Audit Report on Financial Statements
issued by an Independent Auditor

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES
Financial Statements and Management Report
for the year ended
December 31, 2021

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of IGIS Neptune Barcelona Holdco SOCIMI, S.A., and dependant subsidiary:

Qualified opinion

We have audited the financial statements of IGIS Neptune Barcelona Holdco SOCIMI, S.A. (the Group) and dependant subsidiary, which comprise the balance sheet as at December 31, 2021, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated annual accounts express, in all material respects, a true and fair view of the equity and financial position of the Group as of December 31, 2021, as well as its results and cash flows, all of them consolidated, corresponding to the year ending on that date, in accordance with the applicable financial reporting regulatory framework (identified in the note 4 of the consolidated report) and, in particular, with the accounting principles and criteria contained therein.

Basis for qualified opinion

According to current legal provisions, tax settlements cannot be considered final until they have been inspected by the tax authorities or the four-year statute of limitations has elapsed. Given that we have not had sufficient and adequate information and documentation, we have not been able to complete our procedures for reviewing the tax situation of the subsidiary BCN1 Fulfillment, S.L.U. in relation to all applicable taxes corresponding to the years open to inspection prior to January 1, 2019, not audited, so it is not possible for us to pronounce on whether said situation is duly reflected in the attached consolidated annual accounts. Our prior year audit report included a qualification for this matter.

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant Audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

In addition to the matter described in the Basis for Qualified Opinion section, we have determined that the risks described below are the most significant risks considered in the audit that should be communicated in our report

Valuation of real estate investments

Description

The Group has recorded, under the heading "Real estate investments" of the consolidated balance sheet as of December 31, 2021, assets with a net book value of 122,721 thousand euros, which represent 92% of the total Assets and correspond, mainly, to real estate of urban nature intended for exploitation on a rental basis.

The Group's Management evaluates periodically, and at least at the end of the financial year, if there are indications that any of its real estate assets could be impaired and, if there are indications, their recoverable amounts are estimated taking as a reference the valuations carried out by independent experts.

We have considered this area as the most relevant aspect of our audit due to the significance of the amounts involved and the complexity of the process of identifying the existence of indications of impairment and valuation of real estate investments for the purpose of evaluating a possible impairment, which requires the making of significant estimates, both by independent experts and by Group Management, which entail the application of judgments in establishing the assumptions considered.

The information regarding the applicable valuation standards and the corresponding breakdowns is included in Notes 5.3 and 7 of the consolidated report.

Nuestra respuesta

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by the Group's Management to identify indications of impairment and determine the recoverable amount of the assets recorded as “Investment property”, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Obtaining the valuation report carried out by the independent expert hired by the Group's Management for the valuation of the real estate investment, evaluating the competence, capacity and objectivity of said expert for the purpose of using his work as audit evidence.
- Comparison of the book value of the real estate investment at the end of the year with the valuation made by the independent expert.
- Review of the disclosures included in the consolidated report in accordance with the applicable regulatory framework for financial information.

Evaluation of the compliance with the requirements of the special tax regime SOCIMIs

Description

As indicated in Note 1 of the attached consolidated report, on September 26, 2019, the Parent Company and the Subsidiary Company formally communicated to the State Tax Administration Agency the option of availing themselves of the special tax regime for SOCIMIs established in

Law 11/2009, of October 26, which regulates Listed Investment Companies in the Real Estate Market, with effect from June 27, 2019 and from January 1, 2019, respectively, being a of the main characteristics of these entities that are taxed at the tax rate of zero percent in Corporation Tax.

The special tax regime applicable to SOCIMIs is subject to compliance with certain requirements relating to, among others, corporate purpose, minimum share capital, equity investment, income generated by such investment, trading on a regulated market or multilateral trading system, information and mandatory distribution of results. The evaluation of compliance with some of these requirements requires the making of estimates, which entails the application of judgments in establishing the assumptions considered by the Company's Management in relation to said estimates.

We have considered this area as the most relevant aspect of our audit due to the complexity inherent in the estimation process in the evaluation of compliance with some of the aforementioned requirements and because non-compliance with said requirements could lead, if not corrected, to the loss of the special tax regime, in which case the Parent Company and the Subsidiary Company will be taxed under the general Corporation Tax regime, which would have a significant impact on the consolidated annual accounts.

Information regarding the application of the special tax regime for SOCIMIs and compliance with the corresponding requirements is included in Notes 2 and 17 of the consolidated report.

Nuestra respuesta

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process followed by the Company's Management to assess compliance with the requirements of the special regime for SOCIMIs.
- Obtaining the documentation prepared by the Group's Management in relation to compliance with the obligations associated with the aforementioned special tax regime.
- Review and evaluation of the reasonableness of the information obtained and its integrity in relation to all the aspects contemplated by the regulations in force at the date of analysis.
- Review of the disclosures included in the consolidated report in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2021 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2021 financial statements and their content and presentation are in conformity with applicable regulations.

Director's responsibilities for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

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

ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores
de Cuentas con el Nº S0530)

29 de abril de 2022

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.
and its subsidiary

Consolidated Financial Statements and Consolidated Management Report corresponding to the financial year ended on 31 December 2021 (comparative figures as at 31 December 2020)

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IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary

Consolidated Statement of financial position for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		NOTES	2021	2020
A)	**NON-CURRENT ASSETS**		**130,889,180.75**	**136,392,056.90**
I.	**Intangible assets**	**6**	**7,233,143.50**	**8,182,818.81**
4.	Goodwill		7,233,143.50	8,182,818.81
III.	**Real estate investments**	**7**	**122,720,994.52**	**127,274,195.36**
1.	Land		30,352,464.00	30,352,464.00
2.	Buildings		92,368,530.52	96,921,731.36
V.	**Non-current financial investments**	**9**	**914,163.67**	**914,163.67**
5.	Other financial assets		914,163.67	914,163.67
VI.	**Deferred tax assets**	**9**	**20,879.06**	**20,879.06**
B)	**CURRENT ASSETS**		**2,371,990.87**	**5,623,188.51**
III.	**Trade and other receivables**	**9**	**343,139.05**	**959,602.73**
1.	Trade receivables for sales and services		275,306.09	227,525.69
3.	Miscellaneous receivables		52,527.40	409,965.00
5.	Current tax assets		-	322,112.04
6.	Other tax receivables		15,305.56	-
VI.	**Current accruals**	**9**	**78,527.59**	**78,960.67**
VII.	**Cash and cash equivalents**	**9**	**1,950,324.23**	**4,584,625.11**
1.	Cash and cash balances		1,950,324.23	4,584,625.11
TOTAL ASSETS (A + B)			**133,261,171.62**	**142,015,245.41**

EQUITY AND LIABILITIES		NOTES	2021	2020
A)	**EQUITY**		**47,222,443.49**	**55,118,673.40**
A-1)	**Shareholders' equity**	**9**	**47,222,443.49**	**55,118,673.40**
I.	**Capital**	**9**	**5,003,640.00**	**61,020.00**
1.	Issued capital		5,003,640.00	61,020.00
III.	**Reserves**	**9**	**70,694.44**	**(307,740.07)**
2.	Other reserves		70,694.44	(307,740.07)
IV.	**Reserves in consolidated companies**	**9**	**(2,734,233.81)**	**(447,696.77)**
V.	**Profit(loss) from previous years**	**9**	**(1,166,131.17)**	**(5,128,336.79)**
2.	(Accumulated losses)		(1,166,131.17)	(5,128,336.79)
VI.	**Other shareholders' contributions**	**9**	**48,794,703.72**	**63,314,837.00**
VII.	**Profit(loss) for the year**		**(2,746,229.70)**	**(2,373,409.98)**
B)	**NON-CURRENT LIABILITIES**		**85,404,587.61**	**84,598,937.92**
II.	**Non-current borrowings**	**9**	**85,404,587.61**	**84,598,937.92**
2.	Bank borrowings		84,490,423.94	83,684,774.25
5.	Other financial liabilities		914,163.67	914,163.67
C)	**CURRENT LIABILITIES**		**634,140.52**	**2,297,634.09**
III.	**Current borrowings**	**9**	**193,177.24**	**193,177.24**
2.	Bank borrowings		193,177.24	193,177.24
V.	**Trade and other payables**	**9**	**440,963.28**	**2,104,456.85**
2.	Payable to suppliers, group companies and associates		3,119.90	3,119.89
3.	Miscellaneous payables		411,549.71	106,766.38
6.	Payables to Public Administrations		26,293.67	354,196.01
7.	Customer advances		-	1,640,374.57
TOTAL EQUITY AND LIABILITIES (A + B + C)			**133,261,171.62**	**142,015,245.41**

The Consolidated Financial Statements of the Company, which form a single unit, comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the financial statements, which consists of 22 Notes, attached.

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary

Consolidated Income Statement for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

CONSOLIDATED INCOME STATEMENT

		NOTES	2021	2020
A)	**CONTINUING OPERATIONS**			
1.	**Net turnover**	**11**	**6,753,286.63**	**6,649,303.59**
b)	Services rendered		6,753,286.63	6,649,303.59
7.	**Other operating costs**	**11**	**(2,224,853.51)**	**(1,721,776.38)**
a)	External services		(1,289,995.19)	(786,918.05)
b)	Taxes		(934,858.32)	(934,858.33)
8.	**Depreciation of fixed assets**	**11**	**(5,502,876.16)**	**(5,513,171.64)**
13.	**Other results**	**11**	**(284.17)**	**(187.50)**
A.1)	**OPERATING RESULTS**		**(974,727.20)**	**(585,831.93)**
14.	**Finance income**	**11**	***33.09***	-
b)	Marketable securities and other financial instruments		*33.09*	-
b2)	*Third-party*		33.09	-
15.	**Financial expenses**	**11**	**(1,771,535.58)**	**(1,787,578.05)**
b)	Third party borrowings		(1,771,535.58)	(1,787,578.05)
A.2)	**FINANCIAL RESULTS**		**(1,771,502.49)**	**(1,787,578.05)**
A.3)	**PRE-TAX RESULT**		**(2,746,229.70)**	**(2,373,409.98)**
20.	**Corporate Income tax**	**11**	**-**	**-**
A.4)	**PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS**		**(2,746,229.70)**	**(2,373,409.98)**
B)	**DISCONTINUED OPERATIONS**		**-**	**-**
A.5)	**PROFIT(LOSS) FOR THE YEAR**		**(2,746,229.70)**	**(2,373,409.98)**
	Profit(loss) attributable to the Parent Company		(2,746,229.70)	(2,373,409.98)
	Profit(loss) attributable to non-controlling interests		0.00	0.00

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary

Consolidated Statement of changes in equity corresponding to the financial year ended 31 December 2021 and 31 December 2020 (expressed in euros).

B) Total statement of changes in equity (expressed in euros)

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSES

		NOTES	2021	2020
A)	**RESULT OF THE INCOME STATEMENT**		**(2,746,229.70)**	**(2,373,409.98)**
Income and expenses recognised directly in equity				
B)	**TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY**		**-**	**-**
Transfers to the income statement				
C)	**TOTAL AMOUNTS TRANSFERRED TO THE INCOME STATEMENT**		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSES			**(2,746,229.70)**	**(2,373,409.98)**

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary

Consolidated Statement of changes in equity corresponding to the financial year ended 31 December 2021 and 31 December 2020 (expressed in euros).

