Audit Report on Financial Statements issued by an Independent Auditor

IGIS Neptune Barcelona Holdco SOCIMI, S.A
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.:

Opinion

We have audited the financial statements of IGIS Neptune Barcelona Holdco SOCIMI, S.A. (the Company), 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, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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.

Valuation of long-term investments in group companies and associates

Descripción

The Company has registered, under the heading "Long-term investments in group companies and associates" of the balance sheet as of December 31, 2021, the participation in 100% of the share capital of an entity for an amount of 53,038 thousand euros.

The Company's Management evaluates, at least at the end of each fiscal year, the existence of indications of impairment and makes the necessary valuation corrections whenever there is objective evidence that the book value of an investment will not be recoverable, being the amount of the valuation adjustment the difference between its book value and the recoverable amount.

We have considered this area as the most relevant aspect of our audit because the determination of the recoverable amount of the aforementioned investments requires the making of estimates, which entails the application of significant judgments by the Company's Management, as well as the relevance of the amount involved.

The information regarding the valuation standards applied to determine the value impairment of investments in group companies and associates and the corresponding breakdowns is included in Notes 4.1 and 5.1 of the attached report.

Nuestra respuesta

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

- Understanding of the process established by the Company's Management to identify signs of impairment and determine the recoverable amount of long-term investments in group companies and associates, and evaluation of the design and implementation of the relevant controls established in the aforementioned process.
- Analysis of the existence of signs of impairment of value of investments in group companies and long-term associates.
- Review of the model used by the Company's Management to determine the recoverable amount, covering, in particular, the mathematical coherence of the model, and the reasonableness of the projected cash flows and the long-term growth and discount rates.
- Review of the disclosures included in the 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.

Financial statements and management report corresponding to the financial year ended on 31 December 2021 (comparative figures as at 31 December 2020)

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Notes to the financial statements

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

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

STATEMENT OF FINANCIAL POSITION

ASSETS		NOTES	2021	2020
A)	**NON-CURRENT ASSETS**		**53,038,252.90**	**56,938,252.90**
IV.	**Non-current investments in group and associated companies**	**5**	**53,038,252.90**	**56,938,252.90**
1.	Equity instruments		53,038,252.90	56,938,252.90
B)	**CURRENT ASSETS**		**301,295.02**	**2,045,033.15**
III.	**Trade and other receivables**	**5**	**33,997.40**	**391,435.00**
3.	Miscellaneous receivables		33,997.40	391,435.00
IV.	**Current investments in group and associated companies**	**5**	**140,769.40**	**140,769.40**
5.	Other financial assets		140,769.40	140,769.40
VII.	**Cash and cash equivalents**	**5**	**126,528.22**	**1,512,828.75**
1.	Cash and cash balances		126,528.22	1,512,828.75
TOTAL ASSETS (A + B)			**53,339,547.92**	**58,983,286.05**

EQUITY AND LIABILITIES		NOTES	2021	2020
A)	**EQUITY**		**53,174,719.80**	**58,960,547.72**
A-1)	**Shareholders' equity**	**5**	**53,174,719.80**	**58,960,547.72**
I.	**Capital**	**5**	**5,003,640.00**	**61,020.00**
1.	Issued capital		5,003,640.00	61,020.00
III.	**Reserves**	**5**	**12,204.00**	**(671.35)**
2.	Other reserves		12,204.00	(671.35)
V.	**Profit(loss) from previous years**	**5**	**-**	**(5,128,336.79)**
2.	(Accumulated losses)		-	(5,128,336.79)
VI.	**Other shareholders' contributions**	**5**	**48,794,703.72**	**63,314,837.00**
VII.	**Profit(loss) for the year**	**3**	**(635,827.92)**	**713,698.86**
B)	**NON-CURRENT LIABILITIES**		**-**	**-**
C)	**CURRENT LIABILITIES**		**164,828.12**	**22,738.33**
V.	**Trade and other payables**	**5**	**164,828.12**	**22,738.33**
3.	Miscellaneous payables		138,787.78	22,738.33
6.	Payables to Public Administrations		26,040.34	-
TOTAL EQUITY AND LIABILITIES (A + B + C)			**53,339,547.92**	**58,983,286.05**

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Income statement for the years ended
31 December 2021 and 31 December 2020
(expressed in euros)

INCOME STATEMENT

		NOTES	2021	2020
A)	**CONTINUING OPERATIONS**			
1.	**Net turnover**	**9**	**-**	**971,302.57**
a)	Sales		-	971,302.57
7.	**Other operating costs**	**9**	**(635,827.92)**	**(257,416.21)**
a)	External services		(635,827.92)	(257,416.21)
13.	**Other results**	**9**	**-**	**(187.50)**
A.1)	**OPERATING RESULTS**		**(635,827.92)**	**713,698.86**
15.	**Financial expenses**		**-**	**-**
a)	For debts with group and associated companies		-	-
b)	Third party borrowings		-	-
A.2)	**FINANCIAL RESULTS**		**-**	**-**
A.3)	**PRE-TAX RESULT**		**(635,827.92)**	**713,698.86**
A.5)	**PROFIT(LOSS) FOR THE YEAR**	3	**(635,827.92)**	**713,698.86**

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Statement of changes in equity for the years ended
31 December 2021 and 31 December 2020

A) Statement of recognised income and expenses (expressed in euros)

STATEMENT OF RECOGNISED INCOME AND EXPENSES

		NOTES	2021	2020
A)	RESULT OF THE INCOME STATEMENT	3	(635,827.92)	713,698.86
B)	TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY		-	-
C)	TOTAL AMOUNTS TRANSFERRED TO THE INCOME STATEMENT		-	-
TOTAL RECOGNISED INCOME AND EXPENSES			(635,827.92)	713,698.86

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Statement of changes in equity for the years ended 31 December 2021 and 31 December 2020

