Audit Report on Financial Statements
issued by an Independent Auditor

IGIS Neptune Barcelona Holdco SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES
Consolidated Financial Statements and Management Report
for the year ended
December 31, 2023

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholder of IGIS Neptune Barcelona Holdco SOCIMI, S.A. and dependent subsidiary:

Opinion

We have audited the consolidated financial statements of IGIS Neptune Barcelona Holdco SOCIMI, S.A. (the parent) and dependent subsidiary (the Group), which comprise the consolidated balance sheet at December 31, 2023, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the equity and financial position of the Group as at December 31, 2023 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 consolidated 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 Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated 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 consolidated financial statements of the current period. These risks were addressed in the context of our audit of the consolidated 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 real estate investments

Description

The Group has registered, under the heading "Real estate investments" of the consolidated balance sheet as of December 31, 2023, assets with a net book value of 113,775 thousand euros, which represent 93% of the total Assets and correspond, mainly, to real estate of urban nature intended for exploitation on a rental basis.

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

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

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

Our response

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

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

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

Description

As indicated in Note 1 of the attached consolidated report, on September 26, 2019, the Parent Company and the Subsidiary Company formally communicated to the State Tax Administration Agency the option of availing themselves of the special tax regime for SOCIMIs established in Law 11/2009, of October 26, which regulates Listed Investment Companies in the Real Estate Market, with effect from June 27, 2019 and from January 1, 2019, respectively, being a of the main characteristics of these entities that are taxed at the tax rate of zero percent in Corporation Tax.

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

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

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

Our response

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

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

Other information: management report

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the directors of the parent company and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the consolidated management report is to assess and report on the consistency of the management report with the consolidated financial statements based on the knowledge of the Group obtained during the audit, and to assess and report on whether the content and presentation of the consolidated 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 consolidated management report is consistent with that provided in the 2023 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Directors of the parent company's responsibilities for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with the regulatory framework for financial information applicable to the Group in Spain, identified in Note 4 to the accompanying consolidated 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 consolidated financial statements, the director of the parent company are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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 Group'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 directors of the parent company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to 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 Group to cease to continue as a going concern.

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

We communicate with the directors of the parent 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 directors of the parent company, we determine those that were of most significance in the audit of the consolidated 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.

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Cristina Urgellés Calvet

July 8, 2024

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

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2023 (with comparative figures as at 31 December 2022)

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

Consolidated Balance Sheet for the year ended 31 December 2023 and 31 December 2022 (expressed in euros)

CONSOLIDATED BALANCE SHEET

	ACTIVE	NOTES	2023	2022
A)	**NON-CURRENT ASSETS**		**120.043.880,14**	**125.404.683,67**
I.	**Intangible assets**	**6**	**5.333.792,87**	**6.283.468,18**
4.	Goodwill		5.333.792,87	6.283.468,18
III.	**Investment property**	**7**	**113.775.044,54**	**118.186.172,76**
1.	Land		30.352.464,00	30.352.464,00
2.	Constructions		83.422.580,54	87.833.708,76
V.	**Long-term financial investments**	**9**	**914.163,67**	**914.163,67**
5.	Other financial assets		914.163,67	914.163,67
VI.	**Deferred tax assets**	**10**	**20.879,06**	**20.879,06**
B)	**CURRENT ASSETS**		**2.345.445,07**	**4.235.146,11**
III.	**Trade and other receivables**	**9**	**5.133,25**	**18.530,00**
3.	Sundry debtors		2.225,86	18.530,00
4.	Other receivables from general government		2.907,39	-
VI.	**Short-term accruals**	**9**	**95.737,09**	**73.766,98**
VII.	**Cash and cash equivalents**	**9**	**2.244.574,73**	**4.142.849,13**
1.	Treasury		2.244.574,73	4.142.849,13
TOTAL ASSETS (A + B)			**122.389.325,21**	**129.639.829,78**

	EQUITY AND LIABILITIES	NOTES	2023	2022
A)	**NET WORTH**		**35.090.999,48**	**40.711.022,03**
A-1)	**Own funds**	**9**	**35.090.999,48**	**40.711.022,03**
I.	**Capital**	**9**	**5.003.640,00**	**5.003.640,00**
1.	Assessed capital		5.003.640,00	5.003.640,00
III.	**Reservations**	**9**	**683.503,58**	**430.849,10**
2.	Other reservations		683.503,58	430.849,10
IV.	**Reserves in consolidated companies**	**9**	**(5.246.393,58)**	**(4.044.063,79)**
V.	**Results of previous years**	**9**	**(4.197.176,21)**	**(2.962.685,77)**
2.	(Negative results of previous years)		(4.197.176,21)	(2.962.685,77)
VI.	**Other partner contributions**	**9**	**40.627.448,02**	**44.467.448,02**
VII.	**Result for the year**		**(1.780.022,34)**	**(2.184.165,54)**
B)	**NON-CURRENT LIABILITIES**		**914.163,67**	**86.210.237,26**
II.	**Long-term debts**	**9**	**914.163,67**	**86.210.237,26**
2.	Amounts owed to credit institutions		-	85.296.073,59
5.	Other financial liabilities		914.163,67	914.163,67
C)	**CURRENT LIABILITIES**		**86.384.162,06**	**2.718.570,49**
III.	**Short-term debts**	**9**	**86.294.900,52**	**193.177,26**
2.	Amounts owed to credit institutions cp		86.294.900,52	193.177,26
V.	**Trade and other payables**	**9**	**89.261,54**	**2.525.393,23**
3.	Sundry creditors		88.924,04	88.443,93
6.	Other debts to public administrations		337,50	687.543,83
7.	Customer advances		-	1.749.405,47
TOTAL EQUITY AND LIABILITIES (A + B + C)			**122.389.325,21**	**122.389.325,21**

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

Consolidated Income Statement for the year ended 31 December 2023 and 31 December 2022
(expressed in euros)

CONSOLIDATED PROFIT & LOSS ACCOUNT

		NOTES	2023	2022
A)	**CONTINUING OPERATIONS**			
1.	**Net turnover**	**11**	**7.066.095,15**	**6.725.168,08**
b)	Service provision		7.066.095,15	6.725.168,08
7.	**Other operating expenses**	**11**	**(1.700.279,44)**	**(1.650.545,70)**
a)	External services		(738.954,86)	(689.221,12)
b)	Tributes		(961.324,58)	(961.324,58)
8.	**Depreciation of fixed assets**		**(5.377.057,84)**	**(5.484.497,08)**
13.	**Other results**	**11**	**2.755,32**	**(2.755,32)**
A.1)	**OPERATING INCOME**		**(8.486,80)**	**(412.630,01)**
15.	**Financial expenses**	**11**	**(1.771.535,53)**	**(1.771.535,52)**
b)	For debts owed to third parties		(1.771.535,53)	(1.771.535,52)
A.2)	**FINANCIAL RESULT**		**(1.771.535,53)**	**(1.771.535,52)**
A.3)	**PROFIT BEFORE TAX**		**(1.780.022,34)**	**(2.184.165,54)**
20.	**Taxation of profits**	**11**	**-**	**-**
A.4)	**RESULT FOR THE YEAR FROM CONTINUING OPERATIONS**		**(1.780.022,34)**	**(2.184.165,54)**
B)	**DISCONTINUED OPERATIONS**			
21.	**Profit for the year from operations interrupted net of tax**		**-**	**-**
A.5)	**RESULT FOR THE YEAR**		**(1.780.022,34)**	**(2.184.165,54)**

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2023 and 31 December 2022

(expressed in euro)

B) Statement of total changes in equity (expressed in euro)

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

		NOTES	2023	2022
A)	**PROFIT AND LOSS ACCOUNT RESULT**		**(1.780.022,34)**	**(2.184.165,54)**
Income and expenses recognised directly in equity				
B)	**TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY**		**-**	**-**
Transfers to the profit and loss account				
C)	**TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT**		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE			**(1.780.022,34)**	**(2.184.165,54)**

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2023 and 31 December 2022

(expressed in euro)

B) Statement of total changes in equity (expressed in euro)

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

		Capital Deeded	**Reservations**	**Reserves in consolidated companies**	**Result of previous years**	**Other partner contributions**	**Result for the year**	**TOTAL**
A)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2022**	**5.003.640,00**	**70.694,44**	**(2.734.233,81)**	**(1.166.131,17)**	**48.794.703,72**	**(2.746.229,70)**	**47.222.443,49**
I.	Total recognised income and expenses	-	-	-	-	-	(2.184.165,54)	(2.184.165,54)
II.	Transactions with partners or owners	-	-	-	-	-	-	-
1.	*Capital increases*	-	-	-	-	-	-	-
7.	*Other transactions with partners or owners*	-	-	-	-	-	-	-
III.	Other changes in equity	-	360.154,67	(1.309.829,98)	(1.796.554,60)	(4.327.255,70)	2.746.229,70	(4.327.255,92)
B)	**BALANCE, END OF FINANCIAL YEAR 2022**	**5.003.640,00**	**430.849,10**	**(4.044.063,79)**	**(2.962.685,77)**	**44.467.448,02**	**(2.184.165,54)**	**40.711.022,03**
C)	**ADJUSTED BALANCE, START OF FINANCIAL YEAR 2023**	**5.003.640,00**	**430.849,10**	**(4.044.063,79)**	**(2.962.685,77)**	**44.467.448,02**	**(2.184.165,54)**	**40.711.022,03**
I.	Total recognised income and expenses	-	-	-	-	-	(1.780.022,34)	(1.780.022,34)
II.	Transactions with partners or owners	-	-	-	-	-	-	-
1.	*Capital increases*	-	-	-	-	-	-	-
7.	*Other transactions with partners or owners*	-	-	-	-	-	-	-
III.	Other changes in equity	-	252.654,48	(1.202.329,79)	(1.234.490,44)	(3.840.000,00)	2.184.165,54	(3.849.000,00)
D)	**BALANCE, END OF FINANCIAL YEAR 2023**	**5.003.640,00**	**683.503,58**	**(5.246.393,58)**	**(4.197.176,21)**	**40.627.448,02**	**(1.780.022,34)**	**35.090.999,48**

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

Consolidated Statements of Cash Flows for the year ended
31 December 2023 and 31 December 2022 (expressed in euros)

