease it may be inferred that all the risks and rewards of ownership of the leased asset have been transferred to the lessee. All other leases are classified as operating leases. All the Group's leases are classed as operating leases at 31 December 2022 and 2021.

Operating lease revenue is recognised on a straight-line basis over the lease term.

The minimum lease term is the period from inception to the earliest possible termination date.

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Specific lease terms and conditions: rent incentives

Leases include certain specific terms and conditions relating to incentives or rent-free periods offered by the Group to customers. The Group recognises the aggregate cost of incentives granted as a reduction in lease revenue. The effects of rent-free periods are recognised over the minimum term of the lease on a straight-line basis.

Indemnities paid by tenants to terminate leases before the end of the minimum term are recognised as income in the consolidated income statement on the due date.

Development coordinator

The subsidiary Inmobisanro, S.L. acts as the development coordinator for the sector in which plots owned by the Group are located and, on a residual basis, for other plots owned by third parties, without recognising any margin or profit from such development activities. No income is currently being generated for the use of own assets.

Nonetheless, the Company only records realised profits at the year end, while foreseeable risks and losses, including possible losses, are reflected as soon as they are known.

4.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during period necessary to complete and prepare the asset for its intended use or sale. Qualifying assets are those that necessarily require a substantial period of time before they are ready for their intended use or sale.

Returns obtained from the temporary investment of specific loans pending their application to the qualifying assets are deducted from borrowing costs able to be capitalised.

Other borrowing costs are expensed in the income statement for the year in which they are incurred.

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4.15 Provisions

Provisions for legal claims, service guarantees and performance obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation, and the amount may be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required to settle the obligations is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the disbursement required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.16 Related-party transactions

In general, transactions between related parties are initially recognised at fair value. In this case, if the price agreed upon differs from fair value, the difference is recognised in accordance with the economic substance of the transaction. These transactions are subsequently measured in accordance with the corresponding standards.

4.17 Foreign currency transactions

The Group's functional currency is the euro. Transactions in currencies other than the euro are thus deemed to be denominated in foreign currency and are recorded at the exchange rates prevailing on the transaction dates.

At the year end, monetary assets and liabilities denominated in foreign currency are translated applying the exchange rates in force at the consolidated balance sheet date. Gains or losses are taken directly to the consolidated income statement in the period in which they arise.

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4.18 Current assets and liabilities

The Group classifies assets and liabilities as current and non-current in the consolidated statement of financial position. Current assets or liabilities are described below:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within 12 months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least 12 months after the reporting date.

- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- Derivative financial instruments not held for trading are classified as current or non-current based on the maturity or periodic settlement period.

4.19 Environment

The Group carries out transactions whose main purpose is to prevent, reduce or repair the environmental damage resulting from its operations.

The Company's environmental protection activities are afforded the same treatment as its other investments. They are capitalised when they are considered to contribute towards the generation of future revenues or otherwise recognised as operating expenses in the income statement for the year. However, the Group's business, by nature, does not have any significant environmental impact.

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4.20 Consolidated statement of comprehensive income

In accordance with the options provided by IAS 1, paragraph 81, the Group has opted to present separately a statement showing the components of consolidated profit/(loss) ("consolidated income statement") and a second statement which, based on consolidated profit/(loss) for the year, shows the components of other income and expenses for the year recognised directly in equity ("consolidated statement of recognised income and expense"). The "statement of recognised income and expense" presents the income and expenses generated by the Group's business during the year, distinguishing those recognised in the consolidated income statement for the year from other income and expenses taken directly to consolidated equity in accordance with prevailing legislation. For income and expenses recognised directly in equity, those that will not be reclassified to the income statement are distinguished from those that may be reclassified to the income statement. In general, income and expenses recognised directly in equity are presented gross and the corresponding tax effect is reflected under "corporate income tax".

4.21 Consolidated cash flow statement

In the consolidated cash flow statement, prepared under the indirect method, the terms employed have the following meanings:

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly-liquid investments with no significant risk of value changes.

- Cash flows: inflows and outflows of cash and cash equivalents, the latter being short-term, highly-liquid investments with no significant risk of value changes.

- Investing activities: acquisition, sale or disposal by other means of long-term 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 of liabilities and do not form part of operating activities.

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5. Financial risk management

a) Financial risk factors

The Group's activities are exposed to various types of financial risk: market risk (price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the companies' financial performance.

Risk management is controlled by the Administration Departments in accordance with policies approved by the Board of Directors, providing guidelines for overall risk management and for specific areas such as foreign exchange risk, interest rate risk, liquidity risk and investment of cash surpluses.

b) Liquidity risk

The companies apply a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities, as well as sufficient financing through credit facilities, to settle market positions.

c) Interest rate risk

As the Group has no significant interest-bearing assets, income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from non-current borrowings. Floating rate borrowings expose the Group to cash flow interest rate risk. Fixed interest rate borrowings expose the Group to fair value interest rate risks.

The Group analyses its exposure to interest rate risk dynamically. A simulation is performed of various scenarios, taking into account refinancing, renewal of current positions, alternative financing and hedging. On the basis of these scenarios, the Group calculates the effect on results of a certain fluctuation in the interest rate. For each simulation, the same interest rate fluctuation is used for all currencies. Scenarios are only simulated for liabilities representing the most significant interest-bearing positions.

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(Thousand euro)

On the basis of the different scenarios, the Group manages the cash flow interest rate risk through variable-to-fixed interest rate swaps. These interest rate swaps have the economic effect of converting variable interest borrowings to fixed interest borrowings. Generally the Group obtains long-term borrowings at variable interest rates and swaps them for borrowings at fixed interest rates which are lower than those which would be available if the Group obtained borrowings directly at fixed interest rates. Under interest rate swaps, the Group undertakes with other parties to exchange, on a regular basis, the difference between fixed and variable interest calculated on the basis of the principal notional amounts contracted.

6. Goodwill on consolidation

Goodwill recognised at 31 December 2022 and 2021 derives from the business combination described in Note 2.f. Movements during 2022 and 2021 are set out below:

	Thousand euro
Balance at 30.03.2021	-
Business combination (note 2.f)	98,840
Balance at 31.12.2021	**98,840**
Transfer due to value absorption	(34,660)
Balance at 31.12.2022	**64,180**

The transfer due to value absorption in 2022 relates to the increase in value of Montepino Logística's real estate assets since the date of the business combination (Note 2.f), in respect of which value generation had been forecast at that date.

The Group considers that this restatement represents the materialisation of expectations existing at the business combination date and therefore goodwill was reduced by the amount indicated.

Of this amount, €17,682 thousand is recognised in the income statement (Note 7) and €16,978 thousand in reserves (Note 11), since the latter amount relates to capital gains generated in 2021.

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The Group analysed the recoverability of the goodwill recognised at 31 December 2022, estimating that the present value of the profits that will be generated by the projects expected to increase in value at the business combination date (on which the goodwill arose) is higher than the carrying amount of the goodwill at 31 December 2022, so no additional impairment loss need be recognised. Discount rates and exit yields in line with those referred to in Note 4.3 were used to estimate the said present value.