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

TOTAL STATEMENT OF CHANGES IN EQUITY

		Capital Issued	Reserves	Profit(loss) prev. years	Other shareholders' contributions	Profit(loss) for the year	TOTAL
A)	**BALANCE AT YEAR-END 2019**	**61,020.00**	**(671.35)**	**-**	**66,404,980.00**	**(5,128,336.79)**	**61,336,991.86**
B)	**ADJUSTED BALANCE, START OF 2020**	**61,020.00**	**(671.35)**	**-**	**66,404,980.00**	**(5,128,336.79)**	**61,336,991.86**
I.	Total recognised income and expenses	-	-	-	-	713,698.86	713,698.86
II.	Transactions with shareholders and owners	-	-	-	(3,090,143.00)	-	(3,090,143.00)
1.	*Capital increases*	-	-	-	-	-	-
7.	*Other transactions with shareholders and owners*	-	-	-	(3,090,143.00)	-	(3,090,143.00)
III.	Other changes in equity	-	-	(5,128,336.79)	-	5,128,336.79	-
C)	**BALANCE AT YEAR-END 2020**	**61,020.00**	**(671.35)**	**(5,128,336.79)**	**63,314,837.00**	**713,698.86**	**58,960,547.72**
D)	**ADJUSTED BALANCE, START OF 2021**	**61,020.00**	**(671.35)**	**(5,128,336.79)**	**63,314,837.00**	**713,698.86**	**58,960,547.72**
I.	Total recognised income and expenses					(635,827.92)	(635,827.92)
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		12,875.35	5,128,336.79	(14,520,133.28)	(713,698.86)	(10,092,620.00)
E)	**BALANCE AT YEAR-END 2021**	**5,003,640.00**	**12,204.00**	**-**	**48,794,703.72**	**(635,827.92)**	**53,174,719.80**

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Cash Flow Statement for the years ended
31 December 2021 and 31 December 2020 (expressed in euros)

CASH FLOW STATEMENT

		NOTES	2021	2020
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	**Pre-tax result for the year**		**(635,827.92)**	**713,698.86**
2.	**Adjustment to profit(loss)**		**-**	**-**
h)	Financial expenses		-	-
3.	**Changes in working capital**		**499,527.39**	**(34,496.18)**
b)	Trade and other receivables		357,437.60	45,375.00
d)	Trade and other payables		142,089.79	(79,871.18)
4.	**Other cash flows from operating activities**		**-**	**-**
a)	Interest paid		-	-
5.	**Cash flows from operating activities (+/-1 +/-2 +/-3 +/-4)**		**(136,300.53)**	**679,202.68**
B)	**CASH FLOWS FROM INVESTMENT ACTIVITIES**			
6.	**Payments due to investments**		**-**	**(812,327.44)**
a)	Group and associated companies		-	(811,927.44)
e)	Other financial assets		-	(400.00)
7.	**Receipts for divestitures**		**3,900,000.00**	**2,418,840.43**
a)	Group and associated companies		3,900,000.00	2,418,840.43
8.	**Cash flows from investing activities (6+7)**		**3,900,000.00**	**1,606,512.99**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
9.	**Proceeds and payments due to equity instruments**		**(5,150,000.00)**	**(3,090,143.00)**
a)	Issue of equity instruments		4,942,620.00	-
b)	Depreciation of equity instruments		(10,092,620.00)	(3,090,143.00)
10.	**Proceeds and payments due to financial liability instruments**		**-**	**-**
a)	Issue		-	-
3.	*Debts with group and associated companies*		-	-
b)	refunds and depreciation of		-	-
3.	*Debts with group and associated companies*		-	-
12	**Cash flows from financing activities (+/-9 +/-10 -11)**		**(5,150,000.00)**	**(3,090,143.00)**
D)	**Effect of exchange rate fluctuations**		**-**	**-**
E)	**NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS**		**(1,386,300.53)**	**(804,427.33)**
Cash and cash equivalents at beginning of financial year			1,512,828.75	2,317,256.08
Cash or cash equivalents at the end of the financial year			126,528.22	1,512,828.75

1. COMPANY ACTIVITY

The company IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. (hereinafter, the "**Company**") 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. Its registered address was transferred on 17 July 2019 to Calle Príncipe de Vergara 112, 28002 Madrid. On November 29th, 2021 the registered address was transferred again to Calle Serrano 41, 28001 Madrid. It is registered in the Madrid Companies Register, volume 39,416, folio 190, page M-699838. Its tax identification number is A88427653.

The Company 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), on 26 September 2019, with effect from 27 June 2019, date of incorporation of the Company.

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 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.

On June 27 2019, the company IC NON RESIDENTS, S.L. was appointed Sole Director.

On 17 July 2019, IC NON RESIDENTS, S.L. resigned as Sole Director and the governing body of the Company became formed by a Board of Directors. The following were appointed as Directors.:

- Mr Je Weon Lee (Board member),
- Mr Joo Il Kim (Board member),

- Mr Daniel Benítez Parra (Secretary), and
- Ms Jana Sirilova (Chairperson).

On 17 June 2021, the Company shareholders accept the resignation made by Ms Jana Sirilova and by Mr Daniel Benítez Parra as board members of the Company's Board of Directors, and the following are appointed as board members: SPV Spain 5, S.L.U. (represented by Ms Blanca Candela Marroquín) and Intertrust (Spain), S.L.U. (represented by Ms Cristina Ferrer Sama Server), also appointed as Chairperson and Secretary respectively. In view of the above, the Company's Board of Directors becomes formed by the following board members:

- Mr Je Weon Lee (Board member),
- Mr Joo Il Kim (Board member),
- Intertrust (Spain), S.L.U. represented by Ms Cristina Ferrer Sama Server (Secretary), and
- SPV Spain 5, S.L.U represented by Ms Blanca Candela Marroquín (Chairperson).

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

The Company, through its Shareholders, IGIS Global Specialized Private Placement Real Estate Investment Trust No. 281-1 and IGIS Global Public Offering Real Estate Investment Trust No. 281, belongs to the group companies of IGIS Asset Management Group, created in 2010, whose parent company has its origin in Korea and its head office in 4F Sewoo Building 115, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul, 07241 - Republic of Korea.

The financial statements are presented in euros, which is the Company's functional and presentation currency.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. REGULATORY FRAMEWORK FOR FINANCIAL INFORMATION APPLICABLE TO THE COMPANY

These financial statements have been prepared by the Board of Directors in accordance with the regulatory framework for financial Information applicable to the Company, as established in:

- The Code of Commerce and other business law.
- The General Accounting Standards approved by Royal Decree 1514/2007, which since its publication date has been subject to several amendments, the last of them by Royal Decree 1/2021, of 12 January, and its Sectoral Adaptations and, in particular, the Sectoral Adaptation of the General Accounting Standards to Real Estate Companies.
- 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.