CONSOLIDATED CASH FLOW STATEMENT

		Notes	2023	2022
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	**Profit for the year before tax**		**(1.780.022,34)**	**(2.184.165,54)**
2.	**Adjustments to the result**		**7.148.593,37**	**7.256.032,60**
a)	Depreciation of fixed assets	6 y 7	5.377.057,84	5.484.497,08
h)	Financial expenses		1.771.535,53	1.771.535,52
3.	**Changes in working capital**		**(2.444.705,05)**	**2.413.799,62**
b)	Debtors and other receivables		13.396,75	324.609,05
c)	Other current assets		(21.970,11)	4.760,61
d)	Creditors and other accounts payable		(2.436.131,69)	2.084.429,96
4.	**Other cash flows from operating activities**		**(1.771.535,52)**	**(1.771.535,51)**
a)	Interest payments		(1.771.535,52)	(1.771.535,51)
5.	**Cash flows from operating activities (+/-1 +/-2 +/-3 +/-4)**		**1.152.330,46**	**5.714.131,17**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**			
6.	**Investment payments**	**7**	**(16.254,30)**	**-**
d)	Investment property	7	(16.254,30)	-
7.	**Divestment proceeds**		**-**	**-**
e)	Other financial assets		-	-
8.	**Cash flows from investing activities (6+7)**		**(16.254,30)**	**-**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**			
9.	**Proceeds and payments for equity instruments.**		**(3.840.000,22)**	**(4.327.255,92)**
a)	Issuance of equity instruments			
b)	Amortisation of equity instruments		(3.840.000,22)	(4.327.255,92)
10.	**Proceeds and payments for financial liability instruments**		**805.649,66**	**805.649,65**
a)	Broadcast		805.649,66	805.649,65
2.	*Amounts owed to credit institutions*		805.649,66	805.649,65
b)	returns and amortisation of		-	-
2.	*Amounts owed to credit institutions*		-	-
11.	**Dividend and remuneration payments on other equity instruments**		**-**	**-**
12.	**Cash flows from financing activities (+/-9 +/-10 -11)**		**(3.034.350,56)**	**(3.521.606,27)**
D)	**Effect of exchange rate changes**		**-**	**-**
E)	**NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS**		**(1.898.274,40)**	**2.192.524,90**
Cash or cash equivalents at beginning of the year			4.142.849,13	1.950.324,23
Cash or cash equivalents at year end			2.244.574,73	4.142.849,13

1. GENERAL INFORMATION ABOUT THE GROUP

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. and its subsidiary company (hereinafter, the "**Group**" or the "**IGIS Group**") form a consolidated group of companies that basically carries out its operations in the real estate rental sector.

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. (hereinafter, the "**Company**") was incorporated as a public limited company in Spain, for an indefinite period of time, on 27 June 2019, with its registered office at calle Serrano 41, 28001. It is registered in the Mercantile Registry of Madrid, in volume 39,416, folio 190, page M-699838. Its tax identification number is A88427653.

Its corporate purpose is as follows:

(i) The acquisition and development of urban real estate for leasing or the refurbishment of buildings under the terms established in Law 37/1992 of 28 December 1992 on Value Added Tax;

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

(iii) The holding of shares in the capital of other entities resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy and which meet the investment requirements referred to in Article 3 of Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, which regulates SOCIMIs (the "SOCIMI Law");

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

(v) Together with the economic activity derived from the main corporate purpose, the Company may carry on other ancillary activities, understood as those that represent, as a whole, less than 20% of the Company's income in each tax period, or those that may be considered ancillary in accordance with the law applicable at any given time. These may include the following:

(vi) In general, the subscription, derivative acquisition, holding, enjoyment, administration and disposal of transferable securities and shares, except for those activities subject to special legislation; and

(vii) The management and administration of securities representing the equity of non-resident entities in Spanish territory through the corresponding organisation of material and personal resources, in accordance with the provisions of article 107 of Law 27/2014, of 27 November, on Corporate Income Tax and the provisions that develop, replace or amend it.

At 31 December 2023, IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. is the parent company of the IGIS Group, made up of two companies: IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A. (hereinafter, the "**Company**" or the "**Parent Company**"), as the parent company and BCN1 FULFILLMENT, S.L.U. (hereinafter, the "**Subsidiary Company**"), as the subsidiary company.

The Group availed itself of the tax regime regulated by Law 11/2009 of 26 October 2009, as amended by Law 16/2012 of 27 December 2012, which regulates Listed Real Estate Investment Companies ("SOCIMI"): the Parent Company on 26 September 2019 and with effect from 27 June 2019 (date of incorporation); the Subsidiary Company on 26 September 2019 and with effect from 1 January 2019.

The Parent Company files its individual annual accounts with the Madrid Mercantile Register.

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

The business of the Parent Company and its Subsidiary Company is carried on only in Spain.

In view of the Group's business activities, it has no environmental liabilities, expenses, assets, provisions and contingencies that might be material with respect to its equity, financial position and results. For this reason, no specific disclosures on environmental issues are included in these notes to the consolidated financial statements.

2. SOCIMI REGIME

The Parent Company and its subsidiary are regulated by Law 11/2009 of 26 October 2009, as amended by Law 16/2012 of 27 December 2012, which regulates Listed Real Estate Investment Companies ("SOCIMI"). These companies are subject to a special tax regime and must comply with the following obligations, among others:

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

2. Investment Obligation:
    - They must invest 80% of the assets in real estate intended for lease, in land for the development of real estate intended for this purpose provided that the development is started within three years of their acquisition and in shares in the capital of other entities with a corporate purpose similar to that of SOCIMIs.
    - This percentage shall be calculated on the consolidated balance sheet in the event that the Company is the parent of a group in accordance with the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated annual accounts. This group shall be made up exclusively of SOCIMIs and the other entities referred to in section 1 of article 2 of Law 11/2009.
    - There is an option to replace the book value of assets by their market value and cash/ receivables from the transfer of such assets will be taken into account provided that the maximum reinvestment periods are exceeded.
    - Likewise, 80% of its income must come from income corresponding to (i) the leasing of real estate; and (ii) dividends from shareholdings. This percentage will be calculated on the consolidated balance sheet in the event that the Company is the parent of a group in accordance with the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated annual accounts. This group shall be made up exclusively of SOCIMIs and the other entities referred to in section 1 of article 2 of Law 11/2009.

- Real estate must be leased for at least three years (for the purpose of calculation, up to one year may be added to the period for which it has been offered for lease). Shares must be held as assets for at least three years.

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

4. Obligation to distribute profits. Companies must distribute as dividends, once the commercial requirements have been met:
   - 100% of the profits from dividends or shares in profits distributed by the entities referred to in Article 2(1) of Law 11/2009.
   - At least 50% of the profits derived from the transfer of real estate and shares or holdings referred to in Article 2(1) of Law 11/2009, made after the minimum holding periods have elapsed, which are used to fulfil their main corporate purpose. The remainder of these profits must be reinvested in other real estate or shares or holdings assigned to the said object, within three years from the date of transfer.
   - At least 80% of the remainder of the profits obtained. When the distribution of dividends is made out of reserves deriving from profits of a year in which the special tax regime has been applied, the distribution must be made in the manner described above.

5. Disclosure obligation: SOCIMIs must include in the notes to their annual accounts the information required by the tax regulations governing the special regime for SOCIMIs (Note 8 and 17).

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

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

As at 31 December 2023, the members of the Board of Directors consider that the Group complies with the requirements of Law 11/2009, as amended by Law 16/2012, and therefore the special tax regime is fully applicable.

3. SUBSIDIARY COMPANIES

Consolidation has been carried out by applying the full consolidation method to all subsidiaries, which are those in which the group exercises or may exercise, directly or indirectly, control, understood as the power to govern the financial and operating policies of a company in order to obtain economic benefits from its activities. This is generally, but not exclusively, evidenced by direct or indirect ownership of 50% or more of the voting rights of the company. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

At 31 December 2023, the only subsidiary included in the scope of consolidation, fully consolidated and audited, is as follows:

(expressed in euros)

Society	Activity	Percentage of Direct Participation	Voting Rights Director	Consolidation Method Applied
BCN1 Fulfillment, S.L.U.	Industrial building for rent	100%	100%	Global integration

The registration details and address of the Subsidiary Company included in the scope of consolidation for 2023 and 2022 are set out below:

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

  Its corporate purpose is:

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

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

  (iii) The holding of shares in the capital of other entities resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs in terms of the mandatory legal or statutory profit distribution policy and which meet the investment requirements referred to in Article 3 of Law 11/2009, of 26 October, which regulates SOCIMIs (the "SOCIMI Law");

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

  (v) Together with the economic activity derived from the main corporate purpose, the Company may carry on other ancillary activities, understood as those that represent, as a whole, less than 20% of the Company's income in each tax period, or those that may be considered ancillary in accordance with the law applicable at any given time. These may include the following:

  (vi) In general, the subscription, derivative acquisition, holding, enjoyment, administration and disposal of transferable securities and shares, except for those activities subject to special legislation; and

  (vii) The management and administration of securities representing the equity of non-resident entities in Spanish territory through the corresponding organisation of material and personal resources, in accordance with the provisions of article 107 of Law 27/2014, of 27 November, on Corporate Income Tax and the provisions that develop, replace or amend it.

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

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

The cases in which these companies are consolidated correspond to the situations contemplated in Art. 2 of the Standards for the Preparation of Consolidated Financial Statements ("NOFCAC"), which are indicated below:

1. When the Parent Company finds itself, in relation to another company (subsidiary) in any of the following situations:

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

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

   c) That the Parent Company may dispose, by virtue of agreements entered into with other shareholders, of the majority of the voting rights.

   d) That the Parent Company has designated with its votes the majority of the members of the governing body who hold office at the time the consolidated annual accounts are to be drawn up and during the two immediately preceding financial years. This circumstance is presumed when the majority of the members of the governing body of the dominated company are members of the governing body or senior executives of the Parent or of another company dominated by the Parent.

2. Where a Parent owns half or less of the voting rights, even if it owns little or no equity interest in another company, or where management power is not explicitly stated (special purpose entities), but participates in the risks and rewards of the entity, or has the ability to participate in the operating and financial decisions of the entity.

4. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS

4.1. FAITHFUL IMAGE

The consolidated annual accounts for the financial year 2023 have been prepared on the basis of the accounting records of the various companies comprising the Group, whose respective annual accounts are prepared in accordance with current mercantile legislation and the rules established in the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November 2007, and are presented in accordance with the provisions of Royal Decree 1159/2010 of 17 September 2010, in order to give a true and fair view of the net worth, financial position and results, as well as the veracity of the cash flows included in the Consolidated Statement of Cash Flows.

The consolidated financial statements were authorised for issue by the Board of Directors of the Parent Company on 27 March 2024 and will be submitted to the shareholders for approval at the Annual General Meeting without any changes.