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(Thousand euro)

7. Investment property

Set out below is an analysis of investment property showing movements and taking into account the increase in fair value:

					Thousand euro
	Land	Buildings	Installations	Investment property in course of construction	Total
Balance at 30.03.2021	-	-	-	-	-
Cost	-	-	-	-	-
Incentives	-	-	-	-	-
Change in fair value	-	-	-	-	-
Carrying amount	-	-	-	-	-
Business combination (cost)	101,856	423,515	18,411	229,255	773,037
Business combination (incentives)	-	11,890	-	-	11,890
Additions	11,621	7,695	751	70,481	90,548
Cost transfers	15,395	13,666	1,090	(30,151)	-
Other movements (incentives)	-	961	-	-	961
Change in fair value	-	13,625	-	33,566	47,191
Fair value transfer		6,467	-	(6,467)	-
Balance at 31.12.21	**128,872**	**477,819**	**20,252**	**296,684**	**923,627**
Cost	128,872	444,876	20,252	269,585	863,585
Incentives	-	12,851	-	-	12,851
Change in fair value	-	20,092	-	27,099	47,191
Carrying amount at 31.12.21	**128,872**	**477,819**	**20,252**	**296,684**	**923,627**
Business combination (cost)	-	-	-	54,945	54,945
Additions	24,236	4,030	497	155,551	184,314
Cost transfers	49,860	35,887	508	(86,255)	-
Disposals	-	-	-	(685)	(685)
Other movements (incentives)	-	459	-	-	459
Change in fair value	-	(467)	-	46,449	45,982
Fair value transfer	-	5,737	-	(5,737)	-
Balance at 31.12.22	**202,968**	**523,465**	**21,257**	**460,952**	**1,208,642**
Cost	202,968	484,793	21,257	393,141	1,102,159
Incentives	-	13,310	-	-	13,310
Change in fair value	-	25,362	-	67,811	93,173
Carrying amount at 31.12.22	**202,968**	**523,465**	**21,257**	**460,952**	**1,208,642**

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At year-end 2022, the amount of €13,310 thousand is recognised as an increase in the value of investment property (2021: €12,851 thousand) due to the linearisation of rent-free periods (Note 4.13), which were adjusted as a fair value reduction in the capital gain.

As regards 2022 additions, €77,104 thousand relates to the acquisition of plots of land, €49,185 thousand to other capitalisable costs and €58,025 thousand to progress billings (2021: €11,621 thousand related to the acquisition of plots of land, €19,805 thousand to other capitalisable costs and €59,122 thousand to progress billings). No interest was capitalised in 2022 or 2021.

Advance payments amount to €36 thousand at year-end (2021: €13,767 thousand for future projects, which were not measured at fair value as they did not relate to properties owned by the Group). Accordingly, real estate assets carried at fair value amount to €1,208,606 thousand (2021: €909,866 thousand), relating primarily to the logistics sector and classified on level 3 of the fair value hierarchy (Note 4.11). Note 4.3 identifies the main valuation input used by an independent expert and a sensitivity analysis based on changes in the main variables.

The Group has 46 projects at 31 December 2022 of which 19 generated monetary income in 2022 (2021: 27 projects, of which 11 generated monetary income) totalling €23,964 thousand (2021: €12,079 thousand). In addition, lease income accrued in the amount of €649 thousand due to the linearisation of the rent-free period (2021: €963 thousand) (Note 14.a), while operating expenses accrued in the amount of €10,382 in 2022 (2021: €6,702 thousand), which is the sum of the operating expenditure of the companies owning the assets that generated the income, not all of which is directly related to those assets.

The disposal of €685 thousand reflects an advance payment on account of a development in respect of which there are reasonable doubts regarding execution at the present date, in which case the advance payment might be lost.

As indicated in Note 4.3, investment property is carried at fair value and differences between fair value and cost are taken to the income statement for the year. At 31 December 2022, fair value was calculated based on the valuations of independent experts of recognised professional standing and long experience in the industry, using the discounted cash flow method, taking account of rent already agreed in future leases for the developments and using discount and growth rates that reflect the status of the development (Note 4.3).

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(Thousand euro)

Gross income of €45,982 thousand for the year was recognised as a result of the independent expert's calculation of fair value (2021: €47,191 thousand). This gross income is carried in the income statement under "Changes in fair value of investment property".

a) Investment property acquired from other related parties

In 2022, investment properties in the construction phase were acquired from other related parties for the sum of €6,770 thousand (2021: €4,542 thousand) (Note 18).

b) Assets pledged as collateral

At 31 December 2022, bank borrowings outstanding in the amount of €282,818 thousand (2021: €269,399 thousand) (Note 12) are secured by investment property showing a cost of €694,047 thousand (2021: €557,312 thousand and €584,221 thousand, respectively).

c) Assets under operating leases

The Group leases a number of properties, referred to previously, under non-cancellable operating leases. These leases have different terms depending on the development.

Total minimum future instalments under non-cancellable operating leases are analysed below:

	Thousand euro	
Category	**2022**	**2021**
Less than 1 year	30,907	21,887
Between 1 and 5 years	189,207	87,319
More than 5 years	350,517	119,418
	570,631	**228,624**

d) Insurance

The Group has taken out a number of insurance policies to cover risks relating to investment property. The coverage provided by these policies is considered to be sufficient.

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(Thousand euro)

8. Analysis of financial instruments

8.1 Analysis by category

The carrying amount of each category of financial instruments stipulated in the recognition and measurement standard "Financial instruments" is as follows:

						Thousand euro
						Long-term financial assets
	Equity instruments		Debt securities		Derivatives, Other	
	2022	2021	2022	2021	2022	2021
Other financial assets (Note 9)	-	-	-	-	30,720	4,655
	-	-	-	-	**30,720**	**4,655**

						Thousand euro
						Short-term financial assets
	Equity instruments		Debt securities			Other
	2022	2021	2022	2021	2022	2021
Trade and other receivables (Note 9)	-	-	-	-	2,959	2,486
Other financial assets (Note 9)	-	-	-	-	700	441
Cash and cash equivalents (Note 10)	-	-	-	-	26,849	16,007
	-	-	-	-	**30,508**	**18,934**

						Thousand euro
						Long-term financial liabilities
	Bank borrowings		Debentures and other marketable securities		Creditors, Other	
	2022	2021	2022	2021	2022	2021
Creditors and payables (Note 12)	277,251	262,737	-	-	4,976	3,712
	277,251	**262,737**	-	-	**4,976**	**3,712**

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(Thousand euro)

	Thousand euro					
	Short-term financial liabilities					
	Bank borrowings		Debentures and other marketable securities		Creditors, Other	
	2022	2021	2022	2021	2022	2021
Creditors and payables (Note 12)	164	20,274	-	-	33,501	29,182
	164	**20,274**	**-**	**-**	**33,501**	**29,182**

8.2 Analysis by maturity

The breakdown of financial assets by year of maturity at 31 December 2022 and 2021 was as follows:

FY 2022

	Thousand euro						
	Financial assets						
	2023	2024	2025	2026	2027	Beyond	Total
Security deposits (Note 9)	-	-	-	-	-	4,742	4,742
Derivatives	-	-	-	25,978	-	-	25,978
Trade and other receivables	2,959	-	-	-	-	-	2,959
Other financial assets	700	-	-	-	-	-	700
Cash and cash equivalents	26,849	-	-	-	-	-	26,849
Totals	**30,508**	**-**	**-**	**25,978**	**-**	**4,742**	**61,228**

FY 2021

	Thousand euro						
	Financial assets						
	2022	2023	2024	2025	2026	Beyond	Total
Security deposits (Note 9)	-	-	-	-	-	3,853	3,853
Derivatives	-	-	-	-	802	-	802
Trade and other receivables	2,486	-	-	-	-	-	2,486
Other financial assets	441	-	-	-	-	-	441
Cash and cash equivalents	16,007	-	-	-	-	-	16,007
Totals	**18,934**	**-**	**-**	**-**	**802**	**3,853**	**23,589**

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(Thousand euro)

The breakdown of financial liabilities by year of maturity at 31 December 2022 and 2021 was as follows:

FY 2022

							Thousand euro
						Financial liabilities	
	2023	2024	2025	2026	2027	Other	Total
Bank borrowings (Note 12)	164	-	-	277,251	-	-	277,415
Security deposits	-	-	-	-	-	4,976	4,976
Creditors and payables (Note 12)	33,501	-	-	-	-	-	33,501
Totals	**33,665**	**-**	**-**	**277,251**	**-**	**4,976**	**315,892**

FY 2021

							Thousand euro
						Financial liabilities	
	2022	2023	2024	2025	2026	Other	Total
Bank borrowings (Note 12)	20,274	172	177	180	259,701	2,507	283,011
Security deposits	-	-	-	-	-	3,712	3,712
Creditors and payables (Note 12)	29,182	-	-	-	-	-	29,182
Totals	**49,456**	**172**	**177**	**180**	**259,701**	**6,219**	**315,905**

9. Loans and receivables

	Thousand euro	
	2022	**2021**
Long-term loans and receivables:		
Long-term deposits	2	2
Long-term security deposits	4,740	3,851
Derivatives (Note 12)	25,978	802
	30,720	**4,655**
Short-term loans and receivables:		
Short-term deposits	700	441
Trade receivables for sales and provision of services	2,959	2,486
Current tax assets	74	204
Other amounts receivable from Public Administrations	20,354	8,993
	24,087	**12,124**

a) Long-term security deposits

Non-current security deposits relate to amounts deposited with official bodies in respect of security deposits received from tenants (Note 12).

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(Thousand euro)

b) Trade receivables

Trade receivables mainly comprise rent billed for leased properties, change orders and amounts passed on to tenants.

c) Other amounts receivable from Public Administrations

The balance in other amounts receivable from Public Administrations reflects refunds of value added tax (VAT) accrued on investments made during the period.

d) Hedging derivatives

Cash flow hedges:

Interest rate hedging instruments (swaps) outstanding at year-end 2022 and 2021 are set out below (euro):

FY 2022

Classification	Counterparty	Rate	Notional at 31/12/2022	Maturity	Fair value (euro)	
					Long-term assets	Long-term liabilities
Interest rate hedge	ING Bank	Variable to fixed	282,818	22/06/2026	25,978	-
					25,978	-

FY 2021

Classification	Counterparty	Rate	Nominal amount at 31/12/2021	Maturity	Fair value (euro)	
					Long-term assets	Long-term liabilities
Interest rate hedge	ING Bank	Variable to fixed	265,999	22/06/2026	802	-
					802	**-**

The Group arranged the derivatives to hedge cash flows of variable-rate loans obtained by various Group companies from ING Bank. The hedging relationships are highly effective prospectively and retrospectively, in cumulative terms, as from the designation date. Therefore, the Group has recognised the derivative's fair value in equity such that, at year-end 2022 and 2021, the amount recognised in equity for the above-mentioned hedging instruments reflects a gain of €25,978 thousand (€802 thousand at year-end 2021).

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(Thousand euro)

e) Short-term prepayments and accrued income

The heading “Short-term prepayments and accrued income” reflects expenses prepaid by the Group, relating primarily to the Tranche B origination fee and to apportioned insurance premiums.

10. Cash and cash equivalents

Cash and cash equivalents break down as follows:

	Thousand euro	
	2022	**2021**
Cash at bank and in hand	26,849	16,007
	26,849	**16,007**

Accounts are pledged in the amount of €404 thousand at year-end 2022 (2021: €404 thousand).

11. Shareholders’ funds

a) Capital

The parent company was incorporated on 30 March 2021 with an initial share capital of €60 thousand consisting of 60,000 shares with a par value of €1 each, all fully subscribed and paid up by Bankinter S.A.

On 12 May 2021, capital was increased by €63,167 thousand through the issuance of 9,500 ordinary shares with a par value of €1 each and a share premium of €568,499 thousand or €9 per share. The unit issuance price of the new shares is therefore €10. The issuance costs of this capital increase amounted to €6,393 thousand and were taken directly to equity as a reduction in reserves.

The effective amount of the capital increase was €631,665 thousand. The increased share capital is fully-subscribed and paid-up. The Company ceased to be a sole shareholder company as a result of the share capital increase.

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(Thousand euro)

On 5 May 2022, capital was increased by €22,761 thousand through the issuance of ordinary shares with a par value of €1 each and a share premium of €226,477 thousand or €9.95 per share. The unit issuance price of the new shares is therefore €10.95. The issuance costs of this capital increase amounted to €2,657 thousand and were taken directly to equity as a reduction in reserves.

The effective amount of the capital increase is €249,238 thousand. The increased share capital is fully-subscribed and paid-up.

At 31 December 2022, Bankinter Logística, S.A.'s share capital stands at €85,988 thousand, consisting of 85,988,040 fully-subscribed and paid-up shares with a par value of €1 each.

No shareholder owns more than 10% of share capital at 31 December 2022.

At 31 December 2022, the parent company's shares are not yet listed on the stock exchange. However, Law 11/2009 provides a two-year period as from the moment the scheme is first applied for the SOCIMI's shares to be admitted to listing in a regulated market or unilateral trading system, whether in Spain or in any other country with which Spain has a tax information exchange arrangement.

b) Share premium

The share premium stands at €794,976 thousand and is fully paid.

c) Reserves

Set out below is a breakdown of reserves:

	Thousand euro	
	2022	**2021**
Parent company reserves	(9,015)	(6,393)
Consolidated reserves	19,343	-
	10,328	**(6,393)**

The negative amount of parent company reserves includes own equity instrument issuance costs related to the capital increases described previously, which are generally taken directly to equity as a reduction in reserves.

In 2022, the amount of €16,978 thousand was recognised as a reduction in reserves, as indicated in Note 6.

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(Thousand euro)

d) Profit/(loss) for the year attributed to the parent company

The proposed distribution of the parent company's profit/(loss) for the period from 31 December 2021 to 31 December 2022, which will be submitted to the Annual General Meeting for approval, is as follows:

	Thousand euro	
	2022	**2021**
Available for distribution		
Loss for the year	(1,410)	(1,180)
	(1,410)	**(1,180)**
Application		
Prior-year losses	(1,410)	(1,180)
	(1,410)	**(1,180)**

12. Creditors and payables

	Thousand euro	
	2022	**2021**
Long- term creditors and payables:		
Bank borrowings	277,251	262,737
Security deposits (Note 9)	4,976	3,712
	282,227	**266,449**
Short-term creditors and payables:		
Bank borrowings	-	20,118
Accrued unmatured interest	164	156
Fixed asset suppliers	28,835	26,697
Payables	4,647	2,486
Accrued wages and salaries	19	-
Current tax liabilities	-	32
Other amounts payable to Public Administrations	248	516
	33,913	**50,004**

The carrying amounts of other payables are the same as their fair values, in view of their short-term nature, since the effect of discounting is immaterial.

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a) Bank borrowings

At year-end 2022, bank borrowings have been drawn down in the amount of €282,818 thousand (2021: €269,399 thousand). These loans are carried at amortised cost and are associated with origination fees pending allocation at year-end 2022 in the amount of €5,567 thousand (2021: €6,544 thousand), the amount of €1,443 thousand having accrued and been recognised as a financial expense in 2022 (2021: €619 thousand).

As indicated in Note 2.f, a number of loans were acquired as a result of the Montepino Group business combination on 14 May 2021 and were derecognised on 22 June 2021.

Following the derecognition of those loans, the Group arranged a long-term bank loan on 22 June 2021. The loan comprises two tranches: Tranche A of €265,998 thousand, which is fully drawn down and subject to a mortgage guarantee, and Tranche B of €153,122 thousand, on which a total of €16,820 thousand was drawn down in 2022. This loan was novated in December 2022, extending the Tranche B drawdown period to 30 June 2023 and, only for the Málaga property, to 31 December 2023. The loan accrues interest at the Euribor rate plus a spread of 1.65% on the drawn tranche, has a commitment fee of 0.6% and falls due on 22 June 2026.