2.2. TRUE AND FAIR VIEW

The Board of Directors consider that the financial statements for 2021, prepared on March 29th, 2022, will be approved by the General Meeting of Shareholders without any amendments.

The financial statements have been prepared based on the accounting records of 2021. The financial statements for 2021 have been prepared in accordance with the prevailing business law and the standards established in the General Accounting Standards and its Sectoral Adaptations and, in particular, the Sectoral Adaptation of the General Accounting Standards to Real Estate Trusts, with the aim of presenting a true and fair view of the assets, financial situation as at 31 December 2021 and of the results of its operations, changes in equity and cash flows corresponding to the financial year ended on the aforementioned date.

2.3. NON-COMPULSORY ACCOUNTING PRINCIPLES APPLIED

No non-compulsory accounting principles were applied.

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

The preparation of the financial statements requires the application of relevant accounting estimates and the making of judgements, estimates and hypothesis in the application process of accounting policies of the Company. 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 financial statements are summarised below.

The preparation of the attached financial statements have used estimates made by the Board of Directors to value some of the assets, liabilities, income and expenses and commitments that appear recorded in them. The estimates and criteria considered critical in the interpretation of the financial statements mainly refer to the following aspects:

- The valuation of the impairment to its real estate investments that may derive from a lower value received in the real estate appraisals carried out by independent third-party experts or based on internal analysis using similar methodologies compared to the book value recognised for these assets (Note 4).

- The useful life of real estate assets (Note 4).

- The assessment of the sufficiency of the provisions recorded in the short-term of the attached statement of financial position (Note 4).

- Application of the going concern principle (Note 2).

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.

The Company 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 Company is subject to a tax rate in relation to the Corporate Income Tax of 0%. The Board of Directors 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

2.5. COMPARISON OF INFORMATION

The 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 financial statements for the year 2020 approved by the General Meeting of Shareholders on 22 July 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.

2.6. 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.

2.7. ELEMENTS INCLUDED IN SEVERAL ITEMS

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

2.8. 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.

2.9. CORRECTION OF ERRORS

There have been no errors during the financial year.

2.10. GOING CONCERN PRINCIPLE

In 2021, the Company has had a negative result from the period of 635,827.92 euros (713,698.86 euros positive 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.

3. DISTRIBUTION OF PROFITS

The distribution of the company profits for the year ended 31 December 2020 was approved by the General Meeting of Shareholders on 27 April 2021. The proposed distribution of profits of the year ended 31 December 2021 prepared by the Company’s Board of Directors and which will be submitted to the approval of General Meeting of Shareholders is as follows (in euros):

Basis for distribution	**Amount**
Balance of the income statement.	(635,827.92)
Total.	**(635,827.92)**

Basis for distribution	**Amount**
Accumulated losses	(635,827.92)
Total.	**(635,827.92)**

Given its condition of REIT for tax purposes, the Company is obliged to distribute in dividends to its shareholders, after the corresponding corporate obligations are complied with, the profit obtained in the financial year as follows:

a) 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 this Law.

b) At least 50% of the profits deriving from the transmission of real estate and shares or shareholdings referred to in section 1 of article 2 of this Law, after the periods referred to in section 3 of article 3 of this Law 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 for the purposes of complying with said object, within a period of three years from the transfer date. Failing that, said profits must be distributed in full together with the profits, if any, generated from the year in which the reinvestment period finalises.

   If the elements object of the reinvestment are transferred before the holding period established in section 3 of article 3 of the above-mentioned Law, those profits must be distributed in full together with the profits, if any, generated from the year in which they are transferred.

   The obligation of distribution does not extend, where applicable, to the portion of these profits taxable in financial years in which the company was not subject to tax under the special tax regime established in this Law.

c) At least 80% of the remainder of the profit obtained.

The dividend must be paid within a month following the date of the resolution of its distribution.

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 accordance with the resolution referred to in the previous section.

The Company is obligated to set aside 10% of the year's profits as legal reserve until it reaches 20% of the social capital. This reserve, whilst it does not exceed the limit of 20% of the share capital, cannot be distributed among shareholders. The articles of association of these companies cannot establish any other reserve of a restricted nature other than the foregoing.

As at 31 December 2021, the Company, as it has not had profits, cannot perform any distribution of dividends.

4. RECOGNITION AND MEASUREMENT STANDARDS

4.1. FINANCIAL INSTRUMENTS

The Company 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.

<u>*Hybrid financial instruments*</u>

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 Company 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

<u>*Classification and valuation*</u>

At the time of initial recognition, the Company classifies all financial 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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.

<u>Derecognition of financial assets</u>

The company 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 Company 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 Company'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 Company 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 Company 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 Company. 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 Company 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 Company 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 company 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 company 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 Company 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.

4.2. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions, balances and flows

The transactions in foreign currency have been converted into euros by applying the amount in foreign currency to the cash exchange rate on the dates on which they are performed.

The transactions in foreign currency have been converted into euros applying the mean exchange rate of the period to the amount in foreign currency for all transactions that have taken place during that time interval.

The monetary assets and liabilities in foreign currency have been converted into euros applying the existing rate at year-end, whilst the non-monetary ones valued at historic cost, have been converted applying the exchange rate in force on the date on which the transactions took place.

Non-monetary assets at fair value have been converted into euros applying the exchange rate on the date on which they were quantified.

In the presentation of the cash flow statement, the flows from transactions in foreign currency have been converted into euros by applying the amount in foreign currency to the cash exchange rate on the dates on which they occur.

In the presentation of the cash flow statement, the flows from transactions in foreign currency have been converted into euros by applying the amount in foreign currency to the average exchange rate of the period (indicate periodicity), for all the flows that have taken place during that time interval.

The effect of the fluctuation of the exchange rates over cash and cash equivalents in foreign currency is presented separately in the cash flow statement as "Effect of exchange rate fluctuations."