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

4.2. FINANCIAL REPORTING FRAMEWORK APPLICABLE TO THE GROUP

These consolidated financial statements have been prepared by the members of the Board of Directors in accordance with the regulatory financial reporting framework applicable to the Group, which is set out in:

- Commercial Code and other commercial legislation.
- The Rules for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1159/2010 and Royal Decree 1/2021, of 12 January, amending the General Accounting Plan approved by Royal Decree 1514/2007 and its sectorial adaptations.
- Law 11/2009 of 26 October 2009, as amended by Law 16/2012 of 27 December 2012, which regulates Listed Real Estate Investment Companies ("SOCIMI") in relation to the information to be disclosed in the notes to the financial statements.
- The mandatory rules approved by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute) in development of the General Accounting Plan and its complementary rules.
- All other applicable Spanish accounting legislation.

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

Accounting estimates have been made in the preparation of the accompanying consolidated financial statements based on historical experience and other factors that are believed to be reasonable under current circumstances and which form the basis for establishing the carrying amounts of certain assets, liabilities, income, expenses and commitments whose values are not readily determinable from other sources. The Group reviews its estimates on an ongoing basis.

In this respect, the following is a summary of the aspects that have involved a greater degree of judgement, complexity or where the assumptions and estimates are significant for the preparation of the consolidated annual accounts:

- Income tax - SOCIMI regime (Note 2 and 10).

Although these estimates have been made on the basis of the best information available at year-end 2023, future events may make it necessary to change these estimates (upwards or downwards) in the coming years, if necessary prospectively.

At the date of preparation of these consolidated financial statements, the Board of Directors of the Parent Company is not aware of any uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The key assumptions about the future, as well as other relevant information about the estimation uncertainty at 31 December 2023, that have a significant risk of causing a material change in the value of assets or liabilities in future periods are as follows:

Valuation of investment property (Note 5.3 and 7).

The valuation of non-current assets, other than financial assets, requires estimates to be made in order to determine their fair value for the purpose of assessing possible impairment, especially investment property. To determine this fair value, the Group has commissioned an independent expert to carry out a valuation of investment property based on an estimate of the expected future cash flows of these assets and using an appropriate discount rate to calculate their present value (Note 7).

Income tax - SOCIMI regime (Note 2 and 10).

Since 1 January 2019, the Group has been covered by the regime established in Law 11/2009, of 26 October, as amended by Law 16/2012 regulating Listed Real Estate Investment Companies (SOCIMI), which in practice means that, subject to compliance with certain requirements (Note 2), the companies comprising the Group are subject to a corporate income tax rate of 0%. The Parent Company's Board of Directors monitors compliance with the requirements established in the legislation in order to safeguard the tax advantages established therein.

4.4. COMPARISON OF INFORMATION

The consolidated annual accounts are presented for comparative purposes, with each of the items of the balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes to the financial statements, in addition to the figures for 2023, those for the previous year, which formed part of the consolidated annual accounts for 2022 approved by the General Meeting of Shareholders on 13 June 2023.

4.5. GOING CONCERN PRINCIPLE

In the financial year 2023 the Group had a negative result for the period of EUR 1,780,022.34 (negative EUR 2,184,165.54 in the full financial year 2022).

At 31 December 2023 the Company has a negative working capital of 84,038,716.99 euros. This worsening of the working capital was mainly due to the short-term recording of the debt with credit institutions, specifically the loan signed in 2019 with Aareal Bank AG maturing on 9 August 2024.

On 25 June 2024, a new financing agreement was signed for a maximum amount of 96,300,000 euros payable on the third anniversary of the drawdown date with the possibility of extending the payment period for an additional year.

For this reason, the directors have prepared the annual accounts of the investee on a going concern basis.

4.6. GROUPING OF ITEMS

Certain items in the balance sheet, income statement, statement of changes in equity, statement of recognised income and expense and cash flow statement are grouped together for ease of understanding, although, to the extent material, the information is disclosed in the relevant notes to the financial statements.

4.7. ELEMENTS COLLECTED UNDER VARIOUS HEADINGS

There are no assets and liabilities recorded or included in two or more balance sheet items.

4.8. CHANGES IN ACCOUNTING CRITERIA

There have been no changes in the accounting policies used during the year compared to those used in previous years.

4.9. CORRECTION OF ERRORS

There were no errors during the year.

5. RECORDING AND VALUATION RULES

The main valuation standards used by the Group in the preparation of its consolidated financial statements for 2023 and 2022, in accordance with those established by the Spanish National Chart of Accounts, were as follows:

5.1. PRINCIPLES OF CONSOLIDATION

The consolidation of the Parent Company's annual accounts with the annual accounts of its Subsidiary Company mentioned in Note 1 has been carried out using the full consolidation method for all Group companies, i.e. those over which there is effective control.

The consolidation of the operations with those of the aforementioned subsidiary has been carried out in accordance with the following basic principles:

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

- The criteria used in the preparation of the balance sheets, the individual income statements, the statements of changes in equity and the cash flow statements of each of the consolidated companies are, in general and in their basic aspects, homogeneous.

- The Consolidated Balance Sheet, Profit and Loss Account and Cash Flow Statement include the adjustments and eliminations inherent to the consolidation process, as well as the relevant valuation homogenisations to reconcile balances and transactions between the consolidating companies.

- The consolidated income statement includes the income and expenses of companies that cease to form part of the Group up to the date on which the interest is sold or the company is liquidated, and of companies that join the Group from the date on which the interest is acquired or the company is incorporated, up to the end of the financial year.

- Balances and transactions between consolidated companies have been eliminated on consolidation. Receivables from and payables to Group companies, associates and related parties that have been excluded from consolidation are shown under the corresponding asset and liability headings in the consolidated balance sheet.

- The elimination of equity investments in subsidiaries has been effected by offsetting the parent company's equity interest against the proportionate share of the subsidiaries' equity represented by that interest at the acquisition date, recorded at their fair value at that date, the identified assets and assumed liabilities of the subsidiary. The differences obtained have been treated as follows:

  a. Positive differences, which could not be attributed to the assets and liabilities of the subsidiaries, are included under "Goodwill on consolidation" on the asset side of the consolidated balance sheet. Goodwill on consolidation is amortised, although the cash-generating unit, or groups of units, to which it was originally allocated or at the date of transition are tested annually for impairment. Impairment losses must be recognised in the consolidated income statement and are irreversible.

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

- The consolidated result for the year shows the part attributable to the Parent Company, which is made up of the result obtained by the Parent Company plus the part corresponding to it, by virtue of the financial participation, of the result obtained by the investee companies.

5.2. INTANGIBLE ASSETS

Intangible assets are stated at acquisition or production cost, following the same principles as those used to determine the production cost of inventories. Production cost is capitalised under the heading "Capitalised costs" in the profit and loss account. Intangible assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Advances on account of fixed assets are initially recognised at cost. In subsequent periods, provided that the period between payment and receipt of the asset exceeds one year, advances bear interest at the supplier's incremental rate.

Intangible assets received as a non-monetary capital contribution are measured at their fair value at the time of the contribution.

Costs incurred in carrying out activities that contribute to building the value of the Group's business as a whole, such as internally generated goodwill, brands and similar, as well as start-up costs are expensed in the income statement as incurred.

<u>Goodwill on consolidation</u>

Goodwill is initially measured at cost at the time of acquisition, being the excess of the cost of the business combination over the fair value of the identifiable assets acquired less the liabilities assumed.

Goodwill is amortised prospectively on a straight-line basis over its useful life of 10 years. Cash-generating units to which goodwill has been allocated are tested at least annually for indications of impairment and, if any, are tested for impairment.

Useful life and depreciation

Intangible assets are amortised by allocating the depreciable amount on a systematic basis over their useful lives using the following criteria:

	Depreciation method	Years of estimated useful life
Goodwill	Linear	10

Research expenses are amortised on a straight-line basis from the activation date and development expenses are amortised on a straight-line basis from the date of completion of the projects.

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

The Group considers the residual value of assets to be nil unless:

a) there is a commitment by a third party to purchase the asset at the end of its useful life.

b) There is an active market for the intangible asset, and, in addition:

(i) the residual value can be determined with reference to this market; and

(ii) Such a market is likely to remain at the end of the market's lifetime.

The Group reviews the residual value, useful life and amortisation method of intangible assets at the end of each reporting period. Changes in the initially established criteria are recognised as a change in estimate.

5.3. REAL ESTATE INVESTMENTS

Investment property" in the consolidated balance sheet includes the value of land, buildings and other structures held in Barcelona.

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

The purchase price includes, in addition to the amount invoiced by the seller after deduction of any discounts or rebates, all additional and directly related costs incurred until it is put into working order.

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

At year-end the Group assesses whether there are indications that the investment property may be impaired, in which case it estimates the recoverable amounts by making the appropriate valuation adjustments. This assessment is carried out by means of external valuations in accordance with the guidelines set out in the Spanish National Chart of Accounts for Fair Value Measurement. The allocation of possible impairment and reversals of impairment is carried out in accordance with the relevant provisions of the accounting and valuation rules of the current Spanish National Chart of Accounts. In addition, the depreciation of the impaired fixed assets in subsequent years is adjusted to the new carrying amount.

At least at the end of each reporting period, the Group assesses whether there is any indication that a non-current asset or, where appropriate, a cash-generating unit may be impaired.

The recoverable amount is determined by independent third party appraisals.

The financial costs of financing related to the construction of investment property with a term of more than one year were capitalised as part of the cost until the asset was brought into operation.

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

Depreciation of investment property is taken on cost values and is calculated using the straight-line method on the basis of the estimated useful lives of the various assets, which are as follows:

	Depreciation method	Years of estimated useful life
Constructions	Linear	10-39

At each financial year end, the Parent Company reviews the residual values, useful lives and depreciation methods of investment property and, if necessary, adjusts them prospectively.

5.4. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE

The Group classifies a lease as a finance lease when the economic terms of the lease agreement indicate that substantially all the risks and rewards of ownership of the leased asset have been transferred to the Group. If the terms of the lease agreement are not met to qualify as a finance lease, the lease is classified as an operating lease.

Operating lease expenses incurred during the year are charged to the Consolidated Income Statement.

For finance leases, at the inception of the lease, the Group recognises an asset in accordance with its nature, depending on whether it is an item of property, plant and equipment or intangible assets, and a financial liability for the same amount, which is the lower of the fair value of the leased asset and the present value at the inception of the lease of the agreed minimum lease payments. The present value of the minimum lease payments is calculated using the contract's implicit interest rate and, if this cannot be determined, the lessee's interest rate for similar transactions.

The total finance charge is spread over the lease term and is charged to the consolidated income statement for the year in which it accrues, using the effective interest method. Contingent rents are recognised as an expense in the year in which they are incurred.

Assets recognised in the consolidated balance sheet as a result of finance leases are subject to the depreciation, impairment and derecognition criteria that apply to them according to their nature.