Origination fees for this loan totalled €7,589 thousand, of which €2,062 thousand was taken to the income statement from the loan signing date to 31 December 2022. The financial ratios to which this loan is subject are fulfilled at 31 December 2022.

Loan Tranche A has an associated hedging instrument (IRS) covering the entire loan principal and interest, while Tranche B has an associated hedging instrument (IRS) covering 50% of the principal amount, which shows a positive value of €25,978 thousand (2021: €802 thousand), the effect having been recognised in measurement adjustments in equity.

As a result of the 2021 business combination, the Company recognised a mortgage loan for a principal amount of €4,108 thousand that was pending repayment at year-end 2021 in the amount of €3,401 thousand and was fully repaid in 2022.

As indicated in Note 8, all these loans are secured by real estate assets.

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(Thousand euro)

Interest of €5,345 thousand accrued on this loan in 2022 (2021: €2,215 thousand) and no interest was capitalised as an increase in the value of investment property in 2022 or 2021 (Note 8). A commitment fee of €947 thousand accrued in 2022 and is included in financial expenses. Interest income of €128 thousand accrued on the derivative arranged with ING Bank (2021: expense of €317 thousand). Additionally, interest expense of €94 thousand accrued on other smaller credits and loans (2021: €475 thousand).

Financial expenses are also recognised in the amount of €155 thousand due to the early repayment of the above-mentioned loans. In 2021, financial expenses accrued in the amount of €1,244 thousand due to the early repayment of the loans as a result of the business combination.

The Group also had two credit facilities showing total drawdowns of €20,000 thousand, which were repaid in 2022.

c) Information on the deferral of payments to suppliers. Additional Provision Three, "Duty of information", of Law 15/2010 of 5 July

Pursuant to Final Provision Two of Law 31/2014 (3 December), amending Additional Provision Three of Law 15/2010 (5 July), which amended Law 3/2004 (29 December) on measures to combat late payment in commercial transactions, and in connection with the information to be included in the notes to the annual accounts on the deferral of payments to suppliers in commercial transactions, calculated in accordance with the Spanish Institute of Accounting and Auditing's Ruling of 29 January 2016, the information is as follows:

	2022	**2021**
		Days
Average supplier payment period	41	23
Ratio of transactions settled	37	22
Ratio of transactions pending payment	63	41
		Thousand euro
Total payments made	9,098	9,289
Total payments pending	1,759	751

2022	**Thousand euro**
Total number of invoices settled	1,367
Total monetary volume of invoices settled	9,098

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(Thousand euro)

2022	**Thousand euro**
Number of invoices settled within the period stipulated in late-payment legislation	1,179
Monetary volume of invoices settled within the period stipulated in late-payment legislation	7,693
Percentage of total number of invoices	86%
Percentage of total payments	85%

A total of 1,179 invoices were settled in 2022, representing a total of €7,693 thousand, within a period shorter than the maximum period stipulated in late-payment legislation. These invoices account for 86% of total invoices settled and 85% of the total amount paid in 2022.

13. Deferred taxes

Deferred taxes are analysed below:

	Thousand euro 2022	2021
Deferred tax assets		
- Tax credits for tax-loss carryforwards	5,731	6,583
- Temporary differences	1,599	1,426
	7,330	**8,009**
Deferred tax liabilities		
- Consolidation adjustments (FV measurement of Investment property)	(99,630)	(86,539)
- Temporary differences	-	(200)
	(99,630)	**(86,739)**
	(92,300)	**(78,730)**

Movements during 2022 and 2021 in deferred taxes are as follows:

Deferred taxes	**Assets - Deductible interest**	**Change in fair value**	**Tax credits**	**Derivatives**	**Total**
					Thousand euro
Balance at 31 December 2021	**1,426**	**(86,539)**	**6,583**	**(200)**	**(78,730)**
Business combination (note 2.f)	-	(10,360)	4	-	(10,356)
Charged (credited) to income statement	-	(3,461)	58	-	(3,403)
Charged (credited) to equity	-	-	-	200	200
Other movements	173	730	(914)	-	(11)
Balance at 31 December 2022	**1,599**	**(99,630)**	**5,731**	**-**	**(92,300)**

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(Thousand euro)

Deferred taxes	Assets - Deductible interest	Change in fair value	Tax credits	Derivatives	Total
					Thousand euro
Balance at 31 May 2021	-	-	-	-	-
Business combination (note 2.f)	12	(72,699)	4,309	-	(68,378)
Charged (credited) to income statement	1,414	(13,840)	2,274	-	(10,152)
Charged (credited) to equity	-	-	-	(200)	(200)
Balance at 31/12/2021	1,426	(86,539)	6,583	-	(78,730)

Deferred tax assets reflecting tax credits for tax-loss carryforwards net the deferred tax liabilities, since these assets and liabilities are expected to be realised simultaneously.

Deferred tax assets are recognised up to the limit of the deferred tax liabilities, i.e. all the deferred tax assets are recognised, save for the Montepino Logística Group's tax credits transferred to the parent company following the merger completed during the year (Note 2.f) for a cumulative total amount of €59,631 thousand in tax losses not capitalised (tax payable of €14,908 thousand).

The companies' tax losses may only be used to offset the Company's income under the general corporate income tax regime.

Deferred tax liabilities reflect the difference between the carrying amount of investment properties measured at market value (IFRS base) and their tax value (acquisition cost, net of deductible depreciation charges and impairment losses), up to the limit of this value at 1 January 2022, the date the companies subject to the SOCIMI scheme became SOCIMIs. They include the deferred taxes associated with the Group's investment properties that would accrue were the assets to be transferred at the fair value at which they are recognised, using the applicable effective rate.

As indicated previously, deferred tax liabilities arise primarily from the business combinations completed in the previous year, the increase in value of the assets (acquired prior to inclusion in the SOCIMI scheme) and the non-SOCIMI subsidiaries (Inmobisanro, S.L., El Higueron Logística S.L.U and RPLP Ribatejo Plataforma Logística Lda.).

As indicated in Note 15, the increase in value of investment property acquired by subsidiaries subject to the SOCIMI scheme gives rise to temporary differences at the 0% tax rate and therefore no deferred tax liability was recognised by those companies in 2022.

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(Thousand euro)

14. Income and expenses

a) Revenue

Revenue relates to lease agreements entered into with tenants in the course of the Group's business and is obtained entirely in the domestic market.

Revenue for the year ended 31 December 2022 amounted to €26,107 thousand (2021: €13,906 thousand), comprising €459 thousand in rent incentives accrued during the minimum term of leases (Note 4.12) (2021: €963 thousand) and rent already billed in the amount of €23,641 thousand (2021: €12,079 thousand). Revenue also includes general property costs recharged to the tenants in the amount of €1,731 thousand (2021: €864 thousand). Revenue accrued to a Group company for development coordinator activities in the amount of €276 thousand.

b) Other operating expenses

	Thousand euro	
	2022	2021
External services	(11,639)	(7,279)
Taxes	(1,479)	(823)
	(13,118)	**(8,102)**

"External services" relate basically to services provided by other related parties in the amount of €8,374 thousand (2021: €4,318 thousand) (Note 18).

c) Raw materials and consumables

Raw materials and consumables recorded in 2022 amount to €276 thousand and relate to the development coordinator activities for third-party plots performed by one of the Group's subsidiaries, no margin having been recognised on the activities (Note 4.13)

c) Change in fair value of investment property

As indicated in Note 7, income of €45,982 thousand was recognised in the amount of the difference between the fair value and cost of investment property, supported by independent expert valuations.