The positive and negative differences revealed in the liquidation of the transactions in foreign currency and in the conversion to euros of monetary assets and liabilities in foreign currency, are recognised in results.

The monetary financial assets in foreign currency classified as available-for-sale and valued at fair value, are considered entered at amortised cost in the foreign currency and, therefore, the exchange differences associated with the fluctuations of amortised cost are recognised in results and the rest of the fluctuation of the fair value is recognised as stated in section 4 (financial instruments).

The losses or profits due to exchange differences of non-monetary financial assets and liabilities valued at fair value are recognised together with the fluctuation of the fair value. Nevertheless, the component of the exchange rate fluctuation of the non-monetary financial assets in foreign currency classified as available-for-sale and qualified as hedged items of the fair value of said component are recognised in results. The rest of the fluctuation of the fair value is recognised as stated in section 4 (financial instruments).

4.3. INCOME TAX

The income tax expense or income consists of both the current tax and the deferred tax.

The current income tax assets or liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, using the legislation and tax rates in force or approved and pending publication on the year-end date.

Current and deferred income tax is recognised in profit and loss, except to the extent that the tax arises from a transaction or event recognised, in the same or a different year, in equity or from a business combination.

This said, it should be mentioned that on 26 September 2019, and with effect from 27 June 2019, the Company informed the Office of the State Tax Authority of its tax address of the option adopted by the General Meeting of Shareholders, of opting for the special tax regime for REITs.

By virtue of law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts, those companies that chose to apply the special tax regime stipulated in said Law will pay tax at a rate of 0% in the Corporate Income Tax. In the event of generating negative tax bases, article 25 of the of the Consolidated Text of the Corporate Income Tax Law, approved by Legislative Royal Decree 4/2004, of 5 March will not be applicable. Likewise, the systems of deductions and discounts established in Chapters II, III and IV of said rule shall not be applicable. In all other aspects not stipulated in Law 11/2009, the provisions of the Consolidated Text of the Corporate Income Tax Law will additionally be applicable.

Company will be subject to a special tax rate of 19% of the full amount paid in dividends or shares in profits distributed to the shareholders whose stake in the entity's shareholding in the share capital is equal to or greater than 5%, when said dividends are received by the shareholders, they are either exempt or subject to a tax rate of less than 10%. Said rate will have the consideration of Corporate Income tax payment.

The application of the REITs regime detailed above will be implemented during 2021.

Recognition of deferred tax liabilities

The Company recognises the deferred tax liabilities in all cases, unless they arise from the initial recognition of the goodwill or an asset or liability in a transaction that is not a business combination and that neither affects accounting result nor taxable income at the time of the transaction.

Recognition of deferred tax assets

The Company recognises the deferred tax assets, whenever it is probable that there are sufficient future tax profits for their compensation or when the tax legislation contemplates the possibility of future conversion of deferred tax assets in a credit receivable from the Public Authorities.

The Company recognises the conversion of a deferred tax asset in an account received with the Public Authorities, when it is due according to the provisions of current tax legislation. For these purposes, the derecognition of the deferred tax asset is recognised charged to the deferred income tax and the account receivable charged to current income tax. Likewise, the Company recognises the swap of a deferred tax asset due to government debt securities, when their ownership is acquired.

The Company recognises the payment obligation derived from the equity provision as an operating cost with credit to the debts with the Public Authorities when it is accrued according to the Corporate Income Tax Law.

Nevertheless, the assets arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and on the transaction date does not affect the accounting result nor the tax base, are not subject to recognition.

Unless evidence otherwise, it is not considered probable that the Company has future taxable profits when it anticipates that its future recovery will occur in a period greater than ten years from the year-end date, whatever the nature of the deferred tax asset or if it relates to credits derived from deductions and other tax advantages pending tax application to insufficient tax due, when with the activity or the yield obtained that causes the right to deduction or discount having occurred, there are reasonable doubts over the compliance with the requirements to make them effective.

The company only recognises the deferred tax assets derived from compensable tax orders, to the extent that it is probable future taxable profits are going to be obtained that allow compensating them within a period no greater than that established in the applicable tax legislation with the maximum limit of ten years, unless there is evidence that it is probable that it is recovered in a greater period, when the tax legislation so allows compensation limits in a greater period or does not establish time limits for their compensation.

In contrast, it is considered probable that the Company has sufficient capital gains to recover the deferred tax assets, provided that there are temporary tax differences in sufficient quantity, related to the same tax authority and referred to the same taxpayer, the reversal of which is expected in the same tax year in which it is expected to reverse the deductible temporary differences or in financial years where a tax loss, suggested by a deductible temporary difference, may be compensated with previous or subsequent profits.

The Company recognises the deferred tax assets that have not been subject to recognition due to exceeding the ten years starting from the year-end-date or when there are temporary tax differences in sufficient amount.

In order to determine the future taxable profits, the Company takes into consideration the tax planning opportunities, provided that they have the intention of adopting them or it is probable that they are going to be adopted.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws in force or approved and pending publication and having considered the tax consequences that would follow from the manner in which the Company expects to recover the assets and or settle the liabilities.

Compensation and classification

The Company only offsets the income tax assets and liabilities if there is a legal right to do so before the tax authorities and it has the intention to settle the resulting amounts for their net amount or realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are recognised in the statement of financial position under non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

4.4. INCOME AND EXPENSES

The Company 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 Company 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 company 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 company 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.

4.4.1 Recognition

The Company 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 company 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 company 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.

4.4.2.1 Compliance of the obligation over time

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

4.4.2.2 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 Company considers the following indicators:

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

4.4.3 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 Company 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.

4.5. PROVISIONS AND CONTINGENCIES

General criteria

Provisions are recognised when the Company has a present obligation, whether legal, contractual, implicit or tacit, as a result of a past event; that it is probable that there will be an outflow of resources that include future economic profits for cancelling said obligations; and it is possible to make a reliable estimate of the amount of the obligation.

The amounts recognised in the statement of financial position correspond to the best estimate at the year-end of the outgoings necessary to cancel the present obligation, once having considered the risks and uncertainties associated with the provision and, where significant, the financial effect caused by the imbalance, provided that the outgoings can be reliably determined in each period. The discount rate is determined before taxes, considering the time value of money, and the specific risks that have not been considered in the future flows related to the provision at each year-end date.