B) Total statement of changes in equity (expressed in euros)

TOTAL STATEMENT OF CHANGES IN EQUITY

		Capital Issued	Reserves	Reserves in consolidated companies	Profit of last year	Other shareholders' contributions	Profit(loss) for the year	TOTAL
A)	**ADJUSTED BALANCE, START OF 2020**	**61,020.00**	**(307,740.07)**	**(447,696.77)**	**0**	**66,404,980.00**	**0**	**(65,710,563.16)**
I.	Total recognised income and expenses	-	-	-	-	-	(2,373,409.98)	(2,373,409.98)
II.	Transactions with shareholders and owners	-	-	-	-	(3,090,143.00)	-	(3,090,143.00)
7.	*Other transactions with shareholders and owners*	-	-	-	-	*(3,090,143.00)*	-	(3,090,143.00)
III.	Other changes in equity	-	-	-	(5,128,336.79)	0	-	(5,128,336.79)
B)	**BALANCE AT YEAR-END 2020**	**61,020.00**	**(307,740.07)**	**(447,696.77)**	**(5,128,336.79)**	**63,314,837.00**	**(2,373,409.98)**	**55,118,673.40**
C)	**ADJUSTED BALANCE, START OF 2021**	**61,020.00**	**(307,740.07)**	**(447,696.77)**	**(5,128,336.79)**	**63,314,837.00**	**(2,373,409.98)**	**55,118,673.40**
I.	Total recognised income and expenses	-	-	-	-	-	(2,746,229.70)	(2,746,229.70)
II.	Transactions with shareholders and owners	4,942,620.00	-	-	-	-	-	4,942,620.00
1.	*Capital increases*	4,942,620.00	-	-	-	-	-	4,942,620.00
7.	*Other transactions with shareholders and owners*	-	-	-	-	-	-	-
III.	Other changes in equity	-	378,434.51	(2,286,537.04)	3,962,205.62	(14,520,133.28)	2,373,409.98	(10,092,620.21)
D)	**BALANCE AT YEAR-END 2021**	**5,003,640.00**	**70,694.44**	**(2,734,233.81)**	**(1,166,131.17)**	**48,794,703.72**	**(2,746,229.70)**	**47,222,443.50**

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary

Consolidated Cash Flow Statement corresponding to the financial year ended
31 December 2021 and 31 December 2020 (expressed in euros)

CONSOLIDATED CASH FLOW STATEMENT

		NOTES	2021	2020
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	**Pre-tax result for the year**		**(2,746,229.70)**	**(2,373,409.98)**
2.	**Adjustment to profit(loss)**		**7,274,378.65**	**7,300,749.69**
a)	Depreciation of fixed assets		5,502,876.16	5,513,171.64
g)	Finance income		-33.09	-
h)	Financial expenses		1,771,535.58	1,787,578.05
3.	**Changes in working capital**		**-1,368,708.86**	**3,620,823.41**
b)	Trade and other receivables		294,351.64	(981,969.35)
c)	Other current assets		433.08	(78,960.67)
d)	Trade and other payables		(1,663,493.58)	2,448,935.51
e)	Other current liabilities		-	(1,063,996.90)
f)	Other non-current assets and liabilities		-	3,296,814.82
4.	**Other cash flows from operating activities**		**(1,449,390.45)**	**(977,075.01)**
a)	Interest paid		(1,771,535.58)	(977,075.01)
c)	Interest receivable		33.09	-
d)	Payment (receipt) due to income tax		322,112.04	-
5.	**Cash flows from operating activities (+/-1 +/-2 +/-3 +/-4)**		**1,710,049.64**	**7,571,088.11**
B)	**CASH FLOWS FROM INVESTMENT ACTIVITIES**			
6.	**Payments due to investments**		**-**	**-**
7.	**Receipts for divestitures**		**-**	**103,680.00**
e)	Other financial assets		-	103,680.00
8.	**Cash flows from investing activities (6+7)**		**-**	**103,680.00**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
9.	**Proceeds and payments due to equity instruments**		**(5,150,000.21)**	**(3,090,143.00)**
a)	Issue of equity instruments		4,942,620.00	-
b)	Depreciation of equity instruments		(10,092,620.21)	(3,090,143.00)
10.	**Proceeds and payments due to financial liability instruments**		**805,649.69**	
a)	Issue		805,649.69	
2.	*Bank borrowings*		805,649.69	
b)	refunds and depreciation of		-	-
2.	*Bank borrowings*		-	-
11.	**Dividends paid and remuneration of other equity instruments**		**-**	**-**
12	**Cash flows from financing activities (+/-9 +/-10 -11)**		**(4,344,350.52)**	**(3,090,143.00)**
D)	**Effect of exchange rate fluctuations**		**-**	**-**
E)	**NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS**		**(2,634,300.88)**	**4,584,625.11**
Cash and cash equivalents at beginning of financial year			4,584,625.11	-
Cash or cash equivalents at the end of the financial year			1,950,324.23	4,584,625.11

1. GENERAL INFORMATION ON THE GROUP

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary (hereinafter, the "**Group**" or **IGIS Group**") configure a consolidated group of companies that basically perform their operations in the real estate rental industry.

The company IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. was incorporated as a public limited company in Spain for an unlimited duration, on 27 June 2019, with registered address in Avenida Felipe II, 17, 1ª, oficina 1, Madrid 28009. On November 29th, 2021 the registered address was transferred again to Calle Serrano 41, 28001 Madrid. Its registered address was transferred on 17 July 2019 to Calle Príncipe de Vergara 112, 28002 Madrid. It is registered in the Madrid Companies Register, volume 39,416, folio 190, page M-699838. Its tax identification number is A88427653.

Its corporate purpose is as follows:

(i) The acquisition and development of urban real estate for its lease or building rehabilitation in the terms established in Law 37/1992, of 28 December, on Value Added Tax;

(ii) The ownership of shareholdings in the capital of other real estate investment trusts ("REITs") or in that of other non-resident entities in Spanish territory that have the same corporate purpose as the former and which are subject to a similar regime established for said REITs with regard to the legal or statutory obligation or the distribution of profits;

(iii) The ownership of shareholdings 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 lease and which are subject to the same regime established for the REITs in respect of the obligatory, legal or statutory policy relating to the distribution of profit and which fulfil the investment requirements referred to in article 3 of Law 11/2009 of 26 October, amending Law 16/2012, of 27 December, regulating REITs (The "REITs Law);

(iv) The ownership of shares or shareholdings in Real Estate Collective Investment Institutions governed by Law 35/2003 of 4 November on Collective Investment Institutions, or any legislation that may replace it in the future.

(v) In addition to the economic activity deriving from the main corporate purpose, the company may carry out other ancillary activities, these being understood as those that represent, as a whole, less than twenty percent of the income of the Company during each tax period or those that may be considered as ancillary pursuant to the applicable Law at any time. Among them, the following may be carried out:

(vi) In general, the subscription, derivative acquisition, holding, enjoyment, administration, disposal of moveables and company shares, except those activities subject to special legislation: and

(vii) The management and administration of securities representing the equity of entities not resident in Spanish territory, through the corresponding organisation of material and human resources, pursuant to the provisions of article 107 of Law 27/2014, of 27 November, on Corporate Income Tax and the provisions that implement, substitute or amend it.

As at 31 December 2021, IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. is the parent company of IGIS Group, formed by two companies: IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. (hereinafter, the "**Company**" or the "**Parent Company**"), as parent company and BCN1 FULFILLMENT, S.L.U. (hereinafter, the "**Subsidiary**"), as subsidiary.

The Group opted for the tax regime regulated by Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (REITs): the Parent Company on 26 September 2019 and with effect from 27 June 2019 (incorporation date); the Subsidiary on 26 September 2019 and with effect from 1 January 2019.

The Parent Company deposits its individual annual accounts in the Madrid Companies Register.

The currency of the main economic environment in which IGIS Group operates is the euro, with this, therefore, being its functional currency. All the amounts included in these notes are shown in euros unless expressly specified otherwise.

The business of the Parent Company and its Subsidiary Company is conducted solely in Spanish territory.

Given the activity that the Group devotes itself to, it has no responsibilities, expenses, assets, nor provisions and contingencies of an environmental nature that may be significant in relation to the equity, the financial situation and the results thereof. For this reason, no specific itemisations are included in these consolidated notes to the financial statements with respect to environmental issues.

2. REITS REGIME

The Parent Company and its subsidiary, are regulated by Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts ("REITs"). These companies have a special tax regime, and they must comply with, among others, the following obligations:

1. Obligation of corporate purpose: They must have the main corporate purpose of the holding of urban real estate for its lease, ownership of shareholdings in other REITs or companies with a similar corporate purpose and with the same dividend distribution regime, as well as collective investment institutions.

2. Obligation of Investment:
    - They must invest 80% of the asset in real estate used for rental, in land for the development of real estate that they are going to use for this purpose provided that the development starts within the three years following its acquisition and in shareholdings in capital of other companies with similar corporate purpose to REITs.
    - This percentage will be calculated based in the consolidated statement of financial position in the case that the Company is the parent of a group according to the criteria laid down in Article 42 of the Code of Commerce, regardless of the residence and the obligation to prepare consolidated financial statements. This group will be formed exclusively by the REITs and the remaining entities referred to in section 1 of Article 2 of Law 11/2009.
    - There is the option of replacing the book value of the assets by their market value or the cash and bank balances/credit rights from the transfer of said asset shall be calculated provided that they exceed the maximum reinvestment periods established.
    - Likewise, 80% of its income must come from income from (i) real estate leasing; and (ii) from the dividends from the shareholding. This percentage will be calculated based in the consolidated statement of financial position in the case that the Company is the parent of a group according to the criteria laid down in Article 42 of the Code of Commerce, regardless of the residence and the obligation to prepare consolidated financial statements. This group will be formed exclusively by the REITs and the remaining entities referred to in section 1 of Article 2 of Law 11/2009.
    - The properties must remain leased at least three years (for the calculation, it is possible to add up to one year from the period that they have been offered in lease). The shareholdings must remain in the assets for at least three years.

3. Obligation to trade in the regulated market or multilateral trading facility. The shares of the REIT must be admitted to trading in a Spanish regulated market or multilateral trading facility or in any other member State of the European Union or the European Economic Area or on a regulated market of any other country where there is an effective uninterrupted exchange of taxation information for the duration of the tax period. The shares must be registered.

4. Obligation of application of results. The companies must distribute as dividends, once the commercial requirements are fulfilled:
    - 100% of the profit originating from the dividends or shares in profits distributed by the entities referred to in section 1 of article 2 of 11/2009 of Law 11/2009.
    - At least 50% of the profits deriving from the transfer of real estate and shares or shareholdings referred to in section 1 of article 2 of Law 11/2009, after the periods of minimum holding have elapsed, for the purposes of compliance with its main corporate purpose. The remainder of these profits must be reinvested in other real estate or shareholdings related to said object, within a period of three years after the transfer date.
    - At least 80% of the remainder of the profit obtained. When the dividend distribution is performed charged to reserves from profits of a financial year in which the special tax regime had been applied, its distribution must be adopted in the aforementioned manner.

5. Obligation of information: REITs must include in the notes to their financial statements the information required by the tax legislation regulating the special REITs regime (Note 8 and 17).

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

It is possible to choose application of the special tax regime in the terms established in article 8 of the Law, even when they do not fulfil the requirements established therein, on the condition that such requirements are fulfilled within a period of two years following the date of the option to apply for said regime.

Breach of any of the previous conditions shall entail that IGIS Group will start to pay taxes with the general Corporate Income Tax regime from the very tax period where said breach was revealed unless it is remedied in the following financial year. Furthermore, the IGIS Group will be obliged to deposit, together with the tax due for said tax period, the difference between the tax due which, for said tax, is applicable to the general tax regime and the deposited tax due which was applicable in the special tax regime in the previous tax periods, without prejudice to the default interests, surcharges and penalties which, if any, are applicable.

The tax rate of REITs in the Corporate Income Tax is set at 0%. Nevertheless, when the dividends that the REIT distributes to its shareholders with a shareholding percentage greater than 5%, they are exempt or pay tax at a rate lower than 10% the REIT will be subject to a special rate of 19%, which will have the consideration of tax due for the Corporate Income Tax, on the amount of the dividend distributed to shareholders. If applicable, this special tax rate must be paid by the REIT within a period of two months from the dividend distribution date.

At December 31st , 2021, the Group's directors consider that the Group meets the requirements of Law 11/2009, as amended by Law 16/2012, and therefore the special tax regime is fully applicable.

3. SUBSIDIARIES

The consolidation has been performed by applying the full consolidation method to all subsidiaries, which are those over which the group exerts or may exert, directly or indirectly, its control, understood as the power of managing the financial and operating policies of a company to obtain financial benefits from its activities. This circumstance is manifested, although not solely, by the direct or indirect ownership of 50% or more of the rights to vote of the Company. Subsidiaries are consolidated from the date on which control is transferred to the Group and they are excluded from the consolidation on the date on which control ends.

As at 31 December 2021, the sole subsidiary included in the consolidation scope, consolidated using the full consolidation method, audited, is as follows:

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

Company	Activity	Direct shareholding percentage	Director Right to Vote	Consolidation Method Applied
BCN1 Fulfillment, S.L.U.	Rental of industrial premises	100.00%	100%	Full consolidation

The registration details and the address of the Subsidiary included in the consolidation scope of financial year 2021 and 2020, are indicated below:

- The company BCN1 FULFILLMENT, S.L.U. was incorporated as a limited company in Spain, for an unlimited duration, on 11 May 2016, with registered address in Avenida de la Astronomía 24, 28830 Madrid. Its registered address was transferred on 14 August 2019 to Calle Príncipe de Vergara 112, 28002 Madrid. Its registered office was subsequently moved to Calle Serrano 41, 28001 Madrid on June 17, 2021. It is registered in the Madrid Companies Register, volume 34754, folio 12, page M-625095. Its tax identification number is B-87561635.