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e) Staff costs

Staff costs relate only to three employees contracted in 2022, management tasks having been performed by the company Valfondo Gestión, S.L.U. during the year (Note 18).

f) Impairment and profit/(loss) on disposals of property, plant and equipment

A prepayment on property, plant and equipment became impaired in 2022 in the amount of €685 thousand (Note 14) because the associated project was no longer feasible.

15. Corporate income tax and tax situation

At 31 December 2022, the tax base was calculated on the basis of reported profit/(loss) for the year plus the effect of the change in fair value of investment property and temporary differences due to the applicable limits. At the closing date of the annual accounts, the Group does not recognise a deferred tax asset in this respect, since a tax rate of 0% is generally applicable to the parent company and most of the subsidiaries under the SOCIMI scheme, save for Inmobisanro, S.L., El Higueron Logística S.L.U. and RPLP Ribatejo Plataforma Logística Lda.

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(Thousand euro)

Set out below is the reconciliation of reported results and the corporate income tax base for 2022 and 2021:

2022			Thousand euro
			Consolidated income statement
	Increases	Decreases	Total
Reported profit/(loss) after tax			32,604
Corporate income tax			3,403
			36,007
Permanent differences			
• Consolidation adjustments			
o Negative consolidation difference	-	(3,795)	(3,795)
• Capital increase expenses	-	(2,657)	(2,657)
Temporary differences			
• Consolidation adjustments			
o Adjustments due to FV measurement of investment property	-	(45,982)	(45,982)
o Absorption of investment property restatement	17,682	-	17,682
o Adjustment for accounting depreciation/amortisation	-	(14,351)	(14,351)
• Amortisation of restatement	4,704	-	4,704
Tax base			**(8,392)**

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(Thousand euro)

The tax base includes the taxable loss totalling €520 thousand contributed by the companies not subject to the SOCIMI scheme.

2021			**Thousand euro**
			Consolidated income statement
	Increases	**Decreases**	**Total**
Reported profit/(loss) after tax			36,356
Corporate income tax			10,152
			46,508
Permanent differences			
• Consolidation adjustments			
o Negative consolidation difference	-	(3,362)	(3,362)
• Capital increase expenses	-	(6,358)	(6,358)
• Other	3	-	3
Temporary differences			
• Consolidation adjustments			
o Adjustments due to FV measurement of investment property	-	(47,191)	(47,191)
o Adjustment for accounting depreciation/amortisation	-	(8,165)	(8,165)
o Other measurement adjustments	-	(1,731)	(1,731)
• Amortisation of restatement	2,921	-	2,921
• Limit on deductibility of interest	5,659	-	5,659
Tax base (taxable income)			**(11,716)**

The parent company and a relevant part of its subsidiaries are subject to the SOCIMI scheme. As indicated in Note 4.5, taxation under this scheme is based on a general rate of 0% corporate income tax, provided certain requirements are met. However, special taxes of 19% and 15% may accrue and will be treated as corporate income tax payments in certain circumstances explained below. In the event of tax losses, Article 26 of the CIT Act does not apply. The rules for deductions and allowances provided by Chapters II, III and IV of that law are not applicable either. All matters not envisaged in the SOCIMI Law are governed secondarily by Law 27/2014 on Corporate Income Tax.

The parent company and its subsidiaries under the SOCIMI scheme will be required to pay a special tax in either of the following two circumstances:

- 19% of the entire amount of dividends or shares in profits paid to shareholders owning at least 5% of share capital, where the dividends, for the shareholders, are tax exempt or subject to an effective rate of tax below 10%.

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(Thousand euro)

- 15% of the portion of profits for the year not effectively distributed to the shareholders deriving from income not already taxed at the general income tax rate or in the reinvestment period regulated by Article 6.1.b) of the SOCIMI Law.

In the event that the asset holding requirement stipulated in Article 3.3 of Law 11/2009 (3 years) is not fulfilled, the income resulting from the transfer (in the case of shares) or from transfer and exploitation (in the case of real estate assets) will be subject to the general CIT regime and taxed (and, if applicable, regularised) at the general rate of 25%, in accordance with Article 125.3 of the CIT Act.

In 2022 and 2021, the permanent differences arising from consolidation adjustments relate to the negative differences on consolidation generated in the business combinations.

In both 2022 and 2021, the temporary differences arising from consolidation adjustments mainly comprise fair value adjustments to investment property and accounting depreciation/amortisation adjustments. They also related to measurement adjustments in 2021.

Positive temporary differences amounting to €4,704 thousand reflect differences between accounting and tax depreciation/amortisation due to the mergers described in Note 2.f. (2021: €2,921 thousand). In 2021, the amount of €5,659 thousand related to the limit on the deductibility of interest under applicable tax legislation. In both 2022 and 2021, the negative temporary difference reflects placement costs incurred in relation to the capital increase carried out during the year, recognised entirely as a tax-deductible reduction in reserves (Note 11).

Current corporate income tax is equal to 25% of the tax bases of the companies that recorded taxable income outside the SOCIMI scheme, save for the Portuguese company (22.5%).

Income tax expense is analysed below:

		Thousand euro
	2022	**2021**
Deferred tax	(3,403)	(10,152)
	(3,403)	**(10,152)**

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(Thousand euro)

At 31 December 2022, the Group records tax-loss carryforwards in the amount of €22,919 thousand, i.e. all the tax losses except for those generated by the Montepino Logística, S.L. Group and transferred to the parent company following the business combination during the year. The parent company therefore has tax losses not included in assets amounting to €59,383 thousand (2021: €59,111 thousand), and there are also tax losses not reflected in assets in other subsidiaries totalling €248 thousand (2021: €248 thousand). As indicated in Note 13, deferred tax assets are recognised up to the limit of the deferred tax liabilities generated by each development.

The Group companies are open to inspection by the tax authorities for the last four years and the main taxes to which they are subject, i.e. since the incorporation of the companies that were formed in the last four years.

In accordance with current legislation, tax assessments may not be considered definitive until the returns filed have been inspected by the tax authorities or the four-year limitation period has ended. The Company's directors do not expect any significant additional liabilities to arise in the event of an inspection of the years open to inspection.

As a result, among other things, of the different interpretations to which current tax legislation lends itself, additional liabilities could arise as a result of an inspection. In any event, the directors consider that any such liabilities will not have a significant effect on the consolidated annual accounts.

16. Net financial income/(expense)

	Thousand euro	
	2022	**2021**
Financial income:		
On marketable securities and other financial instruments		
- From third parties	18	12
	18	**12**
Financial expense (Note 12):		
Borrowing costs	(6,258)	(3,007)
Loan origination fees	(1,598)	(5,199)
Other financial expenses	(42)	(1,361)
	(7,898)	**(9,567)**
Change in fair value of financial instruments (Note 12)	**(4)**	**51**
Net financial income/(expense)	**(7,884)**	**(9,504)**

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In 2022, financial expense of €1,443 thousand (2021: €619 thousand) was recognised, reflecting the amortised cost of the new loan arranged in 2021 (Note 12). In addition, €155 thousand (Note 12) was taken to the income statement due to the cancellation of loans in 2022. In 2021, €4,580 thousand was taken the income statement due to the cancellation of loans acquired by the Company in the 2021 business combination, as indicated in Note 2.f.

17. Directors' and senior management remuneration

Parent company's Board directors' remuneration

The members of the parent company's Board of Directors did not carry out any transactions outside the ordinary course of business or applying non-market terms with the parent company or any other Group company.

In 2022, no wages or salaries accrued to or were received by the parent company's Board directors, although per diems accrued in the amount of €30 thousand (2021: €24 thousand) for attendance at Board meetings.