The isolated obligations are valued by the individual outcome that is most probable. If the obligation implies a significant population of homogenous items, this is valued weighting the possible outcomes by their probabilities. If there is a continuous range of possible outcomes and each point in the range has the same probability as the others, the obligation is valued by the average amount.

The financial effect of the provisions is recognised as financial expenses in the income statement.

The provisions do not include the tax effect, nor the expected earnings from the disposal or retirement of assets.

The reimbursement rights enforceable to third parties to settle the provision are recognised as a separate asset when there are no doubts about its effective collection. The reimbursement is recognised as income in the income statement in accordance with the nature of the expense, with the limit of the provision amount.

In those cases in which the Company has outsourced the hedged risk to a third-party via a legal or contractual agreement, the provision is recognised exclusively for the part of the risk assumed.

The provisions are reversed against profit and loss when it is unlikely that there will be an outflow of resources to cancel such an obligation.

Provisions for taxes

The amount of the provisions for taxes corresponds to the estimated amount of the tax debts determined following the aforementioned general criteria. The provisions are endowed charged to the income tax by the tax due of the year, to financial expenses for the default interests and to other results for the penalty. The effects of the changes in provision estimates of previous years are recognised in the items by their nature, unless it is correction of an error.

Provisions for onerous contracts

The amount of the provisions for onerous contracts is determined in accordance with the current value of inevitable costs, which are calculated as the lesser among the costs to incur in relation to the contract, net of any income that may be obtained and the compensation costs or penalties relating to breach. Nevertheless, before recording of the provision, the Company recognises the impairment loss of the non-current assets directly related to the contracts.

Provisions for compensation and restructuring

Compensation due to involuntary termination are recognised at the time there is a detailed formal plan and a valid expectation has been generated among the affected staff that the termination of the employment relationship is going to occur, whether due to the fact that the plan has started to be executed or as its main characteristics have been announced.

Compensation payable in a period greater than 12 months are discounted from the interest rate determined based on the market rates of high-quality company bonds or debentures.

The Company has made offers in the form of early retirement plans during a short period of time to certain groups of employees. Said plans have been entered as compensation, since they are not available for the entire group of active employees.

Compensation due to voluntary termination are recognised when they have been announced, without the realistic possibility of withdrawing the offer and they are valued at the best estimate of the group of employees that are going to opt for the plan.

The provisions related to restructuring processes are recognised when the Company has an implicit obligation due to the existence of a detailed formal plan and the generation of valid expectations among the affected parties that the process is going to be executed, whether as the plan has started to be executed or as its main characteristics have been announced.

The restructuring provisions only include the payments directly related to the restructuring that are not associated with the continuing operations of the Company.

Provisions for dismantling, restoration and the like

The provisions referred to in this section are recognised following the general criteria of recognition of provisions and they are entered as greatest cost value of the property, plant and equipment that they are related to when the acquisition or construction thereof arises. Nevertheless, if the provisions are incurred due to production of inventories, they are recognised in the income statement.

The variations in the provisions deriving from changes in the amount, in the temporary structure of the payments or in the discount rate at year-end, increase or decrease the value of the fixed asset cost with the book value limit of this component, recognising the excess in the income statement.

The changes in the amount of the provision that have been revealed once the useful life of the fixed assets has concluded are recognised in the income statement as they occur.

The Company has signed certain operating lease agreements for which it has the contractual obligation of performing large repairs on a regular basis. The Company recognises a provision for the estimated amount of the obligation incurred on the date of charging to the income statement at each year-end.

4.6. SUBSIDIES, GIFTS AND LEGACIES

Subsidies, gifts and legacies are entered as income and expenses in equity when, if any, their official award has been obtained, and the conditions for their award have been fulfilled and there are no reasonable doubts that they will be received.

Subsidies, gifts and legacies of monetary nature are valued at the fair value of the amount awarded and those of non-monetary nature at the fair value of the asset received.

In later financial years, the Subsidies, gifts and legacies are allocated to results in line with the purpose.

Capital subsidies are allocated to the financial year in proportion to the depreciation corresponding to assets financed with them or, where applicable, when the disposal, derecognition or valuation adjustment occurs due to their impairment.

In the case of non-depreciable assets, the subsidy is allocated to results of the year when the disposal, derecognition or valuation adjustment due to impairment occurs.

The amount of the valuation adjustment equivalent to the subsidised part is entered as an irreversible loss of the assets directly against their value.

The subsidies that are awarded to finance specific costs are allocated to income in the financial year when the costs financed are accrued.

The subsidies in the form of write-off, assumption or payment of debts are allocated to the results of the year in which said circumstance occurs. Nevertheless, if they are granted in relation to a specific financing, the allocation shall be in accordance with the element financed.

The financial liabilities that incorporate implicit aid in the form of the application of interest rates below market rate are recognised at the initial time by their fair value. The difference between said value, adjusted where applicable by the issue costs of the financial liability and the amount received, are entered as an official subsidy according to the nature of the subsidy awarded.

The subsidies related to job creation and which are conditional upon a minimum period that the employees are maintained, are allocated to income on straight-line basis during said period. The subsidies awarded exclusively for modification of the employment contract are entered as income when the conditions to obtain them are fulfilled.

Subsidies, gifts and legacies that are non-reimbursable received from shareholders, are directly allocated to shareholders' equity.

Subsidies awarded by the parent to finance the execution of activities of public or general interest are recognised following the aforementioned criteria for subsidies received from non-shareholder third parties. The subsidies awarded to ensure a minimum profitability or compensate the operating deficit of the previous financial year or years related to said activities are recognised as income in the heading Other operating income of the income statement.

However, those transfers awarded by the Parent with indeterminate purpose, to finance operating deficits or general operating costs, not associated with any specific activity or area of activity, but the activity as a whole or to compensate for generic losses even in the case that they are instrumented by program contracts or to finance specific or unusual costs not directly attached to an activity or generic to finance the fixed assets, even in the case that it will be later used to perform activities or provide services of general interest are recognised as contributions from shareholders directly in shareholders' equity.

The accounting treatment of subsidies related to emission rights is shown in section 4.