  Its corporate purpose is:

  (i) The acquisition and development of urban real estate for its lease or building rehabilitation in the terms established in Law 37/1992, of 28 December, on Value Added Tax;

  (ii) The ownership of shareholdings in the capital of other real estate investment trusts (“REITs”) or in that of other non-resident entities in Spanish territory that have the same corporate purpose as the former and which are subject to a similar regime established for said REITs with regard to the legal or statutory obligation or the distribution of profits;

  (iii) The ownership of shareholdings 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 lease and which are subject to the same regime established for the REITs in respect of the obligatory, legal or statutory policy relating to the distribution of profit and which fulfil the investment requirements referred to in article 3 of Law 11/2009 of 26 October regulating REITs (The REITs Law);

  (iv) The ownership of shares or shareholdings in Real Estate Collective Investment Institutions governed by Law 35/2003 of 4 November on Collective Investment Institutions, or any legislation that may replace it in the future.

  (v) In addition to the economic activity deriving from the main corporate purpose, the company may carry out other ancillary activities, these being understood as those that represent, as a whole, less than twenty percent of the income of the Company during each tax period or those that may be considered as ancillary pursuant to the applicable Law at any time. Among them, the following may be carried out:

  (vi) In general, the subscription, derivative acquisition, holding, enjoyment, administration, disposal of moveables and company shares, except those activities subject to special legislation: and

  (vii) The management and administration of securities representing the equity of entities not resident in Spanish territory, through the corresponding organisation of material and human resources, pursuant to the provisions of article 107 of Law 27/2014, of 27 November, on Corporate Income Tax and the provisions that implement, substitute or amend it.

The Parent Company acquired the control of 100% of the Subsidiary through the deed of sale of shares on 14 August 2019 by virtue of the deed of the Notary, Mr. José Luis Martínez-Gil VIch under number 2,342 of his protocol.

Both the Parent Company and the Subsidiary end their financial year on 31 December.

The circumstances in which these Companies are consolidated correspond to the situations referred to in Article 2 of the Rules for Preparing Consolidated Financial Statements, (NOFCAC), which are detailed as follows:

1. When the Parent Company is considered to be in a relationship with another Company (subsidiary) in any of the following situations:

   a) The Parent Company holds the majority of the voting rights.

   b) The Parent Company has the power to appoint or dismiss the majority of the members of the governing body.

   c) The Parent Company, by virtue of agreements entered into with other Shareholders, may have the majority of the voting rights.

   d) The Parent Company has appointed the majority of the members of the Governing body using its votes, who are discharging their duties at the time of issue of the consolidated financial statements and during the preceding two financial years. This circumstance assumes that the majority of the members of the Parent Company's governing body are members of the governing body or senior management of the Parent Company or an investee company.

2. When a Parent Company holds half or less than half of the voting rights, even when it barely possesses or does not possess a shareholding in another Company, or when the managerial power has not been detailed (special purpose entities), but it participates in the risks and benefits of the entity, or has the capacity to participate in the operational and financial decision-making thereof.

4. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

4.1. TRUE AND FAIR VIEW

The consolidated financial statements from financial year 2021 have been prepared from the accounting ledgers of the different companies comprising the Group, whose respective financial statements are prepared according to the commercial legislation in force, the rules established in the General Accounting Standards approved by Royal Decree 1514/2007, of 16 November, and they are presented as established in Royal Decree 1159/2010 of 17 September, with the aim of showing the true and fair view of the equity, the financial situation and the veracity of the flows incorporated in the consolidated cash flow statement.

The consolidated financial statements have been prepared by the Parent Company's Board of Directors on March 29th, 2022 and they will be subject to the approval of the Shareholders' Meeting with no modifications.

The different entries of the individual annual accounts of each one of the companies have been subject to the corresponding valuation homogenisation, adapting the criteria applied to those used in the consolidation.

4.2. REGULATORY FRAMEWORK FOR FINANCIAL INFORMATION APPLICABLE TO THE GROUP

These consolidated financial statements have been prepared by the members of the Board of Directors in accordance with the Regulatory Framework for Financial Information applicable to the Group, as established in:

- the Code of Commerce and other commercial law.
- The Rules for Preparing Consolidated Financial Statements, approved by Royal Decree 1159/2010 and Royal Decree 1/2021 of 12 January, amending the General Accounting Standards approved by Royal Decree 1514/2007 and its Sectoral adaptations.
- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts ("REITs") in relation to information to be itemised in the notes to the financial statements.
- The standards of mandatory compliance approved by the Institute of Accounting and Accounts Auditing in the implementation of the General Accounting Standards and its supplementary rules.
- Any other Spanish accounting legislation that may be applicable.

4.3. CRITICAL ASPECTS CONCERNING VALUATION AND ESTIMATION OF UNCERTAINTIES AND RELEVANT JUDGEMENTS IN THE APPLICATION OF ACCOUNTING POLICIES.

Accounting estimates have been made in the preparation of the consolidated financial statements attached based on historical experience and on other factors considered reasonable in accordance with current circumstances and which form the basis to establish the book value of determined assets, liabilities, income, expenses and commitments where the value cannot be easily determined from other sources. The Group constantly reviews its estimates. In this regard, a detail of the aspects that have involved a greater degree of judgment, complexity or those where the hypothesis and estimates are significant for the preparation of the consolidated financial statements are summarised below.

- Income Tax - REITs regime (Note 2 and 10).

Despite the fact that these estimates have been made based on the best possible available information at the end of financial year 2021, it is possible that events which may take place in the future make it necessary to modify them, upward or downward, in the coming financial years, which would be performed prospectively.

On the date of preparation of the consolidated financial statements, the Parent Company's Board of Directors has no record of the existence of uncertainties relating to events or conditions that may provide significant doubts over the possibility that the Group continues functioning normally.

The key circumstances regarding the future, as well as other relevant data concerning the estimation of uncertainty as at 31 December 2021, which have a significant associated risk resulting in significant changes to the value of the assets and liabilities in the coming years, are as follows:

Valuation of real estate investments (Note 5.3 and 7).

The valuation of the non-current investments, other than financial investments, requires making estimates with the aim of determining their fair value, for the purposes of evaluating a possible impairment, especially in case of real estate investments. In order to determine this fair value, the Group has engaged an independent expert to perform appraisals of the real estate investments according to the estimations of the expected future cash flows of such assets and using the appropriate discount rate to calculate its current value (Note 7).

Income Tax - REITs regime (Note 2 and 10).

Since 1 January 2019, the Group has opted for the regime established in Law 11/2009, of 26 October, amended by Law 16/2012 regulating Real Estate Investment Trusts (REITs). In practice, this means that under compliance with certain requirements (Note 2), the companies forming the Group are subject to a tax rate in relation to the Corporate Income Tax of 0%. The Board of Directors of the Parent Company will monitor compliance with the requirements established in the legislation in order to safeguard the tax advantages established therein. In this regard, the Board of Directors considers that said requirements will be fulfilled in the terms and periods established, and no type of result derived from the Corporate Income Tax should be recorded.

4.4. COMPARISON OF INFORMATION

The consolidated financial statements present for comparative purposes, with each one of the items of the statement of financial position, the income statement, the statement of changes in equity, the cash flow statement and the notes to the financial statements, in addition to the figures from 2021, those corresponding to the previous year, which formed part of the consolidated financial statements for the year 2020 approved by the General Meeting of Shareholders on 27 April 2021.

30 January 2021 saw publication of Royal Decree 1/2021, of 12 January 2021, amending the General Accounting Standards approved by Royal Decree 1514/2007, of 16 November. The changes to the General Accounting Standards are applicable to financial years starting on 1 January 2021 and are mainly centred on the criteria of recognition, valuation and itemisation of income and financial instruments, with the following detail:

- Financial instruments

The changes produced have not relevantly affect these financial statements.

- Income recognition

The changes produced have not significantly affected the present financial statements.

4.5 GOING CONCERN PRINCIPLE

In 2021, the Group has had a negative result from the period of 2,746,229.70 euros (loss of 2,373,409.98 euros in the complete financial year 2020).

The Company's directors have prepared the financial statements in accordance with the going concern principle, considering the fulfillment of the business plan that contemplates the generation of profits in future years.

The continuation of this strategy will allow obtaining positive results and cash flows in future financial years.

4.6. GROUPING OF ITEMS

Certain items of the statement of financial position, the income statement, the statement of changes in equity, statement of recognised income and expenses and cash flow statement are presented grouped to facilitate their understanding, although, insofar as it is significant, the disaggregated information has been included in the corresponding notes to the financial statements.

4.7. ELEMENTS INCLUDED IN SEVERAL ITEMS

There are no assets recognised or included in two or more items of the statement of financial position.

4.8. CHANGES IN ACCOUNTING CRITERIA

There have been no changes in the accounting criteria used during the financial year with respect to those used in the previous financial years.

4.9. CORRECTION OF ERRORS

There have been no errors during the financial year.

5. RECOGNITION AND MEASUREMENT STANDARDS

The main valuation standards used by the Group in preparing its consolidated Financial Statements for 2021 and 2020, in accordance with those established by the General Accounting Standards, have been as follows:

5.1. CONSOLIDATION PRINCIPLES

The consolidation of the financial statements of the Parent Company with the financial statements of its Subsidiary mentioned in Note 1, have been performed following the full consolidation method for all the Group companies, i.e. those over which there is an effective control.

The consolidation of the operations with those of said subsidiary have been performed following the basic principles stated below:

- The group has decided to present voluntary consolidated financial statements considering as the date of first consolidation 14 August 2019.

- The criteria used in the preparation of the statements of financial position, the individual income statement, as well as the statement of changes in equity and the cash flow statements, of each one of the consolidated companies are, in general and in their basic aspects, homogeneous.

- The statement of financial position, the income statement and the cash flow statement include the adjustments and eliminations typical of the consolidation process, as well as the pertinent valuation homogenisations to reconcile balances and transactions between the companies that consolidate.

- The consolidated income statement includes the income and expenses of the companies that stop forming part of the Group until the date on which the shareholding has been sold or the company liquidated, and of the companies that are incorporated in the Group after the date on which the shareholding is acquired or the company incorporated, until the end of the financial year.

- The balances and transactions between consolidated companies have been eliminated in the consolidation process. The payables and receivables with group, associated and related companies that have been excluded from the consolidation, are presented in the corresponding headings of the assets and liabilities of the consolidated statement of financial position.

- The elimination of equity investment of the subsidiaries has been performed compensating the shareholding of the parent company with the proportional part of the equity of the subsidiaries that represents said shareholding on the acquisition date, recorded at its fair value on said date, the assets identified and assumed liabilities of the subsidiary. The differences obtained have been treated as follows:

    a. Positive differences, which has not been possible to attribute to them the equity elements of the subsidiaries, have been included in the "Consolidation goodwill" heading of the consolidated statement of financial position assets. The consolidation goodwill is amortised, although, annually, the impairment of the cash generating units, or groups of units, to which they have been assigned in their source or on the transition date, is verified. The impairment losses must be recognised in the consolidated income statement and are reversible in character

b. Negative differences are recognised as income in the financial year in the consolidated income statement.

- The consolidated profit(loss) for the year shows the part attributable to the Parent Company, which is formed by the result obtained by it plus the part that corresponds to it, by virtue of the financial shareholding, of the result obtained by the controlled companies

5.2. INTANGIBLE ASSETS

The assets included in the intangible assets are entered at their acquisition prices or at their production, following the same principles as those established in the determination of the inventories production cost. The capitalisation of the production cost is performed through the heading "Work carried out by the company for assets" of the income statement. The intangible assets are detailed in the statement of financial position at their cost value less the amount of any depreciation and accumulated valuation adjustments due to impairment.

The advances on account of fixed assets are initially recognised at cost. In subsequent financial years and provided that the period between payment and the receipt of the asset is greater than one year, the advances accrue interest at the incremental rate of the supplier.

The intangible assets recognised as non-monetary contribution of capital are valued at their fair value at the time of the contribution.

The costs incurred in performing the activities that contribute to developing the value of the Group's business as a whole, as goodwill, trademarks and the like generated internally, and the start-up costs are entered as expenses in the income statement as they are incurred.

Goodwill

Goodwill is valued initially at the time of acquisition, at its cost, with this being the excess of the cost of the business combination with respect to the fair value of the identifiable assets acquired minus that of the liabilities assumed.

The goodwill is prospectively amortised on a straight-line basis during its useful life of 10 years. At least annually, it is analysed for signs of impairment in value of the cash generating units to which a goodwill has been assigned and, if there are any, their possible value impairment is verified.

