

Informe de Auditoría de Cuentas Anuales Consolidadas
emitido por un Auditor Independiente

GLOBAL PIELAGO, SOCIMI, S.A. Y SOCIEDADES DEPENDIENTES
Cuentas Anuales Consolidadas e Informe de Gestión Consolidado
correspondientes al ejercicio anual terminado
el 31 de diciembre de 2021



23 JUN. 2022

David Bernal Sánchez
Traductor-Intérprete Jurado
de Inglés nº 3469

INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de GLOBAL PIELAGO, SOCIMI, S.A.:

Opinión

Hemos auditado las cuentas anuales consolidadas de GLOBAL PIELAGO, SOCIMI, S.A. (la Sociedad dominante) y sus sociedades dependientes (el Grupo), que comprenden el estado de situación financiera a 31 de diciembre de 2021, la cuenta de resultados, el estado de resultado global, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, todos ellos consolidados, correspondientes al ejercicio anual terminado en dicha fecha.

En nuestra opinión, las cuentas anuales consolidadas adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera del Grupo a 31 de diciembre de 2021, así como de sus resultados y flujos de efectivo, todos ellos consolidados, correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con las Normas Internacionales de Información Financiera, adoptadas por la Unión Europea (NIIF-UE), y demás disposiciones del marco normativo de información financiera que resultan de aplicación en España.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas* de nuestro informe.

Somos independientes del Grupo de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales consolidadas en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

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Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales consolidadas del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales consolidadas en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Valoración de las Inversiones Inmobiliarias

Descripción El Grupo tiene registrados, en el epígrafe "Inversiones inmobiliarias" del estado de situación financiera consolidado a 31 de diciembre de 2021, activos por valor neto contable de 98.359 miles de euros, que representan el 83% del total Activo y corresponden, fundamentalmente, a terrenos, inmuebles y otras construcciones mantenidos para explotarlos en régimen de alquiler u obtener una plusvalía en su venta futura.

La Dirección del Grupo determina periódicamente, y como mínimo, al cierre del ejercicio, el valor razonable de las inversiones inmobiliarias tomando como referencia las valoraciones realizadas por expertos independientes bajo los estándares de la Royal Institution of Chartered Surveyors (RICS), de forma que refleje las condiciones de mercado de dichas inversiones.

Hemos considerado esta área como aspecto más relevante de nuestra auditoría debido a que la determinación del valor razonable de las inversiones inmobiliarias requiere la realización de estimaciones significativas, tanto por parte del experto independiente como por parte de la Dirección del Grupo, que conllevan la aplicación de juicios para el establecimiento de las asunciones consideradas (en particular, sobre las asunciones que sustentan las rentas estimadas, las tasas de descuento y las "yields" de salida utilizadas), así como a la relevancia de los importes involucrados.

La información relativa a las normas de valoración aplicables, la metodología y las principales asunciones utilizadas para la valoración de las inversiones inmobiliarias, así como los desgloses correspondientes, se encuentra recogida en las Notas 3.2 y 6 de la memoria consolidada.

Nuestra respuesta

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- ▶ Entendimiento del proceso establecido por la Dirección del Grupo para la identificación de indicios de deterioro y determinar el valor razonable de los activos registrados como "Inversiones inmobiliarias", y evaluación del diseño e implementación de los controles relevantes establecidos en el mencionado proceso.
- ▶ Revisión de los modelos de valoración utilizados por el experto independiente contratado por la Dirección del Grupo para la determinación de los valores razonables, en colaboración con nuestros especialistas en valoraciones de activos inmobiliarios, cubriendo, en particular, para una muestra de las valoraciones realizadas, la coherencia matemática de los modelos y la evaluación de la razonabilidad de las rentas empleadas y/o los comparables utilizados, las tasas de descuento y las "yields" de salida empleadas, y realización de procedimientos de contraste sobre los valores, si fuera necesario.
- ▶ Revisión de los desgloses incluidos en la memoria consolidada de conformidad con el marco normativo de información financiera aplicable.

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Otra información: Informe de gestión consolidado

La otra información comprende exclusivamente el informe de gestión consolidado del ejercicio anual terminado el 31 de diciembre de 2021, cuya formulación es responsabilidad de los Administradores de la Sociedad dominante y no forma parte integrante de las cuentas anuales consolidadas.