The transfers of public domain assets without consideration are recognised as subsidies charged to an intangible asset by the fair value of the right of use, unless it cannot be reliably determined or property, plant and equipment if the transfer period extends to practically the entire economic life of the transferred assets.

4.7. TRANSACTIONS BETWEEN RELATED PARTIES

The transactions between group companies, except those associated with mergers, spin-offs and non-monetary business contributions, are recognised at the fair value of the consideration delivered or received. The difference between the value and the agreed amount is recognised according to the underlying economic substance.

4.8. 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 Company.

5. FINANCIAL INSTRUMENTS

5.1. 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;
- Debt securities of other acquired companies: such as bonds, debentures and promissory notes.
- Equity instruments of other acquired companies: shares, shareholding in collective investment institutions and other equity instruments;

- Derivatives with favourable valuation for the company: among them, futures, options, financial swaps and purchase/sale of foreign currency (deferred), and

- 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;

- Bonds and other marketable securities issued: such as bonds and promissory notes;

- Derivatives with unfavourable valuation for the company: among them, futures, options, financial swaps and purchase/sale of foreign currency (deferred);

- Borrowings with special characteristics; and

- 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.

Equity instruments

A financial derivative is a financial instrument that fulfils the following characteristics:

- Its value changes in response to changes in variables such as interest rate, the prices of financial instruments and commodities, exchange rates, credit ratings and the indices on them and which in the case of not being financial variables should not be specific for one of the parties of the contract.

- An initial investment is not required or a lower investment than required by other types of contracts in which a similar response to changes in market conditions could be expected.

- It is settled on a future date.

Likewise, this rule is applicable in the treatment of accounting hedges and of the transfers of financial assets, such as trade discounts, factoring operations and temporary transfers and securitisation of financial assets.

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.

5.2. 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	Current Financial Instruments	
	Loans, Derivatives and Others	
Categories	**2021**	**2020**
Loans and accounts receivable:	174,766.80	532,204.40
Cash and cash equivalents	126,528.22	1,512,828.75
Total	**301,295.02**	**2,045,033.15**

The "*Loans and accounts receivable*" item for an amount of 174,766.80 euros (532,204.40 as at 31 December 2020) includes:

- An intercompany account for the amount of 140,369.40 euros with its subsidiary BCN1 Fulfillment, S.L.U. for the payment of Jordi Armengol insurance broker invoices on behalf of the latter (140,369.40 euros as at 31 December 2020).

- An amount of 400.00 euros for the provision of funds of the Barcelona Companies Register in the name of the subsidiary and paid by the Company on its behalf.

- An amount of 33,997.40 euros (391,435.00 euros as at 31 December 2020) deposited in a bank account of the Company's legal advisers, Ashurst LLP, so that they can pay, on behalf of the Company, the costs for application and registration in the REITs tax regime (See Note 18).

(ii) Classification of financial liabilities by category

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	Current Financial Instruments	
	Derivatives and Others	
Categories	**2021**	**2020**
Debits and accounts payable	138,787.78	22,738.33
Total	**138,787.78**	**22,738.33**

The *"Debits and accounts payable"* item for an amount of 138,787.78 euros (22,738.33 euros as at 31 December 2020) corresponds to invoices pending payment to notaries, as well as invoices to be received for services provided to the Company by various trade creditors.

b) Classification by maturities

The amounts of borrowings with a maturity, classified by year of maturity are as follows:

Categories	**1 year**	**Total**
Trade and other payables	*138,787.78*	138,787.78
Miscellaneous payables	*138,787.78*	138,787.78
Total	**138,787.78**	**138,787.78**

c) Transfers of financial assets

There have not been transfers of financial assets during the financial year, nor have contracts to transfer receivables been signed during the financial year.

d) Adjustments due to impairment caused by credit risk.

No financial assets have been impaired during the year.

e) Non-payment and breach of contractual conditions

The Company is up-to-date in the contractual obligations relating to financial liabilities shown in the statement of financial position at year-end.

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

a) Hedge accounting

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

b) Fair Value

The fair value and the book value of each of the classes of financial instruments is itemised in the following table:

	2021		**2020**	
Asset categories	**Fair Value**	**Book value**	**Fair Value**	**Book value**
Equity investments in group, multi-group and associated companies	53,038,252.90	53,038,252.90	56,938,252.90	56,938,252.90
Loans and accounts receivable:	174,766.80	174,766.80	532,204.40	532,204.40
Total	**53,213,019.70**	**53,213,019.70**	**57,470,457.30**	**57,470,457.30**

These tables exclude those financial instruments whose book value constitutes an acceptable approximation of the fair value, and that, being equity instruments, they are not listed in an active market, as well as the underlying derivatives they may have that are not valued at cost.

c) Investments in group, multi-group and associated companies

(i) Group companies

The breakdown of the investments in equity instruments of group companies is as follows:

Legal information		
Name	**BCN1 Fulfillment, S.L.U.**	
Activity	Purchase, sale and rental of buildings and land, their modification, development, management, operation and division, construction and/or building	
Direct shareholding percentage	100.00%	
Indirect shareholding percentage	0.00%	
Equity	**2021**	**2020**
Capital	3,000.00	3,000.00
Reserves	600	600
Other equity items	41,009,959.77	46,076,090.94
Profit(loss) for the last financial year	-1,160,726.68	-1,166,131.17
Profit(loss) from continuing operations	*-1,160,726.68*	*-1,166,131.17*
Profit(loss) from discontinued operations	*0*	*0*
Parent company details		
Company's investment book value	53,038,252.90	56,938,252.90
Dividends distributed to the Company		971,302.57
Listed subsidiaries		
Impairment		

d) Other type of information

(i) Purchase/sale agreements

There have been no purchase/sale agreements of financial investments

(ii) Financial investments in dispute

There are no financial investments in dispute.

(iii) Embargoes

At year-end, there are no embargoes made on marketable securities, loans and other financial investments

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

Qualitative information

The management of the Company'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 Company are detailed below:

a) Credit risk:

In general terms, the Company 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 Company 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 Company are exposed to interest rate risk, which may have an adverse effect on the financial results and on the cash flow.