Useful life and depreciation

Intangible assets are amortised by distributing the amount to be amortised systematically over the useful life using the following criteria:

	Depreciation method	Estimated years of useful life
Goodwill		
Goodwill	Straight line	10

Research costs are amortised on straight-line basis from the activation date and the development costs are amortised on straight-line basis from the project termination date.

For these purposes, the depreciable amount is understood to be the acquisition cost less, if applicable, its residual value.

The Group considers that the residual value of the assets is zero unless:

a) *There is a commitment, by a third party, to buy the asset at the end of its useful life.*

b) *There is an active market for the intangible asset, and furthermore:*

(i) The residual value can be determined with reference to this market: and

(ii) It is probable that the market subsists at the end of the useful life thereof.

The Group revises the residual value, the useful life and the depreciation method of the intangible assets at the end of each financial year. The modifications in the initially established criteria are recognised as an estimate change.

5.3. REAL ESTATE INVESTMENTS

The heading of the consolidated statement of financial position "Real estate investment" includes the values of land, buildings and other constructions that are held in Barcelona.

The elements included in this heading are valued at their cost, whether the acquisition price or the production cost.

The acquisition price includes, in addition to the amount billed by the seller after deducting any discount or reduction in the price, all the additional and directly related costs that occur after it is put into operating conditions.

Subsequently, said real estate investments are measured at their acquisition price, less any accumulated depreciation and, where applicable, the accumulated amount of recognised valuation adjustments due to impairment.

At the end of the financial year, the Company evaluates whether there are signs that the real estate investment may be impaired, and if this is the case, it shall estimate the recoverable amounts, carrying out the applicable valuation changes. Said evaluation is carried out by external valuations according to the guidelines set by NIIF 13 Fair Value Measurement The allocation of the possible impairment as well as reversals are performed in accordance with that indicated in the rules governing recognition and valuation included in the General Accounting Standards in force. In addition, the depreciation of the following financial years of the impaired fixed assets shall be adjusted, taking into account the new book value.

At least at the end of the financial year, the Company assesses if there are signs that any non-current asset or, where applicable, any cash generating unit may be impaired.

The recoverable value is determined through appraisals carried out by independent third parties.

The financial costs of the financing relating to the building of the real estate investments of a period greater than one year were capitalised as part of the cost until the asset is implemented.

Repairs that do not represent an extension to the useful life and the maintenance costs are charged to the income statement during the year in which they are incurred. The extension or improvement costs, which give rise to an increase in the production capacity or the useful life of the assets, are included in the asset as a greater value thereof, derecognising, where applicable, the book value of the substituted elements.

The depreciation of the real estate investments is performed on the cost values and is calculated by the straight-line method in accordance with the estimated useful life of the different assets, which is as follows:

	Depreciation method	Estimated years of useful life
Buildings	Straight line	50

At each year end, the Parent Company reviews the residual values, useful lives and depreciation methods of real estate investments and, if necessary, adjusts these on a prospective basis.

5.4. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

The Group classifies a lease as financial when, from the economic conditions of the lease agreement, it is gathered that all the risks and rewards inherent in the ownership of the asset subject to the contract are substantially transferred. If the lease contract conditions to be considered as financial are not fulfilled, it shall be considered as an operating lease.

The operating lease costs incurred during the financial year are charged to the consolidated income statement.

For the financial lease contracts, at the start thereof, the Group records an asset in accordance with its nature, according to whether it is an intangible asset or an item of property, plant and equipment, and a financial liability for the same amount, which will be the lesser between the fair value of the asset leased and the current value at the start of the lease of the minimum agreed payments. To calculate the current value of the minimum payments for the lease, the implicit interest rate of the contract is used and if this cannot be determined, the interest rate of the lessee for similar operations.

The financial load is distributed throughout the lease period and is allocated to the consolidated income statement of the financial year in which it is accrued, applying the effective interest rate method. The tax payable of contingent nature is recorded as costs of the financial year in which they are incurred.

The depreciation, impairment and derecognition criteria are applied to the assets recognised in the consolidated statement of financial position as a consequence of financial leases, depending on their nature.

5.5. FINANCIAL INSTRUMENTS

The Group recognises a financial instrument in the statement of financial position when it becomes a compulsory part of the legal contract or business according to the provisions thereof, either as issuer or investor or acquiring party of the former. The financial instruments are recognised in the statement of financial position when it becomes a compulsory part of the legal contract or business according to the provisions thereof, either as issuer or investor or acquiring party of the former.

Hybrid financial instruments

A hybrid instrument is an instrument that combines, in the same contract, a main contract (which is not a derivative) and an implicit derivative.

It is an instrument that is not a derivative (e.g. an issued bond, an issued deposit, a non-financial contact, etc.) but that contains one or several clauses that make some of their cash flows vary similarly to the cash flows of a derivative considered independently (i.e. they vary in accordance with a certain interest rate, the price of a financial instrument, the price of a commodity, an exchange rate, a price or interest rate index, a credit rating or index, or in accordance with another variable).

The Group separates the implicit derivative (and recognises, values and presents it independently) when the four following conditions are simultaneously present:

a) The main contract is not a financial asset. If the main contract is a financial asset, the complete hybrid instrument is classified in the categories established for financial assets.
b) The financial characteristics and risks inherent to the implicit derivative are not closely related to those of the main contract.
c) An independent instrument with the same conditions as those of the implicit derivative would fulfil the definition of financial instrument.
d) The hybrid instrument is not valued at its fair value with changes in the income statement.

In this way, if the four conditions are present, the implicit derivative is accounted for as an independent derivative financial instrument, whilst the main contract is accounted for according to its nature.

Financial assets

Classification and valuation

At the time of initial recognition, the Group classifies all the assets in one of the categories listed below, which determines the initial and subsequent valuation method applicable:

- Financial assets at fair value with changes in the income statement
- Financial assets at amortised cost
- Financial assets at fair value with changes in the equity
- Financial assets at cost

Financial assets at fair value with changes in the income statement

The Group classifies a financial asset in this category unless it should be classified in one of the others.

In any case, the held-for-trading financial assets are included in this category. The Group considers that it is a held-for-trading financial asset when at least one of the three following circumstances are met:

a) It originates or is acquired with the purpose of selling it in the short term.

b) It forms part, at the time of its initial recognition, of a portfolio of financial instruments identified and managed jointly of which there is evidence of recent actions to obtain profits in the short-term.

c) It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designate as a hedging instrument.

In addition to the above. the Group has the possibility, at the time of the initial recognition, to designate a financial asset irrevocably as measured at fair value with changes in the income statement, and which otherwise would have been included in another category (which is usually called "fair value option"). This option can be chosen if an incoherence of valuation or accounting asymmetry is significantly eliminated or reduced which would arise in another case of the valuation of asset or liabilities on different bases.

The financial assets classified in this category are initially measured at their fair value, which, unless otherwise indicated, is assumed to be the transaction price, this being the equivalent of the fair value of the consideration given. Directly attributable transaction costs are recognised in the income statement of the financial year (i.e. they are not capitalised).

Subsequent to the initial recognition, the Group values the financial assets included in this category at fair value with changes in the income statement (financial results).

Financial assets at amortised cost

The Group classifies a financial asset in this category, even when it is admitted to trading in an organised market, if the following conditions are fulfilled:

- The Group holds the investment under a management model whose aim is to receive the cash flows derived from execution of the contract.

  The management of a portfolio of financial assets to obtain its contractual flows does not entail that all the instruments must be held until their maturity. It could be considered that the financial assets are managed with that objective even when sales in the future have taken place or are expected to take place. For said purpose, the Group considers the frequency, amount and calendar of the sales in previous financial years, the reasons for those sales and the expectations in terms of future sales activity.

- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are only receipts of principal and interests on the amount of the outstanding principal. In other words, the cash flows are inherent to an agreement that has the nature of an ordinary or common loan, without prejudice to the operation being agreed at a zero or below-market rate of interest.

  It is assumed that this condition is fulfilled, in the case of a single bond or loan with a determined maturity date and for which the Group charges a market-value interest rate, being able to be subject to a limit. In contrast, it is assumed that this condition is not fulfilled in the case of instruments convertible in equity instruments of the issuer, loans with inverse variable interest rates (i.e. a rate that has an inverse ratio with the market interest rates) or those in which the issuer may defer payment of interests, if with this payment its solvency was affected, without the deferred interest accruing additional interests.

On a general basis, this category includes the trade receivables ("trade customers") and the non-trade receivables ("other receivables")

The financial assets classified in this category are initially measured at their fair value, which, unless otherwise indicated, is assumed to be the transaction price, this being the equivalent of the fair value of the consideration given, plus the transaction costs that are directly attributable to it. In other words, the inherent transaction costs are capitalised.

Nevertheless, the trade receivables with maturity of under one year and which do not have an explicit contractual interest rate, as well as loans to staff, dividends receivable and any payouts demanded on equity instruments, the amount of which is expected to be received within the short term, shall be valued at their nominal value when the effect of not updating the cash flows is insignificant.

The amortised cost method is used for the later valuation. The accrued interests are entered in the income statement (financial income), applying the effective interest rate method.

The loans with maturity of under one year which, as previously stated, are initially valued at their nominal value, shall continue to be valued at said amount, unless they had been impaired.

In general, when the contractual cash flows of a financial asset at amortised cost are modified due to the financial difficulties of the issuer, the Group analyses if a loss should be accounted for by value impairment.

Financial assets at fair value with changes in the equity

Financial assets are included that fulfil the following conditions:

- The financial instrument is not held for trading nor should it be classified at amortised cost.
- The contractual characteristics of the financial asset give rise, on specified dates, to cash flows that are only receipts of principal and interests on the amount of the outstanding principal.

Furthermore, the Group has the option of classifying (irrevocably) in this category investments in equity instruments, provided that they are not held for trading, nor must they be valued at cost (see cost category later on).

The financial assets included in this category are initially measured at their fair value, which, unless otherwise indicated, is assumed to be the transaction price, this being the equivalent of the fair value of the consideration given, plus the transaction costs that are directly attributable to it. In other words, the inherent transaction costs are capitalised.

The subsequent valuation is at fair value, without deducting the transaction costs that may be incurred in its disposal. The changes that occur in the fair value are directly recorded in the equity, until the financial asset is derecognised or is impaired, the time when the amount thus recognised is allocated to the income statement.

The valuation adjustments due to impairment and the resulting profits and losses due to exchange differences in monetary financial assets in foreign currency are recorded in the income statement and not in the equity.

The amount of the interests calculated according to the effective interest rate method and the dividends accrued (financial income) shall also be recorded in the income statement.

Financial assets at cost

The Group includes in this category, in any case:

d) Equity investments in group, multi-group and associated companies (in the individual financial statements)

e) The remaining investments in equity instruments whose fair value cannot be determined by reference to a price listed in an active market for an identical instrument, or cannot be reliably estimated, and the derivatives they have as underlying these investments.

f) The hybrid financial assets whose fair value cannot be reliably estimated, unless they fulfil the requirements for their recognition at amortised cost.

g) The contributions made as a consequence of a participation account agreement and the like.

h) The participative loans whose interests have a contingent character, either as a fixed or variable interest rate is agreed conditional on compliance with a milestone in the borrowing company (e.g. obtaining profits), or because they are exclusively calculated by reference to the evolution of the activity of said company.

i) Any other financial asset that it was initially appropriate to classify in the portfolio at fair value with changes in the income statement when it is not possible to obtain a reliable estimate of its fair value.

The investments included in this category are initially valued at cost. which is the equivalent to the fair value in the consideration given plus the transaction costs directly attributable. In other words, the inherent transaction costs are capitalised.

In the case of investments in group companies, if there were an investment prior to its classification as a group, multi-group or associated company the book value would be considered as the cost of said investment that this would have had immediately prior to the company receiving this classification.

The subsequent valuation is also at cost less, where applicable, the accumulated amount of the valuation adjustments due to impairment.

The contributions made as a consequence of a participation account agreement and the like are valued at cost, increased or decreased by the profit or loss, respectively, which correspond to the company as non-management shareholder and minus, where applicable the accumulated amount of the valuation adjustments due to impairment.

The same criterion is applied in the participative loans whose interests have a contingent character, either as a fixed or variable interest rate is agreed conditional on compliance with a milestone in the borrowing company (e.g. obtaining profits), or because they are exclusively calculated by reference to the evolution of the activity of said company. If, in addition to a contingent interest, an irrevocable fixed interest is agreed, the latter is accounted for as a financial income in accordance with its accrual. The transaction costs are allocated to the income statement on straight-line basis throughout the life of the participative loan.