5.5. FINANCIAL INSTRUMENTS

The Group recognises a financial instrument on the balance sheet when it becomes a party to the contract or legal transaction in accordance with the provisions of the contract or legal transaction, either as the issuer or as an investor in or acquirer of the contract or legal transaction. Financial instruments are recognised in the balance sheet when it becomes a party to the contract or legal transaction in accordance with the provisions of the contract or legal transaction, either as the issuer or as an investor in or acquirer of the contract or legal transaction.

Hybrid financial instruments

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

An instrument that is not a derivative (eg an issued bond, an issued deposit, a non-financial contract, etc.) but contains a clause or clauses that cause some of its cash flows to vary in a manner similar to the cash flows of a stand-alone derivative (ie to vary with a particular interest rate, financial instrument price, commodity price, exchange rate, price or interest rate index, credit rating or credit index, or other variable).

The Group separates the embedded derivative (and recognises, values and presents it separately) when all four of the following conditions are simultaneously met:

a) The host contract is not a financial asset. If the host contract is a financial asset, the entire hybrid instrument is classified in the categories established for financial assets.
b) The economic characteristics and risks inherent in the embedded derivative are not closely related to those of the host contract.
c) A stand-alone instrument with the same conditions as those of the embedded derivative would meet the definition of a derivative instrument.
d) The hybrid instrument is not measured at fair value through profit or loss.

Thus, if all four conditions are met, the embedded derivative is accounted for as a separate derivative financial instrument, while the host contract is accounted for by its nature.

Financial assets

Classification and assessment

On initial recognition, the Group classifies all financial assets into one of the categories listed below, which determines the initial and subsequent measurement method applicable:

- Financial assets at fair value through profit or loss
- Financial assets at amortised cost
- Financial assets at fair value through equity
- Financial assets at cost

Financial assets at fair value through profit or loss

The Group classifies a financial asset in this category unless it should be classified in any of the other categories.

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

a) It is originated or acquired for the purpose of selling it in the short term.

b) It forms part, on initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent evidence of short-term profit-taking.

c) It is a derivative financial instrument, provided that it is neither a financial guarantee contract nor designated as a hedging instrument.

In addition to the above, the Group has the option at initial recognition to designate a financial asset irrevocably as measured at fair value through profit or loss that would otherwise have been included in another category (often referred to as the "fair value option"). This option may be elected if it eliminates or significantly reduces a valuation inconsistency or accounting mismatch that would otherwise arise from measuring assets or liabilities on different bases.

Financial assets classified in this category are initially measured at fair value which, in the absence of evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transaction costs are recognised in the income statement for the year (i.e. they are not capitalised).

Subsequent to initial recognition, the Group measures financial assets in this category at fair value through profit or loss (financial result).

Financial assets at amortised cost

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

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

  The management of a portfolio of financial assets to obtain their contractual cash flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered to be managed for this purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Group considers the frequency, amount and timing of sales in prior periods, the reasons for those sales and expectations regarding future sales activity.

- The contractual features of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent in an arrangement that is in the nature of an ordinary loan, regardless of whether the transaction is arranged at a zero or below-market interest rate.

  This condition is assumed to be met in the case of a bond or a simple loan with a specified maturity date and for which the Group charges a floating market interest rate and may be subject to a cap. Conversely, this condition is assumed not to be met in the case of instruments convertible into equity instruments of the issuer, loans with inverse floating interest rates (i.e. a rate that has an inverse relationship to market interest rates) or those where the issuer may defer interest payments, if such payment would affect its creditworthiness, without the deferred interest accruing additional interest.

In general, this category includes trade receivables ("trade receivables") and non-trade receivables ("other debtors").

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

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

The amortised cost method is used for subsequent measurement. Accrued interest is recognised in the profit and loss account (financial income) using the effective interest rate method.

Receivables maturing in less than one year which, as described above, are initially measured at nominal value, continue to be measured at nominal value, unless they are impaired.

In general, when the contractual cash flows of a financial asset at amortised cost change due to the issuer's financial difficulties, the Group assesses whether an impairment loss should be recognised.

Financial assets at fair value through equity

Included are financial assets that meet the following conditions:

- The financial instrument is not held for trading and is not classified at amortised cost.

- The contractual features of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

In addition, the Group has the option to classify (irrevocably) in this category investments in equity instruments, provided that they are not held for trading, nor are they to be measured at cost (see cost category below).

Financial assets included in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is assumed to be the transaction price, which is the fair value of the consideration given, plus directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

Subsequent measurement is at fair value, without deducting any transaction costs that might be incurred on disposal. Changes in fair value are recognised directly in equity until the financial asset is derecognised or impaired, at which time the amount so recognised is taken to the income statement.

Impairment losses and gains and losses arising from exchange differences on monetary financial assets denominated in foreign currencies are recognised in the profit and loss account rather than in equity.

Interest, calculated using the effective interest rate method, and accrued dividends (financial income) are also recognised in the profit and loss account.

Financial assets at cost

The Group includes in this category, in any case:

d) Equity investments in Group companies, jointly controlled entities and associates (in the separate financial statements).

e) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives that have these investments as their underlying.

f) Hybrid financial assets whose fair value cannot be reliably estimated, unless they qualify for recognition at amortised cost.

g) Contributions made as a result of a joint account contract and the like.

h) Participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the achievement of a milestone in the borrowing company (e.g. the achievement of profits), or because it is calculated solely by reference to the performance of the borrowing company's business.

i) Any other financial asset that is initially classified in the fair value through profit or loss portfolio when it is not possible to obtain a reliable estimate of its fair value.

Investments in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

In the case of investments in Group companies, if an investment existed prior to its classification as a Group company, jointly controlled entity or associate, the cost of such investment shall be deemed to be the book value that the investment should have had immediately before the company's classification as such.

Subsequent measurement is also at cost less any accumulated impairment losses.

Contributions made as a result of a joint venture and similar contracts are measured at cost, increased or decreased by the profit or loss, respectively, accruing to the company as a non-managing venturer, less any accumulated impairment losses.

The same applies to participating loans whose interest is contingent either because a fixed or variable rate of interest is agreed upon conditional upon the achievement of a milestone in the borrower's business (e.g. profit) or because it is calculated solely by reference to the performance of the borrower's business. If irrevocable fixed interest is agreed in addition to contingent interest, the latter is accounted for as finance income on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

Off-balance sheet derecognition of financial assets

The Group derecognises a financial asset from the balance sheet when:

- The contractual rights to the cash flows from the asset expire. A financial asset is derecognised when it has expired and the Group has received the corresponding amount.

- the contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred. In particular, in repurchase agreements, factoring and securitisations, the financial asset is derecognised once a comparison of the Group's exposure, before and after the transfer, to the change in the amounts and timing of the net cash flows of the transferred asset indicates that the risks and rewards have been transferred.

Following the analysis of risks and rewards, the Group recognises the derecognition of financial assets in accordance with the following situations:

a) The risks and rewards of ownership of the asset have been substantially transferred. The transferred asset is derecognised and the Group recognises the gain or loss on the transaction: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any liability assumed) and the carrying amount of the financial asset, plus any cumulative amount recognised directly in equity.

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

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

   - Control is relinquished (the transferee has the practical ability to retransfer the asset to a third party): the asset is derecognised.
   - Control is not relinquished (the transferee has no practical ability to transfer the asset back to a third party): the Group continues to recognise the asset for the amount at which it is exposed to changes in the value of the transferred asset, i.e. for its continuing involvement, and has to recognise an associated liability.

Impairment of financial assets

Financial assets at cost

In this case, the amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of future cash flows arising from the investment, which in the case of equity instruments are calculated either either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealised gains existing at the measurement date, net of the tax effect.

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

Interest and dividends received from financial assets

Interest and dividends on financial assets accrued after the time of acquisition are recognised as income in the profit and loss account. Interest is recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

If the dividends distributed clearly arise from profits generated prior to the acquisition date because amounts in excess of the profits generated by the investee since acquisition have been distributed, they shall not be recognised as income and shall reduce the carrying amount of the investment. The judgement as to whether profits have been generated by the investee shall be made solely on the basis of the profits recognised in the individual income statement since the date of acquisition, unless it is clear that the distribution out of those profits is to be regarded as a recovery of the investment from the perspective of the entity receiving the dividend.

Financial liabilities

Classification and assessment

On initial recognition, the Group classifies all financial liabilities into one of the categories listed below:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

Financial liabilities at amortised cost

The Group classifies all financial liabilities in this category except when they are to be measured at fair value through profit or loss.

In general, this category includes trade payables ("suppliers") and non-trade payables ("other payables").

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the fact that the transaction is agreed at a zero or below-market interest rate.

Financial liabilities included in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is deemed to be the transaction price, which is the fair value of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalised.

However, trade payables falling due in less than one year and not bearing a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are measured at their nominal value, when the effect of not discounting the cash flows is not significant.

The amortised cost method is used for subsequent measurement. Accrued interest is recognised in the profit and loss account (financial expense) using the effective interest rate method.

However, debits maturing in less than one year which, in accordance with the above, are initially valued at their nominal value shall continue to be valued at that amount.

Contributions received as a result of a joint venture and similar contracts are valued at cost, increased or decreased by the profit or loss, respectively, to be attributed to the non-managing venturers.

The same criterion is applied to participating loans whose interest is contingent on the borrower's meeting a milestone (e.g. the achievement of a profit) or is calculated solely by reference to the performance of the borrower's business. Borrowing costs are recognised in the profit and loss account on an accrual basis and transaction costs are taken to the profit and loss account on a financing basis or, if not applicable, on a straight-line basis over the life of the participating loan.

Financial liabilities at fair value through profit or loss

In this category the Group includes financial liabilities that meet one of the following conditions:

- These are liabilities that are held for trading. A financial liability is held for trading when it meets one of the following conditions:

    - It is issued or assumed primarily for the purpose of repurchase in the short term (e.g. bonds and other listed marketable securities issued that the company can buy back in the short term based on changes in value).

    - A short seller's obligation to deliver financial assets that have been lent to it ("short sale").

    - It forms part on initial recognition of a portfolio of jointly identified and managed financial instruments for which there is evidence of recent evidence of short-term profit-taking.

    - It is a derivative financial instrument, provided that it is neither a financial guarantee contract nor designated as a hedging instrument.

- From the time of initial recognition, it has been irrevocably designated for fair value through profit or loss ("fair value option") accounting because:

    - An accounting inconsistency or "accounting mismatch" with other instruments at fair value through profit or loss is eliminated or significantly reduced; or

    - A group of financial liabilities or financial assets and financial liabilities that is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the group is also provided on a fair value basis to key management personnel.

- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be included in their entirety in this category.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognised directly in the income statement for the year.

After initial recognition, the company measures financial liabilities in this category at fair value through profit or loss.

Off-balance sheet derecognition of financial liabilities

The Group derecognises a previously recognised financial liability when one of the following circumstances arises:

- The obligation has been extinguished because payment has been made to the creditor to discharge the debt (through cash payments or other goods or services), or because the debtor is legally released from any liability for the liability.

- own financial liabilities are acquired, albeit with the intention of repositioning them in the future.

- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognised; similarly, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

The accounting for the derecognition of a financial liability is as follows: the difference between the carrying amount of the financial liability (or part of it that is derecognised) and the consideration paid, including attributable transaction costs, including any asset transferred other than cash or liability assumed, is recognised in profit or loss in the period in which it occurs.

5.6. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded in the accounts at their equivalent value in euro, using the spot exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items are measured at the average spot exchange rate prevailing at that date. Exchange gains and losses arising in this process, as well as those arising on the settlement of such assets and liabilities, are recognised in the consolidated income statement in the year in which they arise.

5.7. PROFIT TAX

The Group does not consolidate for tax purposes. Consequently, the consolidated income tax expense has been obtained by adding the income tax expense of each of the consolidated companies and has been calculated on the basis of the individual profits, adjusted for tax purposes and taking into account the applicable tax credits and deductions.

Income tax is recognised in the consolidated income statement or directly in consolidated equity, depending on where the gains or losses giving rise to it are recognised. The income tax for each year includes both current tax and deferred tax, if applicable.

The current tax amount is the amount payable by companies as a result of tax assessments.

Differences between the carrying amounts of assets and liabilities and their tax bases give rise to deferred tax assets or liabilities which are measured using the tax rates expected at the time of reversal and according to the manner in which the asset or liability is rationally expected to be recovered or paid.

5.8. INCOME AND EXPENDITURE

The Group recognises revenue in the ordinary course of business when the transfer of control of assets committed to customers occurs.

For revenue recognition, the Group follows a process consisting of the following successive steps:

a) Identify the contract(s) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.
b) Identify the obligation(s) to be fulfilled in the contract, representing commitments to transfer goods or provide services to a customer.

c) Determine the transaction price, or contract consideration to which the Group expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.
d) Allocate the transaction price to the obligations to be fulfilled, which should be done on the basis of the individual selling prices of each distinct good or service committed to in the contract, or, where appropriate, on the basis of an estimate of the selling price when the selling price is not independently observable.
e) Recognise revenue when the Group fulfils a committed obligation by transferring an asset or providing a service; fulfilment occurs when the customer obtains control of the asset or service, so that the amount of revenue recognised is the amount allocated to the contractual obligation fulfilled.

5.8. 1Recognition

The Group recognises revenue from a contract when control over the committed goods or services (i.e. the obligation(s) to be performed) is transferred to the customer.

For each obligation to be fulfilled that is identified, the Group determines at the outset of the contract whether the commitment is fulfilled over time or at a specific point in time.

Revenue from commitments that are fulfilled over time is recognised by reference to the stage of completion or progress towards complete fulfilment of contractual obligations to the extent that the Group has reliable information to measure the stage of completion.

In the case of contractual obligations that are due at a specific point in time, revenue from their performance is recognised at that date. Costs incurred in the production or manufacture of the product are accounted for as inventories.

5.8.2.1 Fulfilment of the obligation over time

The Group transfers control of an asset over time when one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's activity as the entity carries it out.
b) The Group produces or improves an asset that the customer controls as the activity is performed.
c) The Group develops a customer-specific asset with no alternative use and the Group has an enforceable right to payment for the activity that has been completed to date.

5.8.2.2 Indicators of compliance with the obligation at a point in time

To identify the specific point in time at which the customer obtains control of the asset, the Group considers the following indicators:

a) The customer assumes the significant risks and rewards of ownership of the asset.
b) The Group transfers physical possession of the asset.
c) The customer receives the asset in accordance with the contractual specifications.
d) The Group has a receivable for transferring the asset.
e) The customer has ownership of the asset.

5.8.3 Assessment

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or expected to be received. The consideration is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or other similar items that the Group may grant; and interest incorporated in the face value of receivables.

On an accrual basis, revenue is recognised with the transfer of control and expenses are recognised when they occur, irrespective of the date of collection or payment.

5.9. PROVISIONS AND CONTINGENCIES

Obligations existing at year-end arising from past events which could give rise to a loss for the Group, the amount and timing of which are uncertain, are recognised in the consolidated balance sheet as provisions and measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party.

Adjustments arising from the restatement of the provision are recognised as a finance cost as they accrue. In the case of provisions maturing in one year or less, and provided that the financial effect is not material, no discounting is applied.

The Group also discloses any contingencies that do not give rise to a provision.

5.10. ENVIRONMENTAL ASSETS

The Group, due to its activity, has no assets and has not incurred any expenses aimed at minimising environmental impact and protecting and improving the environment. Likewise, there are no provisions for risks and expenses or contingencies related to environmental protection and improvement.

5.11. RELATED PARTY TRANSACTIONS

The group conducts all its transactions with related parties at market values.

5.12. CASH FLOW STATEMENTS

In cash flow statements, the following expressions are used in the following sense:

Cash and cash equivalents: cash comprises both cash and demand deposits. Cash equivalents are financial instruments, which form part of the Group's normal cash management, are convertible into cash, have initial maturities of not more than three months and are subject to an insignificant risk of changes in value.

Cash flows: inflows and outflows of cash and cash equivalents, defined as highly liquid investments with a term of less than three months and a low risk of changes in value.

Operating activities: these are the activities that constitute the principal source of the Group's ordinary revenues, as well as other activities that cannot be classified as investing or financing activities.

Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

(expressed in euros)

5.13. CASH AND CASH EQUIVALENTS

This item includes cash on hand, bank current accounts and deposits and reverse repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, their maturity was no more than three months.
- They are not subject to a significant risk of change in value.
- They are part of the Group's normal cash management policy.

6. INTANGIBLE ASSETS

The composition of and movements in the accounts included in intangible assets were as follows:

2023	Goodwill	Total
Cost		
Discharge for first consolidation	9.496.753,15	9.496.753,15
Closing balance	9.496.753,15	9.496.753,15
Accumulated depreciation		
Opening balance	(3.213.284,97)	(3.213.284,97)
Allocations / Reversals	(949.675,31)	(949.675,31)
Closing balance	(4.162.960,28)	(4.162.960,28)
Valuation adjustments for impairment		
Net value	**5.333.792,87**	**5.333.792,87**

(expressed in euros)

2022	Goodwill	Total
Cost		
Discharge for first consolidation	9.496.753,15	9.496.753,15
Closing balance	9.496.753,15	9.496.753,15
Accumulated depreciation		
Opening balance	(2.263.609,66)	(2.263.609,66)
Allocations / Reversals	(949.675,31)	(949.675,31)
Closing balance	(3.213.284,97)	(3.213.284,97)
Valuation adjustments for impairment		
Net value	**6.283.468,18**	**6.283.468,18**

General

The Subsidiary Group amortises intangible assets over their estimated useful life of 10 years, with a net book value of 5,333,792.87 euros (6,283,468.18 euros at 31 December 2022).

Details of the residual useful lives, amortisation for the year, accumulated amortisation and net book value of individually significant intangible assets as at 31 December 2023 and 2022 are as follows:

2023 Active	Useful life (Years)	Amortisation year	Accumulated depreciation	Net book value
Goodwill BCN1 Fulfillment, S.L.U.	10	949.675,31	4.162.960,27	5.333.792,87
Total		**949.675,31**	**4.162.960,27**	**5.333.792,87**

2022 Active	Useful life (Years)	Amortisation year	Accumulated depreciation	Net book value
Goodwill BCN1 Fulfillment, S.L.U.	10	949.675,31	3.213.284,96	6.283.468,18
Total		**949.675,31**	**3.213.284,96**	**6.283.468,18**

Goodwill corresponds to the difference between the cost of combination and the equity of the Subsidiary Group at the time of acquisition on 14 August 2019. It is an intangible asset and is amortised over 10 years.

(expressed in euros)

7. INVESTMENT PROPERTY

The composition of and movements in the accounts included in investment property were as follows:

2023	Investments in land and natural assets	Investments in constructions	Total
Cost			
Opening balance	30.352.464,00	111.652.907,78	142.005.371,78
Altas		16.254,30	16.254,30
Closing balance	30.352.464,00	111.669.162,08	142.021.626,08
Accumulated depreciation			
Opening balance	-	(23.819.199,02)	(23.819.199,02)
Allocations / Reversals	-	(4.427.382,52)	(4.427.382,52)
Closing balance	-	(28.246.581,54)	(28.246.581,54)
Net value	**30.352.464,00**	**83.422.580,54**	**113.775.044,54**

2022	Investments in land and natural assets	Investments in constructions	Total
Cost			
Discharge for first consolidation	30.352.464,00	111.652.907,78	142.005.371,78
Closing balance	30.352.464,00	111.652.907,78	142.005.371,78
Accumulated depreciation			
Opening balance	-	(19.284.377,26)	(19.284.377,26)
Allocations / Reversals	-	(4.534.821,76)	(4.534.821,76)
Closing balance	-	(23.819.199,02)	(23.819.199,02)
Net value	**30.352.464,00**	**87.833.708,76**	**118.186.172,76**

At 31 December 2023 and 31 December 2022 the Group's investment property relates to the investment made by the Subsidiary Group in a logistics centre located in El Prat de Llobregat on 28 June 2016. The property was acquired for 30 million euros and is held for long-term rental income.

Upkeep and maintenance costs of property, plant and equipment are recognised in the income statement for the year in which they are incurred. Conversely, amounts invested in improvements that contribute to increasing the capacity or efficiency or extending the useful life of these assets are recorded as an increase in their cost.

In addition, most of the repair and maintenance costs incurred by the IGIS Group as a result of the operation of its assets are passed on to the corresponding tenants of the properties.

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

The estimated market value of the owned property as at 31 December 2023 is EUR 128,400,000 (31 December 2022: EUR 146,600,000).

(expressed in euros)

Deteriorations

During 2023 and 2022 no impairment of investment property has been recognised.

Fully depreciated items in use

There are no fully depreciated investment properties still in use at 31 December 2023 and 31 December 2022.

Other information

All of the Group's investment property is assigned to operations and duly insured and is not subject to any kind of encumbrance.

Commitments

As at 31 December 2023 and 31 December 2022 there is no commitment to purchase property, plant and equipment.