Quantitative information

The maximum exposure to the main risks as at 31 December 2021 and 2020, excluding the exposure to exchange rate risk, was as follows:

Equity group	**2021**	**2020**
Borrowings		
Non-current financial investments	53,038,252.90	56,938,252.90
Current financial investments	140,769.40	140,769.40
Trade and other receivables	33,997.40	391,435.00
Cash and cash equivalents	126,528.22	1,512,828.75
Liquidity		
Trade and other payables	138,787.78	22,738.33
Market		
Total	**53,478,335.70**	**59,006,024.38**

The exposure to foreign currency risk occurs to the extent that the Company 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 Company is not exposed to foreign currency risk as it has not performed operations in foreign currency.

5.4. SHAREHOLDERS' EQUITY

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

Capital

On 21 June 2021, the 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 Company's share capital comes 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 Company's share capital came 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 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 one of them.

By means of 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 one of them, correlatively numbered from 60,001 to 61,020.

The movement of the shares in circulation is as follows:

	Ordinary shares	
	2021	**2020**
Initial Balance	61,020.00	61,020.00
Increases	4,942,620.00	-
Total	**5,003,640.00**	**61,020.00**

The companies with a direct or indirect stake in the Company 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 company Igis Neptune Barcelona Holdco Socimi S.A. are listed in the Paris EURONEXT Market.

Share premium

This reserve has free availability. There is currently no share premium

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.

At 31 December 2021, the company has supplied a legal reserve of 12,204.00 euros, so that the legal reserve is not fully covered.

b) Statutory Reserve

There is no type of statutory reserve provided for.

c) Legal revaluation reserves

Legal revaluation reserves.

d) Goodwill reserve

The Company does not have goodwill.

e) Capitalisation reserve

There is no capitalisation reserve created.

f) Voluntary Reserves

The legal reserves are freely-available. At 31 December 2021, the Company does not have voluntary reserves in its statement of financial position (-671.35 euros as at 31 December 2020).

g) Other shareholders' contributions

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

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

On 30 November 2019, the Shareholders made a contribution to the Company's 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 General Meeting of Shareholders 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 General Meeting of Shareholders 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 General Meeting of Shareholders 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 February 26, 2021, the General Meeting of Shareholders resolved to offset negative results from previous years and negative unrestricted reserves for a total amount of 5,129,008.14 euros, with a charge to the accounting account 118.

On 24 March 2021, the General Meeting of Shareholders 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 General Meeting of Shareholders agreed an increase in share capital of 4,942,620.00 euros charged to the accounting account 118.

On 8 October 2021, the General Meeting of Shareholders 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.

h) Accumulated losses

	2021	2020
Accumulated losses	-	(5,128,336.79)

6. INVENTORIES

The Company does not have inventories.

7. FOREIGN CURRENCY

The currency does not elements of assets or liabilities in foreign currency.

8. TAX SITUATION

The breakdown of balances with public authorities is as follows:

	2021		2020	
	Balance receivable	**Balances payable**	**Balance receivable**	**Balances payable**
Withholdings made	-	26,040.34	-	-
Total balances with Public Administrations	**-**	**26,040.34**	**-**	**-**

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. After said period, the Company must certify the negative tax bases or deductions by showing the settlement or self-settlement and the accounting, proving its deposit during said period in the Companies Register.

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 company considers that these liabilities, should they arise, would not significantly affect the financial statements.

8.1. INCOME TAX

The reconciliation between the net amount of income and expenses of the year and the taxable income that the Company 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	(635,827.92)	-	-	-
	Increases	Decreases	Increases	Decreases
Corporate Income Tax	-	-	-	-
Permanent differences	-	-	-	-
Tax base (tax result)	-	(635,827.92)	-	-
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	713,698.86	-	-	-
	Increases	Decreases	Increases	Decreases
Corporate Income Tax	-	-	-	-
Permanent differences	187.50	(1,971,302.57)	-	-
Tax base (tax result)	-	(1,257,416.21)	-	-
Tax rate:	0.00%	0.00%	0.00%	0.00%
Total tax due	-	-	-	-
Semi-liquid tax due:	-	-	-	-
Liquid tax due:	-	-	-	-
Liquid payable /(refundable)	**-**	**-**	**-**	**-**

On 26 September 2019, and with effect from 27 June 2019 (incorporation date), the Company informed the Office of the State Tax Authority of its tax address of the option adopted by the General Meeting of Shareholders, of opting for the special tax regime for REITs.

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 Company have been the following:

The general tax rate is 25%. In this regard, the Company has opted for the REITs regime, from 27 June 2019 (incorporation date) and, therefore, the tax rate is 0%.

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.

The compensation of negative tax bases in accordance with the turnover has a general limitation of the compensation of 70% of the previous tax base, without time limit, with a minimum of one million euros.

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

The Company may be subject to inspection by the tax authorities the last 2 financial 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 financial years.

9. INCOME AND EXPENSES

9.1. NET TURNOVER

The net amount of the turnover at year-end comes to 971,302.57 euros and corresponds to:

	2021	2020
Income due to distributed dividends of BCN1 Fulfillment, S.L.U.	-	971,302.57
Total	**-**	**971,302.57**

9.2. PROCUREMENTS

There have been no purchases of procurements during the current year.

9.3. OTHER OPERATING COSTS

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

Description	2021	2020
External services	**635,827.92**	**257,416.21**
Independent professional services	468,814.55	188,900.19
Insurance premiums	-	-
Banking services and similar	8,448.36	7,113.09
Other services	158,565.01	61,402.93
Total	**635,827.92**	**257,416.21**

9.4. PROFITS FROM FIXED ASSET TRANSFER

No fixed assets have been transferred during the year.

9.5. OTHER RESULTS

The breakdown of the results is as follows:

Description	2021	2020
Tax penalty	-	187.50
Total	**-**	**187.50**

10. ENVIRONMENTAL INFORMATION

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

The Company's Board of Directors considers that there are no significant contingencies related to the protection and improvement of the environment, and does not consider it necessary to record any allocation to the environmental risks and expenses provision at 31 December 2021 and 2020.

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

11. STAFF REMUNERATION

There have been no long-term remunerations of staff and, therefore, no provisions have been made for this contingency.

12. TRANSACTIONS WITH PAYMENTS BASED ON EQUITY INSTRUMENTS

There have been no transactions with payments based on equity instruments during the year.