Nuestra opinión de auditoría sobre las cuentas anuales consolidadas no cubre el informe de gestión consolidado. Nuestra responsabilidad sobre el informe de gestión consolidado, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión consolidado con las cuentas anuales consolidadas, a partir del conocimiento del Grupo obtenido en la realización de la auditoría de las citadas cuentas, así como en evaluar e informar de si el contenido y presentación del informe de gestión consolidado son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión consolidado concuerda con la de las cuentas anuales consolidadas del ejercicio anual terminado el 31 de diciembre de 2021 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los Administradores de la Sociedad dominante en relación con las cuentas anuales consolidadas

Los Administradores de la Sociedad dominante son responsables de formular las cuentas anuales consolidadas adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados consolidados del Grupo, de conformidad con las NIIF-UE y demás disposiciones del marco normativo de información financiera aplicable al Grupo en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales consolidadas libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales consolidadas, los Administradores de la Sociedad dominante son responsables de la valoración de la capacidad del Grupo para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los Administradores tienen intención de liquidar el Grupo o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales consolidadas en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales consolidadas.

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Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- ▶ Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales consolidadas, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- ▶ Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno del Grupo.
- ▶ Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los Administradores de la Sociedad dominante.
- ▶ Concluimos sobre si es adecuada la utilización, por los Administradores de la Sociedad dominante, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad del Grupo para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales consolidadas o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que el Grupo deje de ser una empresa en funcionamiento.
- ▶ Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales consolidadas, incluida la información revelada, y si las cuentas anuales consolidadas representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.
- ▶ Obtenemos evidencia suficiente y adecuada en relación con la información financiera de las entidades o actividades empresariales dentro del grupo para expresar una opinión sobre las cuentas anuales consolidadas. Somos responsables de la dirección, supervisión y realización de la auditoría del grupo. Somos los únicos responsables de nuestra opinión de auditoría.

Nos comunicamos con los Administradores de la Sociedad dominante en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

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Entre los riesgos significativos que han sido objeto de comunicación los Administradores de la Sociedad dominante, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales consolidadas del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

Este informe se corresponde con el
sello distintivo nº 01/22/08832
emitido por el Instituto de Censores
Jurados de Cuentas de España

ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores
de Cuentas con el N° S0530)

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Date: 29.04.2022

Fernando González Cuervo
(Inscrito en el Registro Oficial de Auditores
de Cuentas con el N° 21268)

29 de abril de 2022

23 JUN. 2022

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I, David BERNAL SÁNCHEZ, sworn translator of English, certified by the Spanish Ministry of Foreign Affairs, European Union and Cooperation with the assigned number TIJ-3469 do hereby certify that the following is a true and faithful translation of a document written in the Spanish language.

Auditor's Report on Consolidated Annual Financial
Statements issued by an Independent Auditor

GLOBAL PIELAGO, SOCIMI, S.A. AND SUBSIDIARIES
Consolidated Annual Financial Statements and Consolidated Management Report
for the year ended 31 December 2021

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AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

To the shareholders of GLOBAL PIELAGO, SOCIMI, S.A.:

Opinion

We have audited the consolidated annual financial statements of GLOBAL PIELAGO, SOCIMI, S.A. (the Parent Company) and its subsidiaries (the Group), which comprise the balance statement of financial position at 31 December 2021, the profit and loss statement, the overall income statement, the overall statement of changes in equity, the cash flow statement and the notes thereto, all of which are consolidated, 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 Group's equity and financial position at 31 December 2021 and of its consolidated results and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU-IFRS), and other provisions of the regulatory financial reporting framework applicable in Spain.

Basis for opinion

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

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

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

Corporate office: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - registered in the Commercial Registry of Madrid, general volume 9364, section 3 number 8130 of the Companies Book, folio 68, page no. 87690-1, 1st entry. Madrid, 9 March, 1989. A member firm of Ernst & Young Global Limited.

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Key audit matters

The key audit matters are those which, in our professional judgement, are the areas of higher assessed risk of material misstatement in our audit of the consolidated financial statements for the current period. These risks have been addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these risks.