No contributions were made to pension plans or funds for members of the parent company's Board of Directors in 2022 or 2021.

No advances or loans were granted to the Board directors during the year. Neither were any directors' liability insurance premiums fully or partially paid in the current or previous years.

There are seven non-employee directors at year-end 2022 and 2021, all men.

Senior management remuneration

The Company considers that there are no other senior management personnel, since these duties are performed externally by a different company (Note 18).

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(Thousand euro)

Directors' conflicts of interest

As regards the duty to avoid conflicts of interest with the parent company, during the year the directors holding office on the parent company's Board fulfilled the obligations stipulated in Article 228 of the Consolidated Text of the Spanish Companies Act. Both the Board directors and their related parties avoided the conflicts of interest envisaged in Article 229 of the said Act.

18. Other transactions with related parties

Set out below is a breakdown of transactions and year-end balances with related parties by company:

	Thousand euro	
	2022	**2021**
Transactions:		
Purchases of investment property and project management services (Note 8)		
Other related parties:		
- Valfondo Gestión, S.L.U.	3,668	2,481
- Ingeniería Logística Tectónica, S.L.	3,102	2,061
Services received and provided (other related parties):		
- Valfondo Gestión, S.L.U.	5,122	2,661
- Bankinter, S.A.	5,745	7,953
- Valfondo Desarrollos Técnicos, S.L.U.	(36)	(34)
	17,601	**15,122**

	Thousand euro	
	2022	**2021**
Balances payable and receivable:		
Other related parties:		
- Valfondo Gestión, S.L.U.	(1,735)	(1,512)
- Valfondo Desarrollos Técnicos, S.L.U.	-	41
- Ingeniería Logística Tectónica, S.L.	(7)	(1,003)
- Bankinter, S.A.	(934)	(698)
	(2,676)	**(3,172)**

These balances payable to related parties are carried under "Sundry payables" in 2022 and 2022. Balances receivable were carried under "Trade receivables for sales and provision of services" in 2021.

These transactions were completed at fair value.

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The services received from Valfondo Gestión, S.L.U. relate to bookkeeping, property management services and asset management services under the "Business Management Agreement" dated 14 May 2021, whereby that company mainly performs management, administration, customer relations and project monitoring tasks.

The agreement also stipulates a performance fee that will accrue and be calculated and settled in the event of a change of control in the Company, divestment or once 10 years have elapsed as from the agreement signing date. No fee is recognised at year-end 2022 or 2021 since the minimum profitability required for accrual has not been reached.

Although there is no shareholder relationship with the Company, it is classed as a related party under IAS 24 due to being a management company that influences operating, business and management decisions, as well as sharing certain directors or executives with the Company. For tax purposes, it is not deemed to be a related party under Article 18 of Corporate Income Tax Act 27/2014 of 27 November.

The services received from Bankinter, S.A. relate partly to management services and partly to advisory services and the structuring and placement of the Company's capital among its investors in the capital increases, both under the "Strategic Advisory Services Agreement" of 14 May 2021.

The services provided by Bankinter, S.A. include a marketing and structuring fee of €2,492 thousand relating to the capital increase carried out during in 2022 (2021: €6,317 thousand in placement fees relating to the capital increases carried out in 2021).

The above-mentioned agreement also stipulates a performance fee that will accrue and be calculated and settled in the event of a change of control in the Company, divestment or once 10 years have elapsed as from the agreement signing date. As in the case of Valfondo Gestión, S.L.U., no fee is recognised at year-end 2022 or 2021 since the minimum profitability required for accrual has not been reached.

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19. Reporting requirements applicable to SOCIMIs. Law 11/2009

The following information on the parent company is provided in conformity with Law 11/2009 on listed property investment companies ("SOCIMI Law"):

a) Reserves for periods prior to the application of the special scheme laid down in this Law.

Reserves arising in periods prior to the application of the tax scheme provided in this Law were negative in the amount of €6,358 thousand.

b) Reserves for periods in which the tax scheme established in this Law has been applied, distinguishing the part that derives from income subject to the 0% tax rate, the 15% tax rate or the 19% tax rate, from the income taxed at the general rate, if applicable.

This is not applicable, due to being the first year in which the SOCIMI scheme has been applied.

c) Dividends paid out of profits for each period in which the special tax scheme has been applicable, distinguishing the part that derives from income subject to the 0% tax rate, the 15% tax rate or the 19% tax rate, from the income taxed at the general rate, if applicable.

This is not applicable, as no profits have been generated since the application date of the SOCIMI scheme.

d) If dividends have been charged to reserves, indication of the periods in which the reserves applied were generated and whether the reserves were taxed at 0%, 15%, 19% or the general rate.

This is not applicable, as no profits have been generated since the application date of the SOCIMI scheme.

e) Date of the resolution to pay out the dividends referred to in letters c) and d) above.

This is not applicable, as no profits have been generated since the application date of the SOCIMI scheme.

f) Acquisition date of leased properties and of shareholdings in entities referred to in Article 2.1 of this Law.

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(Thousand euro)

2022

Company	Property	Acquisition date	Project start date	Project end/offer for lease date
Bankinter Logística Socimi, S.A.	MADRID - Parla	01/01/2022	01/01/2022	01/01/2022
	VALENCIA - Alicante 1	01/01/2022	05/07/2022	23/09/2022
	VALENCIA - Alicante 2	01/01/2022	N/A	N/A
	VALENCIA - Alicante 3	26/07/2022	N/A	N/A
	ARAGÓN - Zaragoza	27/05/2022	27/12/2022	N/A
	CASTILLA LA MANCHA - Common areas	29/06/2022	N/A	N/A
	CASTILLA LA MANCHA - Marchamalo 4	13/05/2022	N/A	N/A

Subsidiary	Acquisition date
Montepino Logística Last Mile, S.L.U.	01/01/2022
Montepino Logística Big Box, S.L.U.	01/01/2022
Montepino Logística Torija, S.L.U.	01/01/2022
Montepino Logística Guadalajara 2, S.L.U.	01/01/2022
Montepino Logística Barcelona, S.L.U.	01/01/2022
Montepino Logística Málaga, S.L.U.	01/01/2022
Montepino Logística Coslada 2, S.L.U.	01/01/2022
Montepino Logística Zaragoza, S.L.U.	01/01/2022
Montepino Logística Illescas 2, S.L.U.	01/01/2022
Montepino Logística Ruiseñor, S.L.U.	01/01/2022
Montepino Logística Levante, S.L.U.	01/01/2022
Inmobisanro, S.L.U.	01/07/2022
Ribatejo Plataforma Logística, LDA	01/08/2022
El Higuerón Logística, S.L.	21/12/2022

g) Identification of assets included in the 80% referred to in Article 3.1 of this Act

The assets forming part of the 80% referred to in Article 3.1 of Law 11/2009 are reflected in the above table, except for INMOBISANRO, S.L.U., El Higueron Logística, S.L.U and Ribatejo Plataforma Logística, LDA, which were not subject to the SOCIMI tax scheme at the year-end.

h) Reserves from periods in which the special tax scheme provided by this Law was applicable and that were utilised during the tax period, other than for distribution or to offset losses, stating the period in which the reserves were generated.

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(Thousand euro)

This is not applicable, as no profits have been generated to date.

20. Environmental information

LEED certificates were obtained in 2022 and 2021 attesting to the fact that the buildings meet the required eco-efficiency and sustainability standards. These certificates were granted due to the use of materials that more than meet the required quality standards in the various developments executed.

21. Events after the reporting period

There have been no events having a material effect on these consolidated annual accounts since the year-end.