Insurance

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

8. LEASES AND OTHER TRANSACTIONS OF A SIMILAR NATURE

8.1. OPERATING LEASES

Landlord

The following are the minimum annual lease payments for the current contracts for the lease of the logistics centre until the termination date of 14 August 2039 (exit window), without taking into account the impact of common expenses, future CPI increases, or future rent updates.

Future minimum lease payments under non-cancellable operating leases are as follows:

	2023	**2022**
Up to 1 year	*5.813.367,84*	*5.708.224,74*
Between 1 and 5 years	*23.253.471,36*	*22.832.898,96*
More than 5 years	*79.643.139,41*	*78.202.678,94*
Total future minimum lease payments	108.709.978,61	106.743.802,64
Total	**108.709.978,61**	**106.743.802,64**

The amount of operating lease payments recognised as income is as follows:

	2023	**2022**
Lease payments	7.066.095,15	6.725.168,08
Total	**7.066.095,15**	**6.725.168,08**

9. FINANCIAL INSTRUMENTS

9.1. GENERAL CONSIDERATIONS

A financial instrument is a contract that gives rise to a financial asset in one enterprise and, simultaneously, to a financial liability or equity instrument in another enterprise.

It shall apply to the following financial instruments:

Financial assets

- Cash and cash equivalents, as defined in Rule 9 on the preparation of the annual accounts;
- Trade receivables: trade receivables and sundry debtors;
- Receivables from third parties: such as financial loans and receivables, including those arising from the sale of non-current assets;
- Other financial assets: such as deposits with credit institutions, advances and loans to staff, guarantees and deposits given, dividends receivable and calls on own equity instruments.

Financial liabilities

- Trade payables: suppliers and sundry creditors;
- Debts to credit institutions;
- Other financial liabilities: liabilities to third parties, such as financial loans and credits received from persons or companies other than credit institutions, including those arising on the purchase of non-current assets, guarantees and deposits received and disbursements required by third parties on equity investments.

Acknowledgement

An entity recognises a financial instrument on its balance sheet when it becomes an obligor to the contract or legal transaction in accordance with the provisions of the contract or legal transaction.

9.2. INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Balance sheet related information

a) Categories of financial assets and financial liabilities

(i) Classification of financial assets by category

The classification of financial assets by category and class except for equity investments in Group companies, jointly controlled entities and associates is as follows:

Classes	**Long-Term Financial Instruments**
	Loans, Derivatives and Other

(expressed in euros)

Categories	2023	2022
Loans and receivables	914.163,67	914.163,67
Total	**914.163,67**	**914.163,67**

The item "Long-term *loans and receivables*" amounting to 914,163.67 euros corresponds to a deposit deposited by the lessee and deposited by the company with the Institut Català del Sol, in relation to the lease contract for the logistics centre owned by the Group.

Classes	Short-Term Financial Instruments	
	Loans, Derivatives and Other	Loans, Derivatives and Other
Categories	2023	2022
Loans and receivables	2.225,86	18.530,00
Cash and cash equivalents	2.244.574,73	4.142.849,13
Total	**2.246.800,59**	**4.161.379,13**

The item "Loans and receivables" comprises:

- 2,225.86 (18,530.00 euros in 2023).

The classification of financial liabilities by category and class, as well as the comparison of fair value and carrying amount, is as follows:

Classes	Long-Term Financial Instruments				Total	
	Amounts owed to credit institutions		Derivatives and Others			
Categories	2023	2022	2023	2022	2023	2022
Debits and payables	-	85.296.073,59	914.163,67	914.163,67	914.163,67	86.210.237,26
Total	**-**	**85.296.073,59**	**914.163,67**	**914.163,67**	**914.163,67**	**86.210.237,26**

The item "Amounts owed to credit institutions" of EUR 85,296,073.59 as at 31 December 2022 corresponds to the outstanding principal amount of the financing contract signed with Aareal Bank AG on 9 August 2019. At 31 December 2023, the principal outstanding amounts to EUR 86,101,723.25 and the maturity date of this financing contract is 9 August 2024, so that at the end of 2023 the Company has recorded this amount in the short term.

On 25 June 2024, a new financing agreement was signed for a maximum amount of 96,300,000 euros payable on the third anniversary of the drawdown date with the possibility of extending the payment period for an additional year.

The item "*Derivatives and others*" in the amount of 914,163.67 euros (914,163.67 euros in 2022) corresponds to the deposit received by the lessee and deposited with the Institut Català del Sol in relation to the lease of the industrial building in El Prat de Llobregat.

Classes	Short-Term Financial Instruments		Total
	Amounts owed to credit institutions	Trade and other payables	

Categories	2023	2023	2023
Debits and payables	86.294.900,52	88.924,04	86.383.824,56
Total	**86.294.900,52**	**88.924,04**	**86.383.824,56**

Classes	Short-Term Financial Instruments		Total
	Amounts owed to credit institutions	Trade and other payables	
Categories	2022	2022	2022
Debits and payables	193.177,26	1.837.849,40	2.031.026,66
Total	**193.177,26**	**1.837.849,40**	**2.031.026,66**

The item "*Amounts owed to credit institutions*" in the amount of € 86,294,900.52 (€ 193,177.25 in 2022) corresponds to the principal outstanding reclassified to short-term plus accrued interest in connection with the financing contract with Aareal Bank AG dated 9 August 2019. The maturity date of this financing agreement is 9 August 2024.

The item "Trade and other payables" in the amount of 88,924.04 euros recorded in 2023 mainly corresponds to invoices to be received from various creditors. In 2022 for an amount of 1,837,849.40 euros recorded in 2022 it corresponds to:

- An invoice collected in advance from the lessee, S.L. in the amount of 1,749,405.47 euros.

- 88,443.93 euros in outstanding invoices to various creditors.

(expressed in euros)

b) Classification by maturity

The detail, by maturity, of the items included under the heading "Long-term debt" is as follows:

Categories	1 year	4 years	More than 5 years	Total
Debts	86.294.900,52	-	914.163,67	87.209.064,19
Amounts owed to credit institutions	86.294.900,52	-	-	86.294.900,52
Derivatives and others	-	-	914.163,67	914.163,67
Trade and other payables	88.924,04	-	-	88.924,04
Sundry creditors	88.924,04	-	-	88.924,04
Customer advances	-	-	-	-
Total	**86.383.824,56**	**-**	**914.163,67**	**87.297.988,23**

Categories	1 year	4 years	More than 5 years	Total
Debts	193.177,26	85.296.073,59	914.163,67	86.403.414,52
Amounts owed to credit institutions	193.177,26	85.296.073,59		85.489.250,85
Derivatives and others	-	-	914.163,67	914.163,67
Trade and other payables	1.837.849,40	-	-	1.837.849,40
Sundry creditors	88.443,93	-	-	88.443,93
Customer advances	1.749.405,47	-	-	1.749.405,47
Total	**2.031.026,66**	**85.296.073,59**	**914.163,67**	**88.241.263,92**

Other information to be included in the report

c) Hedge accounting

At year-end, the Group has no hedging instrument balances.

d) Fair value

The carrying amount of financial instruments is an acceptable approximation of fair value and therefore no detail of the difference between the two is included.

Asset classes	2023		2022	
	Fair value	**Book value**	**Fair value**	**Book value**
Loans and receivables	3.160.964,26	3.095.367,70	5.015.311,27	5.015.311,27
Total	3.160.964,26	**3.095.367,70**	**5.015.311,27**	**5.015.311,27**

(expressed in euros)

	2023		2022	
Categories of liabilities	**Fair value**	**Book value**	**Fair value**	**Book value**
Debits and payables	87.297.988,23	87.262.982,93	88.203.827,31	88.203.827,31
Total	87.297.988,23	**87.262.982,93**	**88.203.827,31**	**88.203.827,31**

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

Qualitative information

The Group's financial risk management is centralised in the Finance Department, which has established the necessary mechanisms to control exposure to changes in interest and exchange rates, as well as credit and liquidity risks. The main financial risks affecting the Group are as follows:

a) Credit risk:

In general, the Group maintains its cash and cash equivalents in financial institutions with high credit ratings. In addition, there is no significant concentration in the volume of customer transactions.

b) Liquidity risk:

In order to ensure liquidity and to be able to meet all payment commitments arising from its activity, the Group has the cash and cash equivalents shown in its balance sheet.

c) Market risk (including interest rate, exchange rate and other price risks):

Both the Group's cash and financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows.

Exposure to foreign currency risk arises to the extent that the Group conducts transactions in foreign currencies or holds assets or liabilities denominated in currencies other than the presentation currency. The Group is therefore not exposed to foreign currency risk as it does not engage in foreign currency transactions.

d) Fiscal risk:

The Group has opted for the special tax regime for Listed Real Estate Investment Companies (SOCIMI). Pursuant to article 6 of Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, companies that have opted for this regime are obliged to comply with the legal and tax obligations described in Note 2, including the obligation to distribute the profit obtained in the year to their shareholders in the form of dividends, once the corresponding commercial obligations have been met, and the distribution must be agreed within six months following the end of each year and paid within the month following the date of the distribution agreement. In the event of non-compliance with any of the conditions, the Group would be taxed under the general regime provided that the deficiency is not remedied in the year following the non-compliance. As mentioned in Note 2, at 31 December 2022, the Group's directors consider that the Group complies with the requirements of Law 11/2009, as amended by Law 16/2012, and therefore consider that the special tax regime is fully applicable. Shareholders' equity

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

(expressed in euros)

Capital

At 31 December 2023 the share capital of the Parent Company amounts to Euros 5,003,640.00, represented by 61,020 fully subscribed and paid-up shares with a par value of Euros 82 each.

On 21 June 2021 the Parent Company carried out a share capital increase of 4,942,620.00 euros with a charge to reserves by increasing the nominal value of each of the existing shares (increasing the nominal value of each share from 1 euro par value to 82 euros par value) so that at the end of the financial year 2021 the share capital of the Parent Company amounts to 5,003,640.00 euros, represented by 61,020 shares of 82 euros par value each, fully subscribed and paid up.

At year-end 2020, the share capital of the Parent Company amounted to 61,020.00 euros, represented by 61,020 fully subscribed and paid-up shares with a nominal value of 1 euro each.

The Parent Company was incorporated on 27 June 2019 with a share capital of €60,000.00, by means of 60,000 shares with a nominal value of €1.00 each.

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

The companies that directly or indirectly hold 10% or more of the share capital of the Parent Company are as follows:

	Ordinary shares	
	2023	**2022**
Opening balance	5.003.640,00	5.003.640,00
Increases	-	-
Total	**5.003.640,00**	**5.003.640,00**

The Parent's shares are listed on the EURONEXT market in Paris.