Derecognition of financial assets

The Group derecognises a financial asset when:

- The contractual rights expire on the cash flows of the asset. In this regard, a financial asset is derecognised when it has expired and the Group has received the corresponding amount.

- The contractual rights over the cash flows of the financial asset expire. In this case, the financial asset is derecognised when the risks and rewards inherent in ownership have been substantially transferred. In particular, in sales operations with repurchase, factoring and securitisation agreement, the financial asset is derecognised once the Group's exposure, before and after the assignment, has been compared to the fluctuation in the amounts and in the calendar of the net cash flows of the transferred asset, it can be deduced that the risks and rewards have been transferred.

After analysis of the risks and rewards, the Group records the derecognition of the financial assets as per the following situations:

a) The risks and rewards inherent in the ownership have been substantially transferred. The asset transferred is derecognised and the Group recognises the operation result: the difference between the consideration received net of the attributable transaction costs (taking into account any new asset obtained minus any liability assumed) and the book value of the financial asset, plus any other accumulated amount that may have been directly recognised in equity.

b) The risks and rewards inherent in the ownership have been substantially retained by the Group. The financial asset is not derecognised and a financial liability is recognised for the same amount as the consideration received.

c) The risks and rewards inherent in the ownership have not been substantially transferred or retained. In this case, there are, in turn, two possible situations:

- The control is transferred (the assignee has the practical capacity to retransfer the asset to a third party): the asset is derecognised.
- The control is not transferred (the assignee does not have the practical capacity to retransfer the asset to a third party): the Group continues to recognise the asset for the amount at which it is exposed to the fluctuations in value of the transferred asset, in other words, due to its ongoing involvement, and an associated liability must be recognised.

Impairment of financial assets

Financial assets at cost

In this case, the amount of the value adjustment is the difference between its book value and the recoverable value, understood as the greater amount between its fair value minus the sales costs and the current value of the future cash flows derived from the investment, which for the case of equity instruments are calculated, either by the estimate of what is expected to be received due to the distribution of the dividends performed by the controlled company and the disposal or derecognition in accounts of the investment therein, either by the estimate of its shareholding in the cash flows expected to be generated by the controlled company, both from ordinary activities and its disposal or derecognition in accounts. Unless there is better evidence of the recoverable amount of the investments in equity instruments, the estimate of the loss due to impairment of this class of assets is calculated according to the controlled company's equity and the tacit capital gains existing at the value date, net of the tax effect.

The recognition of the valuation adjustments due to impairment, and, where applicable, their reversal, are recorded as an expense or income, respectively in the income statement. Impairment reversal has as a limit the book value of the investment that would be recognised on the reversal date if the impairment had not been recorded.

Interest and dividends received from financial assets

The interest and dividends on financial assets accrued subsequent to the time of acquisition are entered as income in the income statement. The interest is acknowledged in accordance with the effective interest rate and the dividends, when the right to receive dividends is declared.

If the dividends distributed unequivocally come from results generated prior to the acquisition date because amounts greater than the generated profits have been distributed by the controlled company since the acquisition, they are not recognised as income and the book value of the investment is reduced. The judgement of whether profits have been generated by the controlled company will be made exclusively considering the profits included in the individual income statement from the acquisition date, unless the distribution charged to said profits must indubitably be classified as a recovery of the investment from the perspective of the entity receiving the dividend.

Financial liabilities

Classification and valuation

At the time of initial recognition, the Group classifies all financial liabilities in one of the categories listed below:

- Financial liabilities at amortised cost
- Financial liabilities at fair value with changes in the income statement

Financial liabilities at amortised cost

The Group classifies all the financial liabilities in this category except when they must be valued at fair value with changes in the income statement.

On a general basis, this category includes the trade payables ("suppliers") and the non-trade payables ("other payables").

The participative loans that have the characteristic of an ordinary or common loan are also included in this category without prejudice to the operation agreeing a zero or below market rate interest rate.

The financial liabilities in this category are initially measured at their fair value, which, unless otherwise indicated, is considered to be the transaction price, this being the equivalent of the fair value of the consideration received adjusted for the transaction costs that are directly attributable to it. In other words, the inherent transaction costs are capitalised.

Nevertheless, the trade payables with maturity of under one year and which do not have a contractual interest rate, as well as any payouts demanded by third parties on shareholdings, the amount of which is expected to be paid within the short term, shall be valued at their nominal value when the effect of not updating the cash flows is insignificant.

The amortised cost method is used for the later valuation. The accrued interests are entered in the income statement (financial expense), applying the effective interest rate method.

Nevertheless, the debits with maturity of under one year which, as previously stated, are initially valued at their nominal value, shall continue to be valued at said amount.

The contributions received as a consequence of an accounts contract in shareholding and the like, are valued at cost, increased or decreased by the profit or loss, respectively, that should be allocated to the non-management shareholders,

This same criterion is applied in the participative loans whose interests have a contingent character, either as a fixed or variable interest rate is agreed conditional on compliance with a milestone in the borrowing company (e.g. obtaining profits), or because they are exclusively calculated by reference to the evolution of the activity of said company. The financial expenses are recognised in the income statement in accordance with the accrual principle, and the transaction shall be allocated to the income statement according to a financial criterion or, if it were not applicable, on straight-line basis throughout the life of the participative loan.

Financial liabilities at fair value with changes in the income statement

In this category, the Group includes the financial liabilities that fulfil any of the following conditions:

- They are held-for-trading liabilities. It is considered that a financial liability is held for trading when it fulfils one of the following conditions:

- It is issued or mainly assumed with the purpose of reacquiring it in the short term (e.g. bonds and other listed issued marketable securities that the company may purchase in the short term in accordance with the exchange values).

- It is an obligation that a short seller must hand over financial assets that have been lent to it ("short sale").

- It forms part at the time of its initial recognition of a portfolio of financial instruments identified and jointly managed of which there is evidence of recent actions to obtain short-term profits.

- It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designate as a hedging instrument.

- From the time of the initial recognition, it has been irrevocably designated to be included at fair value, with changes in the income statement ("fair value option"), due to:

  - An incoherence or "accounting asymmetry" can be eliminated or significantly reduced with other instruments at fair value with changes in profits and losses; or

  - A group of financial liabilities or financial assets and liabilities that are managed and their yield is evaluated on the basis of their fair value in accordance with strategy of risk management or documented investment and information is provided of the group also based on the fair value to the key management staff.

- Optionally and irrevocably, the hybrid financial liabilities with separable implicit derivative.

The financial liabilities included in this category are initially measured at their fair value, which, unless otherwise indicated, is assumed to be the transaction price, this being the equivalent of the fair value of the consideration received. Transaction costs that are directly attributable are recognised in the income statement of the financial year.

After the initial recognition, the company values the financial liabilities included in this category at fair value with changes in the income statement.

Derecognition of financial liabilities

The Group derecognises a previously recognised financial liability when any of the following circumstances arise:

- The obligation has been extinguished because the payment has been made to the creditor to cancel the debt (through the payments in cash or other goods or services), or because the debtor is legally exempted from any responsibility over the liabilities.

- Own financial liabilities are acquired, even though it is with the intention of replacing them in the future.

- An exchange of debt instruments occurs between a lender and a borrower, provided that they have substantially different conditions, recognising the new financial liability that arises. In the same way a substantial modification is recorded of the current conditions of a financial liability, as indicated for debt restructuring.

The accounting of the derecognition of a financial liability is performed as follows: the difference between the book value of the financial liability, or the part thereof that is derecognised, and the consideration paid, including any attributable transaction costs, and which has to include any transferred asset other than the cash or liability assumed, is recognised in the income statement of the year in which it occurs.

5.6. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recognised at their equivalent value in euros using the cash exchange rates in effect on the dates they are carried out.

At the end of each financial year, the monetary entries as valued by applying the average cash exchange rate, existing on said date. The exchange differences, both positive and negative, that arise in this process, and those that are generated on settling said equity elements, are recognised in the consolidated income statement of the financial year in which they arise.

5.7. INCOME TAX

The Group does not fiscally consolidate. In consequence, the consolidated cost due to Corporate Income Tax has been obtained by the addition of the expenses for said item of each one of the consolidated companies, and they have been calculated on the individual financial profits, corrected by the tax criteria, and taking into account the applicable allowances and discounts.

The income tax is recorded in the consolidated income statement or directly in the consolidated equity, depending on where the profits or losses that have caused them are recorded. The income tax of each financial year includes both the current tax and the deferred tax, if any.

The current tax amount is the amount to be paid by the companies as a consequence of the tax settlements.

The differences between the book value of the assets and liabilities, and their tax base, generate the balances of deferred taxes of assets or liabilities that are calculated using the expected tax rates at the time of their reversal, and in accordance with the form in which they are rationally anticipated to recover or pay the asset or liability.

5.8. INCOME AND EXPENSES

The Group recognises the income due to ordinary activity when the control transfer occurs of the assets agreed with the customers.

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

a) Identify the contract (or contracts) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.
b) Identity the obligation or obligations to be fulfilled in the contract, representative of the commitments to transfer goods or provide services to a customer.
c) Determine the price of the transaction, or consideration of the contract to which the Group expects to have the right in exchange for the transfer of goods or the provision of services agreed with the customer.
d) Assign the price of the transaction to the obligations to fulfil, which must be performed according to the individual sale prices of each good or service that have been agreed in the contract, or, where applicable, following a sale price estimate when it is not independently observable.
e) Recognise the income due to ordinary activities when the Group fulfils an agreed obligation by the transfer of an asset or the provision of a service; a compliance that takes place when the customer obtains the control of that good or service, so that the income amount of ordinary activities recognised shall be the amount assigned to the contractual obligation satisfied.

5.8.1 Recognition

The Group recognises the income derived from a contract when the transfer is performed to the customer of the control over the goods or services agreed (i.e. the obligations to fulfil).

For each obligation to fulfil that is identified, the Group determines at the start of the contract if the agreement assumed is fulfilled over time or in a specific moment.

The income deriving from the commitments fulfilled over time are recognised in accordance with the degree of progress towards the complete fulfilment of the contractual obligations, provided that the Group has reliable information to measure the degree of progress.

In the case of contractual obligations that are fulfilled at a determined time, the income deriving from their execution are recognised on said date. The costs incurred in the production or manufacturing of the product are entered as stock.

5.8.2.1 Compliance of the obligation over time

The Group transfers the control of an asset over time when one of the following criteria are fulfilled:

a) The customer receives and simultaneously consumes the profits provided by the Group's activity as the entity performs it.
b) The Group produces or improves an asset that the customer controls as the activity is performed.
c) The Group produces a specific asset for the customer without alternative use and the Group has a demandable right of collection for the activity that has been completed to date.

5.8.2.2 Indicators of fulfilment of the obligation at a point in time

To identify the specific moment that the customer obtains the control of the asset, the Group considers the following indicators:

a) The customer assumes the significant risks and rewards inherent in ownership of the asset.
b) The Group transfers the tax possession of the asset.
c) The customer receives the asset in accordance with the contractual specifications.
d) The Group has a collection right due to transferring the asset.
e) The customer has ownership of the asset.

5.8.3 Valuation

The ordinary income from the sale of goods or the provision of services are valued at the monetary amount or, where applicable, at the fair value of the offsetting entry, received or that is expected to be received. The offsetting amount is the price agreed for the assets to transfer to the customer, deducting: the amount of any discount, reduction in the price or other similar items that the Group may grant, as well as the interests incorporated in the nominal of the credits.

In accordance with the accrual principle, the income is entered with the transfer of control and costs are recorded when they occur, irrespective of the date of their collection or payment.

5.9. PROVISIONS AND CONTINGENCIES

The obligations existing at year-end, arising as a consequence of past events from which financial damages may occur for the Group, and whose amount and time of cancellation are indeterminate, are recorded in the consolidated statement of financial position as provisions and they are valued by the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party.

The adjustments that arise due to the updating of the provision are entered in financial expenses as they are accrued. In the case of provisions with maturity less than or equal to one year, and provided that the financial effect is not material, no type of discount is carried out.

Likewise, the Group informs, if any, of the contingencies that do not give rise to provision.

5.10. EQUITY OF AN ENVIRONMENTAL NATURE

The Group, due to its activity, does not have assets nor has incurred costs allocated to minimising the environmental impact and the protection and improvement of the environment. Likewise, there are no provisions for risk and costs nor contingencies related to the protection and improvement of the environment.

5.11. TRANSACTIONS BETWEEN RELATED PARTIES

In general, the elements object of a transaction with related parties are entered at the initial moment at their fair value. Transactions are subsequently measured in accordance with applicable standards.