22. Audit fees

The fees accrued to PricewaterhouseCoopers Auditores, S.L. and other PwC network firms during 2022 and 2021 are set out below:

2022			Thousand euro
Items	PwC	Other PwC network firms	Total
Audit services	69	-	73
Other assurance services	9	-	4
Tax advice	-	-	-
Total	**78**	**-**	**77**

2021			Thousand euro
Items	PwC	Other PwC network firms	Total
Audit services	118	-	118
Other assurance services	18	-	18
Tax advice	-	13	13
Total	**136**	**13**	**149**

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APPENDIX I - SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION

FY 2022	Thousand euro Cost	Incorporation date	% control	Capital	Reserves	Other items	Profit/(loss) for the period	Thousand euro Shareholder contributions
Montepino Logística Big Box, S.L. Calle Felipe San Clemente, 26 Zaragoza	325,640	27/12/2017	100%	135	246,639	(8,643)	(5,791)	1,134
Montepino Logística Last Mile, S.L. Calle Felipe San Clemente, 26 Zaragoza	87,762	29/10/2018	100%	3	57,051	(992)	493	11,962
Montepino Logística Torija, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	43,852	24/11/2017	100%	292	-	(2,305)	168	29,949
Montepino Logística Málaga, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	56,605	07/08/2019	100%	3	-	(1,087)	(727)	30,029
Montepino Logística Coslada 2, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	4,259	13/11/2019	100%	3	-	(180)	(101)	4,019
Montepino Logística Guadalajara 2, S.L. Calle Felipe San Clemente, 26 Zaragoza	54,818	03/07/2018	100%	15	-	(1,279)	(488)	43,349
Montepino Logística Illescas 2, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	15,713	28/03/2021	100%	3	-	(2)	(138)	15,710
Montepino Logística Levante, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	73	28/03/2021	100%	3	-	(2)	(9)	70
Montepino Logística Zaragoza, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	1,364	28/03/2021	100%	3	-	(65)	(59)	1,380
Montepino Logística Barcelona, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	6,051	03/07/2018	100%	3	-	(233)	(62)	3,468
Montepino Logística Ruiseñor, S.L. Calle Felipe San Clemente, 26 Zaragoza	42,999	24/04/2018	100%	85	(12,370)	(3,995)	(526)	54,000
Inmobisanro S.L. Calle Felipe San Clemente, 26 Zaragoza	97,766	30/12/2004	100%	4	-	(10)	(417)	70,395
Plataforma Logística Ribatejo Castanheira do Ribatejo (Lisbon)	34,506	01/08/2022	100%	3	-	-	(84)	34,503
El Higueron Logistica, S.L., Calle Felipe San Clemente, 26 Zaragoza	3	21/12/2022	100%	3	-	(8,643)	-	-

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FY 2021	Activity	Thousand euro Cost	Company holding the interest	Incorp. date	% control	Capital	Reserves	Other items	Profit/(loss) for the period	Thousand euro Shareholder contributions
Montepino Logística Big Box, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	333,642	Bankinter Logística SOCIMI, S.A.	27/12/2017	100%	135	246,639	(759)	(7,884)	9,135.
Montepino Logística Last Mile, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	80,459	Bankinter Logística SOCIMI, S.A. ***	29/10/2018	100%	3	57,051	(166)	(825)	4,662
Montepino Logística Torija, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	29,162	Bankinter Logística SOCIMI, S.A.	24/11/2017	100%	292	-	(415)	(1,890)	15,259
Montepino Logística Málaga, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	54,895	Bankinter Logística SOCIMI, S.A.	07/08/2019	100%	3	-	(360)	(726)	28,317
Montepino Logística Coslada 2, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	5,399	Bankinter Logística SOCIMI, S.A.	13/11/2019	100%	3	-	(72)	(107)	5,159
Montepino Logística Guadalajara 2, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	50,303	Bankinter Logística SOCIMI, S.A.	03/07/2018	100%	15	-	(651)	(629)	38,835
Montepino Logística Illescas, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	14,595	Bankinter Logística SOCIMI, S.A.	20/01/2020	100%	3	-	(15)	(50)	14,610
Montepino Logística Levante, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	3	Bankinter Logística SOCIMI, S.A.	28/03/2021	100%	3	-	-	(2)	-
Montepino Logística Parla, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	3	Bankinter Logística SOCIMI, S.A.	28/03/2021	100%	3	-	-	(2)	-
Montepino Logística Barcelona, S.L.U. Calle Felipe San Clemente, 26 Zaragoza	Real estate	6,220	Bankinter Logística SOCIMI, S.A.	03/07/2018	100%	3	-	(66)	(168)	3,638
Chacailo ITG, S.L. Calle Felipe San Clemente, 26 Zaragoza	Real estate	36,499	Bankinter Logística SOCIMI, S.A.	24/04/2018	100%	85	(12,370)	(1,298)	(2,759)	47,501

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with current legislation, the 2022 Management Report is set out below, its content fulfilling the requirements of Article 262 of the Spanish Companies Act.

Macroeconomic scenario

The outlook for the Spanish economy was good at the start of 2022, though not free from risks that eventually materialised as the months went by: i) slowdown in activities in the first part of the year due to the worsening epidemiological situation; ii) poor implementation of European funds; iii) high inflation; and iv) tightening of financial conditions. This was aggravated by the war between Ukraine and Russia, which considerably influenced the rise in the price of energy and some commodities (in view of the EU's dependence on Russian gas). Spain's economy finally grew 5.5% in 2022 and avoided the contraction at the end of the year.

Inflation was clearly the star of the show in 2022, particularly in energy prices. The year-on-year CPI rate closed at 5.7%, marking the second consecutive year of high inflation. The decrease in the final months of the year is expected to continue this year but inflation will remain at high levels. This will continue to erode household purchasing power, directly impacting household consumption because, although wages are rising, the pace is much slower than the growth in prices. The concern as regards December CPI data is core inflation, which came in at 7.0%.

471,000 new jobs were created last year, bringing the total number of people registered for Social Security to an all-time high of 20.3 million. Although the overall balance is positive, the December data confirm that job creation has slowed.

The external sector was the main driver of economic activity during the first half thanks to a remarkable recovery in the tourism industry and, to a lesser extent, to the resilience of the non-tourism goods and services export sector. It also performed well in the second half, though at a less intense pace.

As regards public finance, the increase in taxes collected that was observed in late 2021 thanks to the effect of inflation on tax revenues offset growth in spending. The overall government deficit will close the year below 5% and debt will stand at approximately 115% of GDP.

Rising interest rates are triggering a considerable increase in financing costs over a short period of time. Households and businesses are experiencing difficulties, not only because financial conditions are tightening but also because this situation follows a very prolonged period of exceptional financial and inflationary circumstances.

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BANKINTER LOGÍSTICA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

2022 was once again an excellent year for the logistics industry, which closed at the record levels achieved in 2021. In terms of new logistics space contracted, the year ended above 1.3 million m², 1% up on the previous year. Industry investment was only 2% below 2021 (a record year due to the completion of the Montepino acquisition by Bankinter Logística, which was the largest logistics transaction in Spain's history), totalling €2,300 million at the year-end.

Rent trended upwards during the year due to rising construction costs. This increase varied from market to market, but averaged over 5% and was above 10% in some markets.

The Group's situation

The Group's economic performance was excellent. It has focused on growth by expanding and increasing the value of its portfolio assets, cementing projects launched in previous years and beginning new projects.

In 2022, the Group delivered a total of 90,000 m² of new logistics buildings to its customers. During this period, the Group's lease commitments for the turnkey construction of logistics properties reached a total area of over 315,000 m² and the vacant 100,000 m² were leased, achieving 100% occupancy. Four new customers were included in the portfolio.