Valuation of Investment Property

Description The Group has recognised assets with a net book value of 98,359,000 Euros under "Investment property" in the consolidated statement of financial position at 31 December 2021, representing 83% of total Assets, mainly relating to land, buildings and other structures held for rental purposes or to obtain a capital gain on their future sale.

The Group's management determines periodically, and minimally at year-end, the fair value of investment property by reference to valuations carried out by independent experts in accordance with the Royal Institution of Chartered Surveyors (RICS) standards so as to reflect the market conditions of such investments.

We have considered this area to be the most relevant aspect of our audit because the determination of the fair value of investment property requires significant estimates to be made by both the independent expert and Group management, involving the application of judgement in establishing the assumptions involved (in particular the assumptions underlying the estimated rents, discount rates and exit yields used), as well as the significance of the amounts involved.

Information on the applicable valuation standards, the methodology and the main assumptions used for the valuation of investment property, as well as the related disclosures, is provided in Notes 3.2 and 6 to the consolidated financial statements.

Our response

In this regard, our audit procedures included, among other items:

- ▶ Understanding of the process established by Group management for identifying indications of impairment and determining the fair value of assets recorded as "Investment property", and assessment of the design and implementation of the relevant controls established in this process.
- ▶ Review of the valuation models used by the independent expert engaged by Group management to determine fair values, in collaboration with our real estate valuation specialists, covering in particular, for a sample of the valuations performed, the mathematical consistency of the models and the assessment of the reasonableness of the rents used and/or the comparables used, the discount rates and exit yields used, and the performance of procedures to test the



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- ▶ values, if necessary.
- ▶ Review of the breakdowns in the consolidated report in accordance with the applicable financial reporting framework.

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Other information: Consolidated Management report

Other information refers exclusively to the consolidated management report for the year ending 31 December 2021, the preparation of which is the responsibility of the Parent Company's Directors and is not a comprehensive part of the consolidated financial statements.

Our auditor's opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in accordance with the requirements of the regulations governing the activity of auditing accounts, consists of evaluating and reporting on the concordance of the consolidated management report with the consolidated financial statements, based on the knowledge the Group obtained in the performance of the auditing of said accounts and to evaluate and report on whether the content and presentation of the consolidated management report are in accordance with the applicable. If, on the basis of the work we have carried out, we conclude that there are material defects, we are obliged to report them.

Based on the work performed, as described in the above paragraph, the information contained in the consolidated management report is consistent with that of the financial statements for the year ending 31 December 2021 and its content and presentation are in accordance with the applicable regulations.

Parent Company Directors' Responsibility for the consolidated financial statements

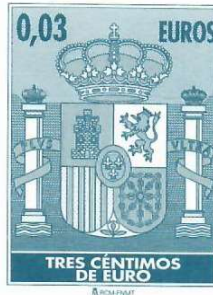
The Parent Company's directors are responsible for the preparation of the accompanying consolidated financial statements in order to give a true and fair view of the consolidated net worth, financial position and results of the Group in accordance with EU-IFRSs and other provisions of the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit carried out in accordance with the current regulations on account auditing in Spain will always detect a material error when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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We exercise professional judgement and maintain professional scepticism throughout the audit, in accordance with the current regulations governing the activity of auditing accounts in Spain. Additionally:

- ▶ We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining sufficient and appropriate audit evidence 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 circumvention of internal oversight.
- ▶ We obtain an understanding of the internal oversight 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 oversight.
- ▶ We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company Directors.
- ▶ We conclude on the appropriateness of the Parent Company Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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.
- ▶ We evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ We obtain sufficient and adequate evidence in relation to the financial information of the entities or business activities within the group to express an



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opinion on the consolidated financial statements. We are responsible for the management, supervision and performance of the Group's audit. We are solely responsible for our audit opinion.

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

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Among the significant risks that have been reported to the Parent Company's Directors, we have identified those that were most significant in the audit of the consolidated financial statements for the current period, and which are, consequently, the risks considered to be the most significant.

We describe these risks in our audit report unless disclosure is prohibited by law or regulation.

This report bears the official
stamp no. 01/22/08832 issued
by the Spanish Institute of
Chartered Accountants

ERNST & YOUNG, S.L
(Registered in the Official Register of Auditors)
of Accounts under No. S0530)

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Date: 29.04.2022

Fernando González Cuervo
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29 April 2022

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This translation appears on 7 pages, each of which bears my signature and seal. Witness my hand and seal, this 23rd of June two thousand and twenty-two.