5.12. CASH FLOW STATEMENT

The cash flow statement uses the following expressions in the sense that appears below:

<u>Cash or cash equivalents</u>: cash comprises both cash at hand and demand deposits. The cash equivalents are financial instruments that form part of the normal management of the Group's cash and banks, they are convertible into cash, they have initial maturities not greater than three months and they are subject to an insignificant exchange risk in their value.

<u>Cash flows</u>: inflows and outflows of cash or other equivalent resources, understanding as such investments with terms less than three months of great liquidity and low risk of alterations in their value.

<u>Operating activities</u>: they are the activities that constitute the Group's main source of ordinary income, as well as other activities that cannot be classified as investment or financing.

<u>Investment activities</u>: those of acquisition, alienation or disposal by other means of non-current assets and other investments not included in cash and cash equivalents.

5.13. CASH AND CASH EQUIVALENTS

This heading includes cash, the bank current accounts and deposits and temporary acquisitions of assets that fulfil the following requirements:

- They are convertible into cash.
- Their maturity at the time of acquisition does not exceed three months.
- They are not subject to any material risk of changes in value.
- They form part of the normal cash management policy of the Group.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

6. INTANGIBLE ASSETS

The composition and transactions in the accounts included in the intangible assets have been the following:

2021	Goodwill	Total
Cost		
Registration for first consolidation	9,496,753.15	9,496,753.15
Closing balance	9,496,753.15	9,496,753.15
Accumulated depreciation		
Initial Balance	-1,313,934.34	-1,313,934.34
Provisions/ Reversals	-949,675.31	-949,675.31
Closing balance	-2,263,609.65	-2,263,609.65
Valuation adjustments due to impairment		
Net value	**7,233,143.50**	**7,233,143.50**

2020	Goodwill	Total
Cost		
Registration for first consolidation	9,496,753.15	9,496,753.15
Closing balance	9,496,753.15	9,496,753.15
Accumulated depreciation		
Registration for first consolidation	-364,259.02	-364,259.02
Provisions/ Reversals	-949,675.31	-949,675.31
Closing balance	-1,313,934.34	-1,313,934.34
Valuation adjustments due to impairment		
Net value	**8,182,818.81**	**8,182,818.81**

General

The Subsidiary Group amortises the intangible asset elements during their estimated useful life of 10 years and whose net book value amounts to 7,233,143.50 euros (8,182,818.81 euros at 31 December 2020).

The breakdown of the period of residual useful life, the depreciation of the financial year, accumulated depreciation and the net book value of the intangible assets that are individually significant as at 31 December 2021 and 2020 is as follows:

2021 Assets	Remaining useful life (Years)	Depreciation year	Accumulated depreciation	Net book value
Goodwill BCN1 Fulfillment, S.L.U.	10	949,675.31	2,263,609.65	7,233,143.50
Total		**949,675.31**	**2,263,609.65**	**7,233,143.50**

2020 Assets	Remaining useful life (Years)	Depreciation year	Accumulated depreciation	Net book value
Goodwill BCN1 Fulfillment, S.L.U.	10	949,675.31	1,313,934.34	8,182,818.81
Total		**949,675.31**	**1,313,934.34**	**8,182,808.81**

The goodwill corresponds to the amount resulting from the difference between the combination cost and the Subsidiary Group's shareholders' equity at the time of the acquisition on 14 August 2019. It is an intangible asset and it amortised over 10 years.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

7. REAL ESTATE INVESTMENTS

The composition and transactions in the accounts included in the real estate investments have been the following:

2021	Investments in land and natural assets	Investments in constructions	Total
Cost			
Registration for first consolidation	30,352,464.00	111,652,907.78	142,005,371.78
Closing balance	30,352,464.00	111,652,907.78	142,005,371.78
Accumulated depreciation			
Initial Balance	-	-14,731,176.42	-14,731,176.42
Provisions/ Reversals	-	-4,553,200.84	-4,553,200.84
Closing balance	-	-19,284,377.26	-19,284,377.26
Net value	**30,352,464.00**	**92,368,530.52**	**122,720,994.52**

2020	Investments in land and natural assets	Investments in constructions	Total
Cost			
Registration for first consolidation	30,352,464.00	111,652,907.78	142,005,371.78
Closing balance	30,352,464.00	111,652,907.78	142,005,371.78
Accumulated depreciation			
Registration for first consolidation	-	-10,167,680.10	-10,167,680.10
Provisions/ Reversals	-	-4,563,496.32	-4,563,496.32
Closing balance	-	-14,731,176.42	-14,731,176.42
Net value	**30,352,464.00**	**96,921,731.36**	**127,274,195.36**

As at 31 December 2021 and 31 December 2020, the real estate investments of the Group correspond to the investment made by the Subsidiary Group in a logistics centre located in Avinguda Les Garrigues 2, N2-12, El Prat de Llobregat, and registered in the El Prat de Llobregat Companies Register, in volume 1,477, book 837, folio 183, property 38,476, entry 1, acquired by virtue of the deed of sale executed before the notary of Barcelona, Mr Camilo J. Sexto Presas, on 28 June 2016, with protocol number 1543. The property was acquired for an amount of 30 million euros. It is held for obtaining long-term income.

Conservation and maintenance expenses for the various elements comprising property, plant and equipment are charged against the profit and loss account of the financial year in which they are incurred. Meanwhile, any amounts invested in improvements intended to increase capacity or efficiency or to extend the useful life of any such assets are recorded as greater cost of the same.

Likewise, the majority of the repair and maintenance costs incurred by IGIS Group, as a consequence of the operation of their assets are passed on to the corresponding lessees of the properties.

IGIS Group periodically compares, at least at year-end, the net book value of the different elements of the real estate investment with the market value obtained through valuations from independent experts or based on internal studies using similar methodologies, and the appropriate provisions are supplied by depreciation of real estate investments when the market value is less than the net book value.

The estimated market value of the property owned as at 31 December 2021 is 159,800,000 euros (144,350,000 euros as at 31 December 2020).

Impairment

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

During 2020 and 2021, there has been no impairment in the value of the real estate investments.

Elements fully depreciated and in use

There are no real estate investments fully depreciated and still in use as at 31 December 2021 and 31 December 2020.

Other information

All the Group's real estate investments are subject to the operation and duly insured and are not subject to any type of encumbrance.

Commitments

As at 31 December 2021 and 31 December 2020 there is no purchase commitment of property, plant and equipment.

Insurance

The Company has taken out several insurance policies to cover the risks to which the real estate investments are subject. The coverage of these policies is deemed to be sufficient.

8. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE

8.1. OPERATING LEASES

The Lessor

At the end of financial year 2021, the Group has contracted with Amazon Spain Fulfillment, S.L.U., the sole lessee of the logistics centre owned by the Subsidiary Group, annual minimum lease charges of the contacts in force until the cancellation date of the contact (exit window), without bearing in mind the repercussion of common costs, future increases due to CPI, nor future rent updates.

The future minimum collections from non-cancellable operating leases are as follows:

	2021	**2020**
Up to 1 year	*5,644,046.48*	*5,484,982.00*
Between 1 and 5 years	*22,576,185.92*	*21,939,928.00*
More than 5 years	*77,323,436.78*	*75,144,253.40*
Total minimum payments for leases	105,543,669.18	102,569,163.40
Total	**105,543,669.18**	**102,569,163.40**

The amount of the operating lease charges recognised as income is as follows:

	2021	**2020**
Lease payments	6,753,286.63	6,649,303.59
Total	**6,753,286.63**	**6,649,303.59**

9. FINANCIAL INSTRUMENTS

9.1. GENERAL CONSIDERATIONS

A financial instrument is a contract that gives rise to a financial asset in a company, and, simultaneously, to a financial liability or an equity instrument in another company

It will apply to the following financial instruments:

Financial assets

- Cash and cash equivalents, as defined in rule 9 of preparation of financial statements.

- Trade receivables: customers and miscellaneous receivables;

- Loans to third parties: such as financial loans and credits awarded, including those arising from the sale of non-current assets;

- Other financial assets: such as deposits in credit institutions, advances and loans to staff, guarantees and deposits constituted, dividends to collect and payouts demanded on equity instruments.

Financial liabilities

- Trade payables: suppliers and miscellaneous payables;

- Bank borrowings;

- Other financial liabilities: third-party borrowings, such as financial loans and credits received from persons or companies that are not credit institutions including those arising in the purchase of non-current assets, guarantees and deposits received and payouts demanded by third parties on shareholding.

Recognition

The company will recognise a financial instrument in the statement of financial position when it becomes a compulsory part of the contract or legal business in accordance with its provisions.

9.2. INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS IN THE FINANCIAL SITUATION AND THE COMPANY RESULTS

Information related to the statement of financial position

a) *Categories of financial assets and financial liabilities*

(i) Classification of financial assets by category

The classification of financial assets by categories and classes except investments in the equity of group, multi-group and associated companies, is as follows:

Classes	Non-current Financial Instruments	
	Loans, Derivatives and Others	
Categories	**2021**	**2020**
Loans and accounts receivable:	914,163.67	914,163.67
Total	**914,163.67**	**914,163.67**

The non-current "*Loans and accounts receivable*" for an amount of 914,163.67 euros corresponds to a deposit given by Amazon Fulfillment Spain, S.L. (as lessee), which was deposited in the Institut Català del Sol, in relation to the lease contract of the logistics centre owned by the Group.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

Categories	Loans, Derivatives and Others 2021	Loans, Derivatives and Others 2020
Loans and accounts receivable:	327,833.49	637,490.69
Cash and cash equivalents	1,950,324.23	4,584,625.11
Total	**2,278,157.72**	**5,222,115.80**

The "Loans and accounts receivable" item comprises.

- An amount of 33,997.40 euros deposited in a bank account of the Group's legal advisers, Ashurst LLP, so that they can pay, on behalf of the Parent Group, the costs for application and registration in the REITs tax regime (See Note 19).

- Provisions for notary's funds for an amount of 18,540.00 euros

- Invoice pending payment by Amazon Fulfillment Spain, S.L., in relation to the re-invoicing of local taxes for an amount of 275,306.09 Classification of financial liabilities by categories

The classification of the financial liabilities by category and classes, as well as comparison of the fair value and the book value is as follows:

Classes / Categories	Non-current Financial Instruments: Bank borrowings 2021	Bank borrowings 2020	Derivatives and Others 2021	Derivatives and Others 2020	Total 2021	Total 2020
Debits and accounts payable	84,490,423.94	83,684,774.25	914,163.67	914,163.67	85,404,587.61	84,598,937.92
Total	**84,490,423.94**	**83,684,774.25**	**914,163.67**	**914,163.67**	**85,404,587.61**	**84,598,937.92**

The "*Bank borrowings"* item for an amount of 84,490,423.94 euros (83,684,774.25 euros in 2020) corresponds to the principal pending payment in relation to the financing contract with Aareal Bank AG dated 9 August 2019. The maturity date of said financing agreement is August 9th 2024.

The "*Derivatives and others*" item for an amount of 914,163.67 euros corresponds to the deposit received by Amazon Fulfillment Spain, S.L. and deposited in the Institut Català del Sol in relation to the lease of the industrial premises in El Prat de Llobregat.

Classes / Categories	Current Financial Instruments: Bank borrowings 2021	Derivatives and Others 2021	Total 2021
Debits and accounts payable	193,177.25	414,669.60	607,846.85
Total	**193,177.25**	**414,669.60**	**607,846.85**

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

Classes / Categories	Current Financial Instruments		Total
	Bank borrowings	Derivatives and Others	
	2020	2020	2020
Debits and accounts payable	193,177.24	1,750,260.84	1,943,438.08
Total	**193,177.24**	**1,750,260.84**	**1,943,438.08**

The "*Bank borrowings"* item for an amount of 193,177.25 euros corresponds to the interests accrued in relation to the financing contract with Aareal Bank AG dated 9 August 2019.

The "Derivatives and others" item for an amount of 414,669.60 euros includes:

- An invoice pending payment to Amazon Spain Fulfillment, S.L. for an amount of 3,119,89 euros.