The Group has 46 projects at 31 December 2022 of which 21 are operational (19 generated monetary income in 2022). Of these projects, nine assets are in the construction phase, representing a total lease area of €512,000 m2

The Group's year-end highlights are described below:

- The volume of assets managed by the Group reached €1,360 million at 31 December 2022, which is 28.4% more than the €1,059 million managed by the Montepino Group at 31 December 2021.

- The fair value of investment property rose by €285 million up to €1,209 million during the year. The change in the fair value of investment property reflected in the income statement for the year amounts to €46 million, while €17.7 million is recognised for the absorption of goodwill.

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- Revenue for the year totalled €26.1 million, having risen by 88% on the previous year.

- The Group obtained consolidated comprehensive income of €32.6 million after taxes.

- The Group's equity stands at €949.9 million, placing the solvency ratio at 69.8%.

The Group has a solid financial situation that will allow future commitments to be honoured. Drawable bank borrowings and financing in course will ensure that the Group can meet short-term obligations arising from the strong growth strategy followed.

Capital was increased by a fully-subscribed and paid-up cash amount of €249.2 million in 2022.

On 14 September 2022, the parent company notified the Tax Agency that it opted to apply the special tax scheme for listed property investment companies (SOCIMIs). Therefore, the parent company and most of its subsidiaries have been under the scheme since 1 January 2022.

Context and outlook

The IMF predicts that global inflation reached a high at the end of 2022 and has since been falling. However, forecasts indicate that in 2023 rates will still be higher than usual in many parts of the world and 4.9% in Spain.

Spain's GDP is estimated to grow by 1.1%, 0.4% above the euro area average. Monetary tightening by central banks will continue to weigh on economic activity, but the reopening of China will allow for higher growth than previously forecast.

Monetary policy will remain restrictive and the ECB is expected to raise interest rates further until mid-year.

Solid demand from tenants and a continued upward trend in rent in the main logistics areas are expected in the logistics industry in 2023. The most significant effect of the rise in construction costs and the notable increase in financial costs will be felt by at-risk projects, although our business is focused on turnkey construction and long-term leases. The upward pressure from yields will entail adjusting asset values, at least during the first half, although this situation is expected to begin to turn around as from 2024.

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In this context, the Group will continue to focus on developing and leasing logistics space through an ambitious growth plan that will allow it to remain a benchmark at the national level while maintaining its characteristic competitiveness, effective and quality.

Financial risk management

The Group's activities are exposed to various types of financial risk: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the companies' financial performance.

The Group manages liquidity risk prudently by keeping sufficient cash and drawable financing to meet its commitments.

The Group hedges interest rate risk arising from variable-interest financing.

Sustainability

Further progress was made in 2022 on the sustainability work that began in the previous year. Following the Board of Directors' approval of the ESG (Environmental, Social and Governance) Policy, the Company's ESG strategy was defined and implementation was mapped out, identifying 15 lines of action and 38 goals to be achieved by 2025 and by 2030. The Company's five fundamental pillars, Agenda 2030 and the UN's Sustainable Development Goals were adopted as the framework of reference.

The road map lays the foundations for the Company's non-financial information reporting.

The Group issued its first Sustainability Report in 2022 (based on 2021 performance), prepared in accordance with:

- the requirements and principles established in the SRS version of the Sustainability Reporting Guidelines prepared by the Global Reporting Initiative (GRI);
- the ISO 14064-3 standard requirements;
- and the European Real Estate Association's EPRA Best Practices Recommendations for Sustainability Reporting (EPRA sBPR).

The required disclosures in the notes to the accounts were verified by Bureau Veritas Certification.

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In line with the goal of improving ESG performance measurement in the voluntary GRESB assessment, this year the Group again increased its score up to 88 points out of a possible 100 in the GRESB Standing Investments Benchmark and 94 out of 100 in the GRESB Development Benchmark, entailing an improvement of 12 and 24 points, respectively. This excellent performance was recognised by GRESB in the form of a Green Star award.

As regards the Company's commitment to develop and manage sustainable buildings, four new certificates were obtained during the year: 3 LEED Gold certificates and the first LEED Platinum certificate in the portfolio, the aim still being to have the entire portfolio LEED certified (projects with certificates issued or in the process of certification).

From a social viewpoint, Bankinter Logística continues to foster sports in our local communities. The following collaboration agreements were renewed or entered into for this purpose:

- Marchamalo Town Council: The sponsorship agreement with Marchamalo Town council was concluded to encourage townspeople to do sports, particularly in association with the Sports Schools.
- Guadalajara Sports Club: A new agreement was signed to support the promotion and encouragement of football for schoolchildren, grassroots teams and veterans or the first team (men and women) in the city of Guadalajara.
- Guadalajara Handball: A new agreement was concluded to foster handball for schoolchildren and grassroots teams.

Finally, the 87/100 score obtained in the tenant satisfaction survey is worth mentioning, reflecting a 2-point increase in customer satisfaction since the previous year.

Other matters

The Group only had six employees in 2022, management tasks having been performed by the company Valfondo Gestión, S.L.U. during the year

The average supplier payment period was 23 days.

No R&D activities were carried out in 2022.

The parent company had no dealings in own shares during the year, either itself or for the account of a third party. None of the Group companies hold any treasury shares.

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Events after the reporting period

There have been no events having a material effect on these annual accounts since the year-end.

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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

AUTHORISATION FOR ISSUE OF THE CONSOLIDATED ANNUAL ACCOUNTS AND CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with Article 253 of the Consolidated Text of the Spanish Companies Act and Article 44 of the Code of Commerce, the Board of Directors of Bankinter Logística SOCIMI, S.A. hereby issue the Consolidated Annual Accounts and Management Report for the year ended 31 December 2022, consisting of the preceding documents, which have been initialled by the Non-Voting Secretary by delegation of the other members of the Board of Directors.

a) Consolidated balance sheet at year-end 2022.

b) Consolidated income statement for 2022.

c) Consolidated statement of comprehensive income for 2022.

d) Consolidated statement of changes in equity for 2022.

e) Consolidated cash flow statement for 2022.

f) Notes to the consolidated annual accounts for 2022.

g) Consolidated Management Report for 2022.

SIGNATORIES:

Fernando Moreno Marcos
Chair

[Signature]

Juan José Vera Villamayor
Director

[Signature]

Ignacio Larrú Martínez
Director

[Signature]

Victor Martí Gilabert
Director

[Signature]

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Jaime Iñigo Guerra Azcona
Director

[Signature]

Alfonso Cárcamo Gil
Non-Voting Secretary

[Signature]

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SIGNATORIES:

Juan José Vera
Vicechair

[Signature]

Alfonso Cárcamo Gil
Non-Voting Secretary

[Signature]

Lucas González Cebolla
Traductor-Intérprete
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BANKINTER LOGÍSTICA SOCIMI, S.A. AND SUBSIDIARIES

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SIGNATORIES:

Íñigo Gortázar Sánchez-Torres
Director

[Signature]

Alfonso Cárcamo Gil
Non-Voting Secretary

[Signature]

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Traductor-Intérprete
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Don Lucas González Cebolla, Traductor-Intérprete Jurado de inglés, en virtud de título otorgado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y exacta al inglés de un documento redactado en castellano.

En Madrid, a 23 de marzo de 2023.

Mr Lucas González Cebolla, Sworn Translator and Interpreter of English appointed by the Ministry of Foreign Affairs, European Union and Cooperation, hereby certifies that the preceding translation is an accurate and faithful translation into English of a document written in Spanish.

Signed in Madrid on March 23rd, 2023.

Lucas González Cebolla
Traductor-Intérprete
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