Reservations

a) Legal reserve

The legal reserve has been appropriated in accordance with article 274 of the Spanish Companies Act, which stipulates that, in any event, a sum equal to 10 per cent of the profit for the year must be transferred to the legal reserve until it reaches at least 20 per cent of the share capital. The legal reserve cannot be distributed and if it is used to offset losses, in the event that there are no other reserves available for this purpose, it must be replenished from future profits.

In accordance with the Spanish Companies Act, public limited companies must transfer 10% of the profit for the year to the legal reserve until the reserve reaches at least 20% of the share capital. The legal reserve may only be used to increase share capital. Except for the aforementioned purpose, until the legal reserve exceeds 20% of share capital, it may only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

As at 31 December 2023 the company has a legal reserve of 12,204.00 euros, so that the legal reserve is not fully funded.

(expressed in euros)

b) Voluntary reserves

Voluntary reserves are freely distributable.

As at 31 December 2023, voluntary reserves amounting to EUR 671,299.58 (31 December 2022: EUR 418,645.10) exist.

c) Other partner contributions

	2023	**2022**
Other partner contributions	40.627.448,02	44.467.448,02

On 12 August 2019, the Shareholders made a cash contribution to the Company in the amount of EUR 2,243,970.00.

On 30 November 2019, the Shareholders made a contribution to the Company's equity in the amount of EUR 65,736,010.00 in the form of their claims against the Company.

On 2 December 2019 the General Meeting of Shareholders resolved a distribution of unrestricted reserves to the Shareholders in the total amount of EUR 1,575,000.00, charged to the accounting account 118.

On 10 March 2020 the General Meeting of Shareholders resolved a distribution of unrestricted reserves to the Shareholders in the total amount of EUR 1,390,143.00, charged to the accounting account 118.

On 10 September 2020 the General Meeting of Shareholders resolved a distribution of unrestricted reserves to the Shareholders in the total amount of EUR 1,700,000.00, charged to the accounting account 118.

On 26 February 2021, the Parent Company's shareholders resolved to offset prior years' losses and unrestricted negative reserves in the total amount of EUR 5,129,008.14, with a charge to account 118.

On 24 March 2021, the Shareholders of the Parent Company resolved to distribute freely distributable reserves to the Shareholders in the total amount of EUR 2,048,505.14, with a charge to the accounting account 118.

(expressed in euros)

On 21 June 2021, the Parent Company's shareholders resolved to increase the share capital by EUR 4,942,620.00 with a charge to accounting account 118.

On 08 October 2021, the Shareholders of the Parent Company resolved to distribute freely distributable reserves to the Shareholders in the total amount of EUR 2,400,000.00, with a charge to the accounting account 118.

On 23 March 2022, the General Meeting of Shareholders resolved to distribute freely distributable reserves to the Shareholders in the total amount of EUR 2,203,089.00, charged to account 118.

On 22 September 2022, the General Meeting of Shareholders resolved to distribute freely distributable reserves to the Shareholders in the total amount of EUR 2,124,166.70, charged to the accounting account 118.

On 17 March 2023, the General Meeting of Shareholders resolved a distribution of unrestricted reserves to the Shareholders in the total amount of 1,920,000.00 euros, charged to the accounting account 118.

On 20 September 2023, the General Meeting of Shareholders resolved to distribute freely distributable reserves to the Shareholders in the total amount of EUR 1,920,000.00, charged to account 118.

d) Negative results of previous years

	2023	**2022**
Negative results of previous years	(4.197.176,21)	(2.962.685,77)

10. FISCAL SITUATION

The detail of balances with general government is as follows:

	2023	
	Debit balances	**Credit balances**
Value Added Tax	-	-
Withholding taxes	-	337,50
Deferred tax	20.879,06	-
Current tax	-	-
Total balances with general government	**20.879,06**	**337,50**

	2022	
	Debit balances	**Credit balances**
Value Added Tax	-	687.518,36
Withholding taxes	-	25,47
Deferred tax	20.879,06	-
Current tax	-	-
Total balances with general government	**20.879,06**	**687.543,83**

Under current legislation, taxes cannot be considered finally settled until the returns filed have been inspected by the tax authorities, or the four-year limitation period has elapsed.

However, the right of the tax authorities to check or investigate tax losses offset or pending offset, double taxation deductions and deductions to encourage the performance of certain activities applied or pending application, expire after 10 years from the day following the end of the period established for filing the return or self-assessment corresponding to the tax period in which the right to offset or apply them arose. Once this period has elapsed, the group must prove the tax losses or deductions by presenting the tax return or self-assessment and the accounts, with proof that they have been deposited during the aforementioned period at the Mercantile Register.

(expressed in euros)

The Parent Company has tax loss carryforwards of EUR 6,203,516.22 for the years 2019, 2020, 2021 and 2022.

The subsidiary has tax loss carryforwards of 3,029,040.95 euros generated in 2020, 2021 and 2022.

From 2016 onwards, the general limitation to offsetting of 60% (70% from 2017 onwards) of the previous tax base was established, with no time limit, with a minimum of €1 million.

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

10.1. PROFIT TAX

The reconciliation between the net amount of income and expenses for the year and the taxable income that the Group expects to report after approval of the annual accounts is as follows:

2023	**Profit and loss account**		**Income and expenses recognised directly in equity**	
Balance of income and expenditure for the year	-	(1.780.022,34)	-	-
	Increases	Decreases	Increases	Decreases
Corporate income tax	-	-	-	-
Temporary differences	-	(50.863,20)	-	-
Permanent differences	-	(2.755,32)	-	-
Tax base (taxable income)	-	(1.833.640,86)	-	-
Tax rate:	0,00%	0,00%	0,00%	0,00%
Full quota	-	-	-	-
Semi-liquid quota:	-	-	-	-
Liquid quota:	-	-	-	-
Liquid payable/ (to be returned)	**-**	**-**	**-**	**-**

2022	**Profit and loss account**		**Income and expenses recognised directly in equity**	
Balance of income and expenditure for the year	-	(2.184.165,54)	-	-
	Increases	Decreases	Increases	Decreases
Corporate income tax	-	-	-	-
Temporary differences	4.534.821,76	(4.782.964,97)	-	-
Permanent differences	2.755,32	-	-	-
Tax base (taxable income)	-	(2.429.553,43)	-	-
Tax rate:	0,00%	0,00%	0,00%	0,00%
Full quota	-	-	-	-
Semi-liquid quota:	-	-	-	-
Liquid quota:	-	-	-	-
Liquid payable/ (to be returned)	**-**	**-**	**-**	**-**

In the income tax for the year 2023, the subsidiary made a negative adjustment of 50,863.20 euros due to accounting and tax differences in depreciations. Likewise, a negative adjustment in the amount of 2,755.32 euros has been made in relation to the extraordinary income made in the Profit and Loss account, given that the Company did not finally receive notification of the surcharge and therefore did not pay it.

The subsidiary has made a positive adjustment of 4,534,821.76 euros and a negative adjustment of 4,453,194.97 euros in the 2022 income tax for accounting and tax differences in depreciation and amortisation. Likewise, a positive adjustment of 2,755.32 euros is made in relation to non-deductible expenses and a negative adjustment of 329,770.00 euros in relation to financial expenses.

On 26 September 2019, the Group companies notified the tax office of their tax domicile of the option adopted by the General Meeting to join the SOCIMI regime, the Parent Company with effect from 27 June 2019 (date of incorporation); and the Subsidiary Company with effect from 1 January 2019.

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

On 27 November 2014, Law 27/2014 was approved, which introduced certain changes in relation to income tax. The most relevant aspects for the Group were as follows:

The general tax rate since the 2016 financial year was 25%, but since the Parent Company is under the SOCIMI regime, since 27 June 2019 (date of incorporation) and the Subsidiary Company since 1 January 2019 the tax rate is 0%.

Impairment losses on property, plant and equipment, intangible assets and investment property are not deductible until they are transferred or written off.

(expressed in euros)

The limitations on the deductibility of financial expenses are maintained in similar terms to the current regulations, i.e. financial expenses equivalent to 30% of the operating result are considered deductible, with a minimum of one million euros. However, the time limitation for deducting non-deductible net financial expenses in the period is eliminated.

11. INCOME AND EXPENDITURE

11.1. NET TURNOVER

The distribution of the net turnover corresponding to the Group's ordinary activity at the close of financial year 2023 amounts to 7,066,095.15 euros (6,725,168.08 euros at the close of financial year 2022) and corresponds to the following activities:

	2023	2022
Rental income generated	7.066.095,15	6.725.168,08
Total	**7.066.095,15**	**6.725.168,08**

11.2. OTHER OPERATING EXPENSES

The composition of "Other operating expenses" in the profit and loss account for the years 2023 and 2022 is as follows:

Description	2023	2022
External services	**738.954,86**	**689.221,12**
Independent professional services	258.796,84	249.973,38
Insurance premiums	217.451,84	181.801,34
Banking and similar services	7.404,21	10.387,79
Other services	255.301,97	247.058,61
Tributes	**961.324,58**	**961.324,58**
Other taxes	961.324,58	961.324,58
Total	**1.700.279,44**	**1.650.545,70**

11.3. FINANCIAL EXPENSES AND INCOME

1,771,535.53 (1,771,535.52 during the financial year 2022) relate to the following:

- Interest accrued on the loan granted by Aareal Bank AG in the amount of EUR 965,886.09 (31 December 2022: EUR 965,886.09).

- The loan arrangement costs with Aareal Bank AG in the amount of 352,996.24 euros (352,996.24 euros as at 31 December 2022).

- Stamp duty and transfer tax on the loan with Aareal Bank AG in the amount of 452,653.41 euros (452,653.41 euros as at 31 December 2022).

11.4. OTHER RESULTS

The breakdown of other results generated by the IGIS Group is as follows:

Description	2023	2022
Tax penalties	-	(2.755,32)
Extraordinary income from re-invoicing expenses	2.755,32	-
Total	**2.755,32**	**(2.755,32)**

12. STAFF STRUCTURE

The Group has no employees and therefore no staff costs, social security charges or other staff costs have accrued in the financial year 2023 or in the financial year 2022.

The current Board of Directors of the Parent Company consists of 4 members.

The detail of the remuneration accrued for the positions of Chairman and Secretary of the Board of Directors of the Parent Company during the financial years 2023 and 2022 is as follows (in euros):

	2023	2022
Chairman and Secretary of the Board	16.800,00	16.000,00
Total	**16.800,00**	**16.000,00**

The detail of the remuneration accrued by the Joint and Several Directors of the subsidiary during the financial years 2023 and 2022 is as follows (in euros):

	2023	2022
Joint Administrators	16.800,00	16.000,00
Total	**16.800,00**	**16.000,00**

At 31 December 2023 and 2022 there are no accrued pension or similar liabilities to the Joint and Several Administrators of the Subsidiary.