- Invoices pending payment to miscellaneous creditors for the amount of 347,039.56 euros

- Invoices pending receipt for professional services, for an amount of -64,510.15 euros.

b) Classification by maturities

The breakdown by maturities of the items comprising the balance sheet heading "Non-current borrowings" is as follows:

Categories	1 year	4 years	More than 5 years	Total
Borrowings	*193,177.25*	*84,490,423.94*	*914,163.67*	*85,597,764.86*
Bank borrowings	*193,177.25*	*84,490,423.94*		84,683,601.19
Derivatives and others	-	-	*914,163.67*	914,163.67
Trade and other payables	*414,669.60*	-	-	*414,669.60*
Suppliers	*3,119.89*	-	-	3,119.89
Miscellaneous payables	*411,549.71*	-	-	411,549.71
Customer advances	-	-	-	-
Total	**607,846.85**	**84,490,423.94**	**914,163.67**	**86,012,434.46**

Categories	1 year	4 years	More than 5 years	Total
Borrowings	*193,177.24*	*83,684,774.25*	*914,163.67*	84,792,115.16
Bank borrowings	*193,177.24*	*83,684,774.25*		83,877,951.49
Derivatives and others	-	-	*914,163.67*	914,163.67
Trade and other payables	*1,750,260.84*	-	-	1,750,260.84
Suppliers	*3,119.89*	-	-	3,119.89
Miscellaneous payables	*106,766.38*	-	-	106,766.38
Customer advances	*1,640,374.57*	-	-	1,640,374.57
Total	**1,943,438.08**	**83,684,774.25**	**914,163.67**	**86,542,376.00**

Other information to be included in the notes to the financial statements

a) Hedge accounting

At year-end, the Group has no balances of hedge financial instruments.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

b) Fair Value

The book value of the financial instruments is an acceptable approximation of the fair value so that detail of the difference between them is not included.

	2021		2020	
Asset categories	**Fair Value**	**Book value**	**Fair Value**	**Book value**
Investments held until maturity	-	-	-	-
Loans and accounts receivable:	*3,031,795.77*	3,031,795.77	4,232,015.72	4,232,015.72
Total	**3,031,795.77**	**3,031,795.77**	**4,232,015.72**	**4,232,015.72**

	2021		2020	
Liability categories	**Fair Value**	**Book value**	**Fair Value**	**Book value**
Debits and accounts payable	86,014,416.08	86,014,416.08	86,660,407.07	86,660,407.07
Total	**86,014,416.08**	**86,014,416.08**	**86,660,407.07**	**86,660,407.07**

9.3. INFORMATION ABOUT NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

Qualitative information

The management of the Group's financial risks is centralised within the Financial Department, which have in place the necessary mechanisms to control the exposure to the fluctuations in the interest rates and exchange rates, as well as credit and liquidity risks. The main financial risks faced by the Group are detailed below:

a) Credit risk:

In general terms, the Group holds its cash and cash equivalents assets in financial institutions with a high credit rating. Additionally, there is not a significant concentration in the turnover with customers.

b) Liquidity risk:

In order to guarantee liquidity and be able to attend to all payment commitments derived from its activity, the Group has the liquid assets shown in its statement of financial position.

c) Market risk (this includes interest rates, exchange rates and other price risks):

Both the cash and cash balances and the financial debt of the Group are exposed to interest rate risk, which may have an adverse effect on the financial results and on the cash flow.

The exposure to foreign currency risk occurs to the extent that the Group performs operations in foreign currency or holds assets and liabilities valued in a currency other than the currency the financial statements are prepared with. Hence, the Group is not exposed to foreign currency risk as it has not performed operations in foreign currency.

d) Tax risk:

The Group has opted for the special tax regime of Real Estate Investment Trusts (REITs). As established in article 6 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December. Those companies who have opted for said regime are obliged to fulfil the legal and tax obligations described in Note 2, including that of, once the corresponding commercial obligations have been fulfilled, distributing the profits obtained during the year in the form of dividends to its shareholders within the six months following the conclusion of each financial year and payment within one month of the date of the resolution of the distribution. In the case of breach of any of the conditions, the Group would pay tax in the general regime provided that it did not remedy said deficiency in the financial year following that of the breach. As commented in Note 2.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

9.4. SHAREHOLDERS' EQUITY

The composition and movement of shareholders' equity is shown in the statement of changes in equity.

Capital

On 21 June 2021, the Parent Company increased the share capital by an amount of 4,942,620.00 euros charged to reserves by increasing the nominal value of each one of the already existing shares (with the nominal value of each share going from 1 euro nominal value to 82 euros nominal value) so that at year-end 2021, the Parent Company's share capital amounts to 5,003,640.00 euros, represented by 61,020 company shares of 82 euros nominal value each one, totally subscribed and paid-in.

At year-end 2020, the Parent Company's share capital amounted to 61,020,00 euros represented by 61,020 fully subscribed and paid-in company shares with a nominal value of 1 euro each.

The Parent Company was incorporated on 27 June 2019 with a share capital of 60,000.00 euros, by 60,000 shares of 1 euro nominal value each.

By a deed of the Notary of Barcelona, Ms Inmaculada Rúbies Royo, number 1906 of her protocol, dated 10 September 2019, the share capital increased by 1,020.00 euros by the issue of 1,020 shares of 1 euro nominal value each, correlatively numbered from 60,001 to 61,020.

The companies with a direct or indirect stake in the Parent Company's share capital in a percentage equal to or greater than 10% are as follows:

Shareholders	**Number of shares**	**Shareholding percentage**
IGIS GLOBAL SPECIALIZED PRIVATE PLACEMENT REAL ESTATE INVESTMENT TRUST NO. 281-1	575,640	11.50%
IGIS GLOBAL REAL ESTATE INVESTMENT TRUST NO. 281	4,428,000	88.50%
Total	**5,003,640**	**100%**

The shares of the Parent Company are listed in the Paris EURONEXT Market.

Reserves

a) *Legal reserve*

The legal reserve has been provided pursuant to section 274 of the Companies Act, which provides that, in any case, an amount equal to 10% of the year's profits must be applied to it until it reaches at least 20% of the share capital. The legal reserve cannot be distributed and if it is used to offset losses, if there are no other reserves available for this purpose, the legal reserve must be replaced with future profits.

Pursuant to the Capital Companies Act, Real Estate Investment Trusts must allocate an amount equal to 10% of the profit made in the financial year to the legal reserve until it reaches at least 20% of the share capital. The legal reserve can only be used to increase the share capital. With the exception of the aforementioned purpose, and whilst it does not exceed 20% of the share capital, this reserve only be allocated to offset losses provided that there are no other sufficient reserves available for this purpose.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

As at 31 December 2021, the Parent Company has no legal reserve.

b) Voluntary Reserves

The legal reserves are freely-available.

At 31 December 2021, there are voluntary reserves that amount to 70,694.44 euros.

c) Other shareholders' contributions

	2021	**2020**
Other shareholders' contributions	48,794,703.72	63,314,837.00

On 12 August 2019, the Shareholders of the Parent Company made a monetary contribution for the amount of 2,243,970.00 euros.

On 30 November 2019, the Shareholders of the Parent Company made a contribution to the shareholder's equity consisting of the credit rights that they held against it for an amount of 65,736,010.00 euros.

On 2 December 2019, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 1,575,000.00 euros, charged to accounting account 118.

On 10 March 2020, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 1,390,143.00 euros, charged to accounting account 118.

On 10 September 2020, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 1,700,000.00 euros, charged to accounting account 118.

On 26 February 2021, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 5,129,008.14 euros, charged to accounting account 118.

On 24 March 2021, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 2,048,505.14 euros, charged to accounting account 118.

On 21 June 2021, the Shareholders of the Parent Company agreed an increase in share capital of 4,942,620.00 euros charged to the accounting account 118.

On 8 October 2021, the Shareholders of the Parent Company agreed a distribution of freely available reserves to the Shareholders for a total amount of 2,400,000.00 euros, charged to accounting account 118.

d) Accumulated losses

	2021	**2020**
Accumulated losses	(1,166,131.17)	(5,128,336.79)

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

10. TAX SITUATION

The breakdown of balances with public authorities is as follows:

	2021	
	Balance receivable	**Balances payable**
Value Added Tax	15,305.56	-
Withholdings made	-	26,293.67
Deferred tax	20,879.06	-
Current tax	-	-
Total balances with Public Administrations	**36,184.62**	**26,293.67**

	2020	
	Balance receivable	**Balances payable**
Value Added Tax	-	354,196.01
Deferred tax	20,879.06	-
Current tax	322,112.04	-
Total balances with Public Administrations	**342,991.10**	**354,196.01**

According to the legislation in force, taxes may not be considered to have been definitively settled until such time as the tax returns filed have been inspected by the tax authorities or the period of limitation of four years has expired.

Nevertheless, the right of the Authorities to verify or investigate the negative tax bases compensated or pending compensation, the deductions due to double taxation and the deductions to incentivise the performance of certain activities applied or pending application, prescribe 10 years starting from the day following that on which the period established for filing the corresponding return or self-assessment established to the tax period in which the right to compensation or application was generated.

As a result, depending on the different interpretations of the tax legislation in force, additional liabilities may arise as a result of an inspection. In any event, the Governing Body of the Parent Company considers that these liabilities, should they arise, would not significantly affect the consolidated financial statements.

10.1. INCOME TAX

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

2021	**Income statement**		**Income and expenses recognised directly in equity**	
Income and expenses of the year	-	(2,373,409.98)	-	-
	Increases	Decreases	Increases	Decreases
Corporate Income Tax	-	-	-	-
Temporary differences	4,471,243.22	(4,553,200.84)	-	-
Permanent differences	284.17	-	-	-
Tax base (tax result)	-	(2,455,083.42)	-	-
Tax rate:	0.00%	0.00%	0.00%	0.00%
Total tax due	-	-	-	-
Semi-liquid tax due:	-	-	-	-

Liquid tax due:	-	-	-	-
Liquid payable /(refundable)	**-**	**-**	**-**	**-**

2020	**Income statement**		**Income and expenses recognised directly in equity**	
Income and expenses of the year	-	(2,224,306.67)	-	-
	Increases	Decreases	Increases	Decreases
Corporate Income Tax Temporary differences Permanent differences	- 4,795,591.56 142,938.13	- (4,481,247.32) -	- - -	- - -
Tax base (tax result)	-	(1,767,024.30)	-	-
Tax rate:	0.00%	0.00%	0.00%	0.00%
Total tax due	-	-	-	-
Semi-liquid tax due:	-	-	-	-
Liquid tax due:	-	-	-	-
Liquid payable /(refundable)	**-**	**-**	**-**	**-**

The Group companies informed the Office of the State Tax Authority of their tax address of the option adopted by the General Meeting, of opting for the REITs regime, the Parent Company on 26 September 2019 and with effect from 27 June 2019 (incorporation date); and the Subsidiary on 26 September 2019 and with effect from 1 January 2019.

In application of the REITs regulation, and in accordance with article 9 of Law 11/2009 regulating said regime, it establishes that the entities that choose to apply the special tax regime shall pay tax at the tax rate of zero per cent (0%) in the Corporate Income Tax, being governed in what is not stipulated in Law 11/2009, by the general provisions established in Royal Legislative Decree 4/2004, of 5 March, approving the consolidated text of the Corporate Income Tax Law.

On 27 November 2014, Law 27/2014 was passed, introducing certain new elements in relation to the income tax. The most relevant aspects for the Group have been the following:

The general tax rate since 2016 was 25%, but since the Parent Company has opted for the REITs regime, since 27 June 2019 (incorporation date) and the Subsidiary since 1 January 2019, the tax rate is 0%. Nevertheless, it should be highlighted that the tax bases that are maintained capitalised have been generated in the general regime.

The impairment losses of property, plant and equipment, intangible assets and real estate investments will not be deductible until their transfer or derecognition.

The limitations to the deductibility of the financial costs are maintained in similar terms to the current legislation, i.e. the financial costs equivalent to 30% of the operating result with a minimum of one million euros are considered deductible. Nevertheless, it eliminates the time limitation to deduct the net financial expenses not deductible in the period.

After 2016, the general limitation to the compensation of 60% was established (70% after 2017) of the previous tax base, without time limit, with a minimum of one million euros.

The Group does not have negative tax bases that can be compensated with positive tax bases.

The Group may be subject to inspection by the tax authorities for the last four years of the main taxes that are applicable to it, with the exception of the Corporate Income Tax, for which the period subject to inspection is up to 10 years.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

11. INCOME AND EXPENSES

11.1. NET TURNOVER

The distribution of the net turnover corresponding to the Group's ordinary activity at the end of financial year 2021 amounts to 6,753,286.63 euros (6,649,303.59 euros at the end of financial year 2020) and corresponds to the following activities:

	2021	2020
Income generated by rental	6,753,286.63	6,649,303.59
Total	**6,753,286.63**	**6,649,303.59**

11.2. OTHER OPERATING COSTS

The composition of the "Other operating costs" heading of the income statement for the years 2021 and 2020 are as follows:

Description	2021	2020
External services	**1,289,995.19**	**786,918.05**
Independent professional services	619,973.08	245,233.58
Insurance premiums	188,899.30	178,074.47
Banking services and similar	15,877.67	7,294.28
Other services	465,245.14	356,315.72
Taxes	**934,858.32**	**934,858.33**
Other taxes	934,858.32	934,858.33
Total	**2,224,853.51**	**1,721,776.38**

11.3. FINANCIAL INCOME AND EXPENSES

The financial expenses during financial year 2021 for an amount of 1,771,535.58 euros (1,787,578.27 euros during financial year 2020) correspond to:

- The interest accrued by the loan granted by Aareal Bank AG, for an amount of 965,886,09 euros (968,532,35 euros as at 31 December 2020).