13. SUBSIDIES, GIFTS AND LEGACIES

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

14. BUSINESS COMBINATIONS

There have been no merger, take-over or spin-off operations during the year

15. JOINT VENTURES

There have been no joint ventures with other companies during the year

16. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company has no current assets held for sale nor has it performed discontinued operations during the year

17. SUBSEQUENT EVENTS

On March 23rd 2022, the Shareholders of the Parent Company 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.

18. BALANCES WITH RELATED PARTIES

At 31 December 2021 and 2020, the amount of 140,769.40 euros corresponds to an inter-company account with its subsidiary BCN1 Fulfillment, S.L.U. for (as) the payment of Jordi Armengol insurance broker invoices on behalf of the latter (140,369.40 euros and (b) the payment of a provision of funds of 400.00 euros of the Companies Register made by the Company on the behalf of the latter.

The itemisation of balances at 2021 and 2020 year end by categories is as follows:

Company Name	Type of relationship	Item	Final balances at year-end 2021
BCN1 Fulfillment, S.L.U.	Controlled company	Current account	140,769.40
Total			**140,769.40**

Company Name	Type of relationship	Item	Balance at year-end 2020
BCN1 Fulfillment, S.L.U.	Controlled company	Current account	140,769.40
Total			140,769.40

18.1. COMPANY TRANSACTIONS BETWEEN RELATED PARTIES

The amounts of the Company's transactions between related parties are as follows:

Company Name	Type of relationship	Item	Final balances at year-end 2021
BCN1 Fulfillment, S.L.U.	Controlled company	Current account	140,769.40
Total			**140,769.40**

Company Name	Type of relationship	Item	Balance at year-end 2020
BCN1 Fulfillment, S.L.U.	Controlled company	Current account	140,769.40
Total			140,769.40

Information relating to the Governing Body and Senior Management of the Company

During the years ended 31 December 2021 and 2020, except for the Chairman and the Secretary in fiscal year 2021, the members of the Board of Directors did not receive any remuneration, nor were they granted any advances or loans, and no obligations were undertaken on their behalf in the form of guarantees. As at 31 December 2021 and 2020, there are no accrued liabilities in pensions and the like with members of the Company's Board of Directors, nor are debtor or creditor balances therewith.

The breakdown of the remunerations accrued by the posts of Chairperson of the Board 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**	**-**

During the year ended 31 December 2021 and 2020, the members of the Board of Directors of the Company did not carry out with the Company, transactions outside the normal activities of the business or not under market conditions.

Information regarding situations of conflict of interests by the members of the Company's Board of Directors

During the year ended 31 December 2021, the members of the Board of Directors of IGIS Neptune Barcelona Holdco SOCIMI, S.A., as well as certain persons related thereto as defined in the Capital Companies Act, have not held shareholding in the capital of companies with the same, similar or complementary type of activity as that which forms the corporate purpose of the Company.

19. AUDIT FEES

During 2021, the fees for accounts auditing services and other services provided by the Company auditor, Ernst & Young, or by a company related to the auditor by control, common ownership or management have amounted to 3,000.00 euros (2020: EUR 3,000.00)

20. SEGMENTED INFORMATION

In this point, the company will inform of the distribution of the net turnover corresponding to its ordinary activities by categories of activities, and by geographic markets insofar as, from the standpoint of the organisation of product sale and provision of services or other income corresponding to ordinary activities of the company. those categories and markets considerably differ from one another.

The companies that may prepare an abridged Income Statement can omit this information.

The breakdown of the net turnover by category of activity and geographic markets is as follows:

2021	Domestic	European Union	Outside the European Union	Total
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

21. INFORMATION ON GREENHOUSE GAS EMISSION RIGHTS

There are no greenhouse gas emission rights

22. 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	51.84	15.35
Ratio of transactions paid	52.12	14.11
Ratio of outstanding payments for transactions	51.17	498
	Amount (euros)	**Amount (euros)**
Total payments made	284,475.40	243,479.36
Total payments outstanding	120,006.28	623.25

23. INFORMATION REQUIREMENTS DERIVING FROM THE CONDITION OF REIT, LAW 11/2009, AMENDED BY LAW 16/2012.

In compliance with the provisions of Law 11/2009, amended by Law 16/2012, regulating Real Estate Investment Trusts (REITs), the following information is detailed below:

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 Company has applied the tax regime Law 11/2009 since its constitution.

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, have been applied, come from income subject to the 0% rate.

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

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

The 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.

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)

g) Identification of the asset which is calculated within the 80% referred to in section 1 of article 3 of Law 11/2009.

The assets calculated within the 80% as referred to in section 1 of article 3 of Law 11/2009 are those detailed in the previous point.

h) Reserves originating from financial years during which the applicable tax regime established under Law 11/2009 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.

Management report corresponding to the financial year ended 31 December 2021

Evolution of business and situation of the Company

In the financial year ended 31 December 2021, the income statement of the Company shows a "Net turnover" of 0.00 euros (971,302.57 euros at 31 December 2020) as no amounts have been received as dividends from its subsidiary, which is a decrease with respect to the previous financial year. Profit(loss) for the year comes to -635,827.92 euros of losses (713,698.86 euros profit in 2020).

The results obtained by the Company have been as expected.

The 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 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.

Management of financial risk and use of financial instruments

The Company faces the risks and uncertainties typical of the industry in which it operates.

Research and development activities

The Company 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, the Company has not performed during the year any operation with own shares.

Important events occurring after year-end

No additional significant events have occurred after the end of the financial year.

Use of financial instruments

During 2021 and 2020, the Company has had financial instruments contracted for interest rate hedge.

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

During 2021, 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 financial statements corresponding to 2021

TESTIMONY OF PREPARATION OF FINANCIAL STATEMENTS:

On March 22nd 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 financial statements for the year from 1 January 2021 to 31 December 2021. The financial statements comprise the attached documents preceding this text.

In Madrid,

____

Je Weon Lee

____

Joo Il Kim

____

INTERTRUST (SPAIN), S.L.
(Secretary)
Cristina Ferrer Sama

____

SPV SPAIN 5, S.L.U
(Chairman)
Blanca Candela Marroquín