During the year ended 31 December 2023 and 2022, the directors of the subsidiary have not entered into any transactions with the Company outside the ordinary course of business or on other than arm's length terms.

13. AUDIT FEES

Fees accrued during the year by Ernst & Young for the audit of these consolidated financial statements amount to 13,728.00 euros, as well as 11,440.00 euros for the audit of the individual financial statements and other audit services.

	2023	2022
For audit services	25.168,00	24.200,00
Total	**25.168,00**	**24.200,00**

14. ENVIRONMENTAL INFORMATION

At 31 December 2023 and 31 December 2022 there are no significant assets dedicated to the protection and improvement of the environment, nor have any significant expenses of this nature been incurred during the year.

The Parent'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 recognise any provision for environmental risks and expenses at 31 December 2023 or 31 December 2022.

No environmental grants have been received during the years ended 31 December 2023 and 31 December 2022.

15. GRANTS, DONATIONS AND LEGACIES

There were no grants, donations or bequests of any kind during the year.

16. SUBSEQUENT EVENTS

On 13 March 2024 the Shareholders of the Parent Group approved a distribution of unrestricted reserves to the Shareholders in the total amount of EUR 1,250,000.00, with a charge to the accounting account 118.

On 25 June 2024, the subsidiary signed a new financing agreement for a maximum amount of 96,300,000 euros, payable on the third anniversary of the drawdown date, with the possibility of extending the payment period for an additional year.

Apart from the above, there have been no events after 31 December 2023 that would have changed the annual accounts at that date or the going concern principle.

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

At 31 December 2023, the Parent and its subsidiary meet the legal and formal requirements of the SOCIMI regime (Note 2).

In compliance with the provisions of article 11 of Law 11/2009, as amended by Law 16/2012, which regulates listed public limited companies for investment in the real estate market, as the Parent Company and its subsidiary are covered by the SOCIMI regime, the following information is provided below, broken down for the Parent Company and the Subsidiary Group:

<u>Parent Company:</u>

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

   Not applicable because the Parent Group has applied the tax regime Law 11/2009, as amended by Law 16/2012 of 27 December, since its incorporation in 2019.

b) Reserves from years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applied, differentiating the part that comes from income subject to the tax rate of zero per cent, or 19 per cent, with respect to those that, where applicable, have been taxed at the general tax rate.

   All reserves from years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applied derive from income subject to the 0% tax rate. At 31 December 2020, negative reserves are reflected (Note 9).

(expressed in euros)

c) Dividends distributed with a charge to profits for each year in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applicable, differentiating the part deriving from income subject to the 0% or 19% tax rate from that which, where applicable, has been taxed at the general tax rate.

The Parent Company has never distributed dividends out of profits for years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, was applicable.

d) In the case of dividend distributions charged to reserves, designation of the financial year from which the reserve was appropriated and whether the reserves were taxed at 0%, 19% or at the general rate.

The Parent Company has never distributed dividends charged to reserves for years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, was applicable.

e) Date of the resolution to distribute the dividends referred to in (c) and (d) above.

The Parent Company has never distributed dividends charged to reserves or dividends charged to profits for years in which the tax regime established in Law 11/2009 has been applicable.

f) Date of acquisition of immovable property intended for lease and of shares in the capital of entities referred to in Article 2(1) of Law 11/2009, as amended by Law 16/2012 of 27 December 2012

Society	Date of acquisition	No. of shares acquired
Igis Neptune Barcelona Holdco Socimi S.A.	14 August 2019	3,000 shares (numbers 1 to 3,000)

Society	Date of acquisition	Property	Location
BCN1 Fulfillment, S.L.U.	14 August 2019	Industrial building	El Prat de Llobregat, Barcelona, Spain

g) Identification of the asset that counts as part of the 80% referred to in Article 3(1) of Law 11/2009, as amended by Law 16/2012 of 27 December.

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

h) Reserves arising from years in which the tax regime applicable in Law 11/2009, as amended by Law 16/2012, of 27 December, has been applicable, which have been drawn down in the tax period, other than for distribution or to offset losses, identifying the year from which such reserves arise.

Not applicable.

(expressed in euros)

Dependent Company:

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

b) Reserves from years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applied, differentiating the part that comes from income subject to the tax rate of zero per cent, or 19 per cent, with respect to those that, where applicable, have been taxed at the general tax rate.

All reserves from years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applied derive from income subject to the 0% tax rate. At 31 December 2021 no negative reserves are reflected (Note 9).

c) Dividends distributed with a charge to profits for each year in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applicable, differentiating the part deriving from income subject to the 0% or 19% tax rate from that which, where applicable, has been taxed at the general tax rate.

The Subsidiary Company distributed dividends out of profits for the year ended 31 December 2019, amounting to €971,302.57, in accordance with the decisions of its Sole Shareholder dated 30 June 2020. The entire dividend comes from income subject to the 0% tax rate. In the case of dividends paid out of reserves, designation of the financial year from which the reserve was appropriated and whether the reserves were taxed at 0%, 19% or at the general rate.

The Subsidiary Company has never distributed dividends charged to reserves for years in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has been applicable.

d) Date of the resolution to distribute the dividends referred to in (c) and (d) above.

As at 30 June 2020, as indicated in section c). The dividends referred to in (d) had not been distributed and were distributed on 29 July 2020.

e) Date of acquisition of real estate intended for lease and of the shares in the capital of the entities referred to in Article 2(1) of Law 11/2009, as amended by Law 16/2012 of 27 December.

Property	Location	Date of acquisition
Industrial building	El Prat de Llobregat, Barcelona, Spain	28 June 2016

f) Identification of the asset that counts as part of the 80% referred to in Article 3(1) of Law 11/2009, as amended by Law 16/2012 of 27 December.

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

g) Reserves arising from years in which the tax regime applicable in Law 11/2009, as amended by Law 16/2012, of 27 December, has been applicable, which have been drawn down in the tax period, other than for distribution or to offset losses, identifying the year from which such reserves arise.

   Not applicable.

18. MANDATORY DISTRIBUTION OF DIVIDENDS

Given its status as a SOCIMI, the Parent Group is obliged to distribute the profit obtained in the year in the form of dividends, once the corresponding commercial obligations have been met, in accordance with the provisions of article 6 of Law 11/2009, of 26 October, as amended by Law 16/2012, which regulates Listed Real Estate Investment Companies (SOCIMI).

19. SEGMENTED INFORMATION

Given that the only company generating income is the subsidiary BCN1 Fulfillment, S.L. and its activity is the leasing of investment property and that the investment property (real estate) is located in Barcelona, there is no segmentation or differentiation based on relevant criteria that would not provide useful information that has not already been presented in the rest of the notes to these consolidated financial statements, as all income and expenses are linked to the same segment: leasing of real estate.

In this regard, the following is a breakdown of the IGIS Group's turnover by category of activity and geographical market:

2023	National	European Union	Outside the EU	Total
Lease income	7.066.095,15	-	-	7.066.095,15
Total	**7.066.095,15**	**-**	**-**	**7.066.095,15**

2022	National	European Union	Outside the EU	Total
Lease income	6.725.168,08	-	-	6.725.168,08
Total	**6.725.168,08**	**-**	**-**	**6.725.168,08**

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

The information on the average supplier payment period is as follows:

	2023	2022
(Days)		
Average supplier payment period	24,36	40,75
Ratio of paid transactions	24,67	0,00
Ratio of transactions outstanding	19,23	0,00
(Thousands of euros)		
Total payments made	404.919,93	626.825,44
Total outstanding payments	24.280,63	8.690,16
Monetary volume of invoices paid in a period shorter than the maximum period established in the late payment regulations.	379.413,06	521.585,38
Percentage share of payments below this maximum in total payments made	93,70%	83,21%
(Number of invoices)		
Invoices paid in a period shorter than the maximum period established in the late payment regulations.	81	59
Percentage of total invoices	88%	69%

Directors' report for the year ended 31 December 2023

Business performance and situation of the Group

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

The Group is covered by the regime established in Law 11/2009 of 26 October 2009, as amended by Law 16/2012 of 27 December 2012, which regulates Listed Real Estate Investment Companies (SOCIMI), which in practice means that, subject to compliance with certain requirements, the Group is subject to a 0% corporate income tax rate. In September 2021, the Parent Company was listed on the EURONEXT in Paris.

During the year ended 31 December 2023, the Group achieved net sales of EUR 7,066,095.15 (EUR 6,725,168.08 in 2022) and operating expenses of EUR 1,700,279.44 (EUR 1,650,545.70 in 2022).

The result for the year ended 31 December 2023 amounts to a loss of EUR 1,780,022.34 (EUR 2,184,165.54 in 2022). The results obtained have been in line with expectations.

Financial risk management and use of financial instruments

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

Research and development activities

The Group has not carried out any research and development activities in the current or previous years.

Acquisition of own shares

As at 31 December 2023, no treasury share transactions were carried out during the financial year. No such transactions were carried out in financial year 2022.

The average payment period to suppliers during 2023 was 24 days.

Significant developments after the closure

On 13 March 2024 the Shareholders of the Parent Group approved a distribution of unrestricted reserves to the Shareholders in the total amount of EUR 1,250,000.00, with a charge to the accounting account 118.

On 25 June 2024, the subsidiary signed a new financing agreement for a maximum amount of 96,300,000 euros, payable on the third anniversary of the drawdown date, with the possibility of extending the payment period for an additional year.

Apart from the above, there have been no events after 31 December 2023 that would have changed the annual accounts at that date or the going concern principle.

Use of financial instruments

During 2023 and 2022 the Group has not entered into any interest rate hedging instruments.

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

During the financial years 2023 and 2022, a review of all internal processes has been carried out in order to shorten supplier payment periods.

IGIS NEPTUNE BARCELONA HOLDCO SOCIMI, S.A.

Preparation of the consolidated annual accounts for the financial year 2023

DILIGENCE OF FORMULATION OF CONSOLIDATED ANNUAL ACCOUNTS:

On July 5th 2024 and in compliance with the requirements established in article 253 of the Spanish Companies Act and article 37 of the Spanish Commercial Code, the Board of Directors prepared the consolidated annual accounts for the financial year from 1 January 2023 to 31 December 2023. The consolidated annual accounts consist of the documents attached hereto.

In Madrid,

D. Won Suk Lee, Director	D. Joo Il Kim, Director
Ms. Cristina Ferrer-Sama Server, Individual representative of Intertrust (Spain), S.L.U., Secretary of the Board of Directors.	Ms. Blanca Candela Marroquín Individual representative of SPV SPAIN 5, S.L.U., Chairman of the Board of Directors.