- The formalisation costs of the loan with Aareal Bank AG, for an amount of 352,996,06 euros (353,963.41 euros as at 31 December 2020).

- Transfer tax and stamp duty in relation to the loan with Aareal Bank AG, for an amount of 452,653,43 euros (453,893.57 euros as at 31 December 2020).

11.4. OTHER RESULTS

The itemisation other results that IGIS Group has generated is as follows:

Description	2021	2020
Tax penalties	(284.17)	142,750.60
Extraordinary income for reinvoicing costs	-	(142,750.60)
Total	**(284.17)**	**-**

12. STAFF STRUCTURE

The Group has no employees, for which reason there are no personnel expenses, nor have there been benefit contributions, nor other personnel expenses accrued during 2021 or 2020.

The current Board of Directors of the Parent Company is formed by four members.

The breakdown of the remunerations accrued by the posts of Chairperson and Secretary of the board during 2021 and 2020 is as follows (in euros):

	2021	**2020**
Chairperson and Secretary of the Board	8,679.45	-
Total	**8,679.45**	**-**

13. AUDIT FEES

The fees accrued during the financial year by Ernst & Young for the auditing services of the present consolidated financial statements amount to 12,000 euros, and 10,000.00 euros for the auditing of the individual financial statements and other auditing services.

	2021	**2020**
Auditing services	22,000.00	22,000.00
Total	**22,000.00**	**22,000.00**

14. ENVIRONMENTAL INFORMATION

As at 31 December 2021 and 31 December 2020, there are no assets of importance dedicated to the protection and improvement of the environment, nor have relevant costs of this nature been incurred during the year.

The Board of Directors of the Parent Company considers that there are no significant contingencies related to the protection and improvement of the environment, and do not consider it necessary to record any allocation to the environmental risks and expenses provision as at 31 December 2021 nor 2020.

No environmental subsidies have been received during the year ended 31 December 2021 and 31 December 2020.

15. SUBSIDIES, GIFTS AND LEGACIES

There have been no type of subsidies, gifts and legacies during the year.

16. SUBSEQUENT EVENTS

On March 23rd 2022, the Shareholders of the Parent Group plan to perform a distribution of freely available reserves to the Shareholders for a total amount of 2,203,089.00 euros, charged to accounting account 118.

No events have occurred subsequent to year-end 31 December 2021 that entail a modification of the financial statements at said date nor to the going concern principle.

17. INFORMATION REQUIREMENTS DERIVING FROM THE CONDITIONS OF REIT (LAW 11/2009, AMENDED BY LAW 16/2012)

At December 31, 2021, the Parent Company meet the legal and formal requirements of the REITs regime (Note 2).

In compliance with the provisions of article 11 of Law 11/2009, amended by Law 16/2012, regulating real estate investment trusts as the Parent Company and its subsidiary have opted for the REITs regime, the following information is detailed below, itemised for the Parent Company and the Subsidiary Group:

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

Parent Company:

a) Reserves originating from financial years prior to the application of the tax regime Law 11/2009, amended by Law 16/2012, of 27 December.

   It is not applicable as the Parent Group has applied tax regime Act 11/2009, amended by Law 16/2012, of 27 December, from its incorporation in 2019.

b) Reserves from financial years in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, has been applied, distinguishing the portion that comes from income subject to the tax rate of 0% or 19%, compared to those that, where applicable, have been subject to the general tax rate.

   All the reserves of financial years in which the tax regime established in Law 11/2009,amended by Law 16/2012, of 27 December, have been applied, come from income subject to 0% rate. As at 31 December 2020, there are negative reserves (Note 9)

c) Dividends distributed charged to the profits of each financial year in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December has been applicable, distinguishing the portion that comes from income subject to the tax rate of 0% or 19% compared to those that, where applicable, have been subject to the general tax rate.

   The Parent Company has never distributed dividends with a charge to the reserves or dividends charged to profits of financial years during which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, has been applicable.

d) In the case of the distribution of dividends charged to reserves, designation of the financial year from which the reserve used originates and whether such were subject to the tax rate of 0%, 19% or the general tax rate.

   The Parent Company has never distributed dividends with a charge to reserves of financial years during which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, has been applicable.

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

   The Parent Company has never distributed dividends with a charge to the reserves or dividends charged to profits of financial years during which the tax regime established in Law 11/2009 has been applicable.

f) Acquisition date of the real estate for leasing and of the shareholdings in the capital of entities referred to in section 1 of article 2 of Law 11/2009, amended by Law 16/2012, of 27 December.

g)

Company	Acquisition date	Number of shares acquired
Igis Neptune Barcelona Holdco Socimi S.A.	14 August 2019	3.000 shares of common stock (Numbers from 1 to 3.000)

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

Company	Acquisition date	Property	Location
BCN1 Fulfillment, S.L.U.	14 August 2019	Industrial premises	Av. De les Garrigues 2-12 P. Ind. Mas Blau II, El Prat de Llobregat, 08820, Barcelona, Spain

h) Identification of the asset which is calculated within the 80% referred to in section 1 of article 3 of Law 11/2009, amended by Law 16/2012, of 27 December.

The assets calculated within the 80% as referred to in section 1 of article 3 of Law 11/2009, amended by Law 16/2012, of 27 December, are those detailed in the previous point (see Note 7).

i) Reserves originating from financial years during which the applicable tax regime established under Law 11/2009amended by Law 16/2012, of 27 December, is applicable, which have been drawn down during the tax period, and not for distribution or for offsetting losses, identifying the financial year from which said reserves originate.

Not applicable.

Subsidiary:

a) Reserves originating from financial years prior to the application of the tax regime Law 11/2009, amended by Law 16/2012, of 27 December: EUR 2,109,099.49

b) Reserves from financial years in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, has been applied, distinguishing the portion that comes from income subject to the tax rate of 0% or 19%, compared to those that, where applicable, have been subject to the general tax rate.

All the reserves of financial years in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, have been applied, come from income subject to the 0% rate. As at 31 December 2021, there are no negative reserves (Note 9).

c) Dividends distributed charged to the profits of each financial year in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December has been applicable, distinguishing the portion that comes from income subject to the tax rate of 0% or 19% compared to those that, where applicable, have been subject to the general tax rate.

d) The Parent Company distributed dividends charged to profits of the financial year ended 31 December 2019, for an amount of 971,302.57 euros, in accordance with the decisions of its Single Shareholder dated 30 June 2020. All dividends come from income subject to the 0% rate. In the case of the distribution of dividends charged to reserves, designation of the financial year from which the reserve used originates and whether such were subject to the tax rate of 0%, 19% or the general tax rate.

The Subsidiary has never distributed dividends with a charge to reserves of financial years during which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, has been applicable.

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

At 30 June 2020, as indicated in section C). No dividends referred to in letter d) had been distributed, they were distributed on July 29th 2020.

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

f) Acquisition date of the real estate for leasing and of the shareholdings in the capital of entities referred to in section 1 of article 2 of Law 11/2009, amended by Law 16/2012, of 27 December.

Property	Location	Acquisition date
Industrial premises	Av. De les Garrigues 2-12 P. Ind. Mas Blau II, El Prat de Llobregat, 08820, Barcelona, Spain	28 June 2016

g) Identification of the asset which is calculated within the 80% referred to in section 1 of article 3 of Law 11/2009, amended by Law 16/2012, of 27 December.

The assets calculated within the 80% as referred to in section 1 of article 3 of Law 11/2009, amended by Law 16/2012, of 27 December, are those detailed in the previous point (see Note 7).

h) Reserves originating from financial years during which the applicable tax regime established under Law 11/2009amended by Law 16/2012, of 27 December, is applicable, which have been drawn down during the tax period, and not for distribution or for offsetting losses, identifying the financial year from which said reserves originate.

Not applicable.

18. COMPULSORY DISTRIBUTION OF DIVIDENDS

Given its condition as a REIT, the Parent Group is obligated to distribute the profit obtained in the year in the form of dividends once the corresponding commercial obligations have been met, pursuant to the provisions of article 6 of Law 11/2009 of 26 October 2009, amended by Law 16/2012, of 27 December, governing Real Estate Investment Trusts (REITs).

19. SEGMENTED INFORMATION

Since the sole income generating company is the Subsidiary BCN1 Fulfillment, S.L. and it has as activity the leasing operation of real estate investments and that the real estate investment (property) is located in Barcelona, there is no segmentation or differentiation based on relevant criteria that do not provide useful information that had not already been presented with the other notes of the present notes to the consolidated financial statements, as all the income and expenses, are related to the same segment: property leasing.

In said regard, the breakdown of the net turnover by category of activity and geographic markets of IGIS Group is as follows:

2021	Domestic	European Union	Outside the European Union	Total
Lease income	6,753,286.63	-	-	6,649,303.59
Total	**6,649,303.59**	**-**	**-**	**6,649,303.59**

Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2021 and 31 December 2020 (expressed in euros)

2020	Domestic	European Union	Outside the European Union	Total
Lease income	6,649,303.59	-	-	6,649,303.59
Total	**6,649,303.59**	**-**	**-**	**6,649,303.59**

20. INFORMATION ON THE DEFERRED PAYMENTS TO SUPPLIERS, THIRD ADDITIONAL PROVISION OF "DUTY OF INFORMATION" OF LAW 15/2010 OF 5 JULY

The information required by the Third Additional Provision of Law 15/2010, of 5 July is detailed below, prepared according to the ICAC (Spanish Institute of Accounting and Auditing) Resolution of 29 January 2016 on the information to include in the notes to the financial statements in relation to the average payment period to suppliers in trade operations. The information on the average payment period to suppliers is as follows:

	2021	2020
Item	**Days**	**Days**
Average period for payment to suppliers	47.17	22.19
Ratio of transactions paid	43.64	22.10
Ratio of outstanding payments for transactions	56.71	498.00
	Amount (euros)	**Amount (euros)**
Total payments made	619,660.37	3,238,315.69
Total payments outstanding	228,870.55	623.25

Management report corresponding to the financial year ended 31 December 2021

Evolution of business and situation of the Group

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. was incorporated on 27 June 2019 and is the parent company of a group of companies. The Group's activity is the rental of a logistics centre located in El Prat de Llobregat.

The Group has opted for the regime established in Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts (REITs). In practice, this involves that under compliance with certain requirements the Group is subject to a tax rate in relation to the Corporate Income Tax of 0%. In the month of September 2021, the Parent Company started to be listed in the Paris EURONEXT.

During the year ended 31 December 2021, the Group has obtained a net turnover for amount of 6,753,286.63 euros (6,649,303.59 euros in 2020), and operating costs of -2,224,853.51 euros (-1,721,776.38 euros in 2020).

The profit(loss) for the year 2021 amounts to losses of 2,746,229.70 euros (2,373,409.98 euros in 2020). The results obtained have been as expected.

Management of financial risk and use of financial instruments

The Group faces the risks and uncertainties typical of the industry in which it operates, detailed in Note 4 of the Notes to the Financial Statements.

Research and development activities

The Group has not carried out research and development activities during the present financial year or in previous years.

Acquisition of own shares

As at 31 December 2021, no operations with own shares have been performed. Neither were operations of this type performed in financial year 2020.

Important events occurring after year-end

No additional significant events have occurred after the end of the financial year, except those mentioned in Note 16.

Use of financial instruments

During financial years 2021 and 2020, the Group has not contracted financial instruments for interest rate hedges.

Measures to be adopted to reduce the average payment period to suppliers

During 2021 and 2020, a review of all the internal processes has been performed with a view to shortening the payment periods to suppliers.

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Preparation of the consolidated financial statements corresponding to 2021

TESTIMONY OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

On March 29th 2022, and in accordance with the requirements laid down in Article 253 of the Capital Companies Act, and Article 37 of the Code of Commerce, the Board of Directors prepared the consolidated financial statements for the year from 1 January 2021 to 31 December 2021. The consolidated financial statements included the attached documents that precede this text.

In Madrid,

______________________	______________________
Je Weon Lee	Joo Il Kim
______________________	______________________
INTERTRUST (SPAIN), S.L. Cristina Ferrer Sama (Secretary)	SPV SPAIN 5, S.L.U Blanca Candela Marroquín (Chairman)