Esta traducción consta de 7 páginas, cada una de las cuales lleva mi firma y sello.

Don David BERNAL SÁNCHEZ, Traductor-Intérprete Jurado de inglés nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.

En Sevilla, a 23 de junio de 2022.

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GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated annual financial statements for the year ended 31 December 2021,
formulated in accordance with the International Financial Reporting Standards
(IFRS) adopted by the EU, and consolidated Directors' Report

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GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated Balance Sheet at 31 December 2021. (In euros)

ASSETS	Notes	2,021	2,020
NON-CURRENT ASSETS		98,446,597	49,198,287
Investment properties	6	98,358,999	49,173,300
Land		53,078,722	35,839,129
Buildings		42,962,216	13,327,385
Fixed assets in progress and advances		2,318,061	6,786
Non-current financial investments	7	87,598	24,987
CURRENT ASSETS		19,987,446	13,588,117
Inventories	8	1,963,570	3,828,121
Supplier advances		1,963,570	3,828,121
Trade and other receivables		276,507	1,472,733
Trade receivables for sales and services	9	264,813	1,305,267
Other receivables	9	-	127,294
Other receivables from Public Entities	14	11,694	40,172
Cash and cash equivalents		17,747,369	8,287,263
Cash	10	17,747,369	8,287,263
TOTAL ASSETS		118,434,043	62,786,404

Notes 1-21 to the consolidated report are an integral part of the consolidated annual financial statements for the year ended 31 December 2021.

EQUITY AND LIABILITIES		Notes	2,021	2,020
EQUITY			65,393,872	37,064,790
SHAREHOLDERS' EQUITY			65,393,872	37,064,790
Capital	11		5,000,000	5,000,000
Subscribed capital			5,000,000	5,000,000
Issue premium	11		7,602,083	7,602,083
Other shareholder contributions	11		32,639,746	8,339,746
Prior years' profit/(loss) attributed to shareholders			16,122,961	-
Income attributable to shareholders	11 and 15		4,029,082	16,122,961
NON-CURRENT LIABILITIES			41,897,548	24,547,726
Non-current payables			41,897,548	13,606,896
Loans and borrowings	12		37,208,351	7,972,679
Other non-current receivables	12		4,689,197	5,634,217
Non-current payables to Group companies and associates	12		-	10,940,830
CURRENT LIABILITIES			11,142,622	1,173,888
Current payables			356,682	4,263
Loans and borrowings	12		356,682	4,263
Trade and other payables			10,785,941	1,169,625
Suppliers	13		10,764,808	1,113,646
Other payables	14		21,133	51,055
Customer advances	9		-	4,924
TOTAL EQUITY AND LIABILITIES			118,434,043	62,786,404

Notes 1-21 to the consolidated report are an integral part of the consolidated annual financial statements for the year ended 31 December 2021.

GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated Income Statement for the year ended 31 December 2021 (In euros)

INCOME STATEMENT	Notes	2021	2020 (*)
CONTINUING OPERATIONS			
Net turnover	15	1,409,010	235,501
Supplies	15	(660,644)	(1,419,210)
Other operating income	15	1,163,516	2,381,715
Other operating expenses	15	(3,930,886)	(1,303,995)
Outside services		(3,930,886)	(1,303,995)
Variation in fair value of investment properties	6	7,928,579	16,429,331
Revaluation		9,991,800	18,163,276
Impairment		(2,063,221)	(1,733,945)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		5,909,575	16,323,342
Finance income		-	-
Finance expenses	12 and 15	(1,880,493)	(200,381)
FINANCE INCOME/(EXPENSE)		(1,880,493)	(200,381)
PROFIT/(LOSS) BEFORE TAXES		4,029,082	16,122,961
Income tax	14		
INCOME ATTRIBUTABLE TO SHAREHOLDERS		4,029,082	16,122,961

(*) The figures are for the period from 29 January to 31 December 2020 (note 2.4)

Notes 1-21 to the consolidated report are an integral part of the consolidated annual financial statements for the year ended 31 December 2021.

GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated overall profit/loss for the year ended 31 December 2021 (In euros)

	Notes	2021	2020 ^(*)
Profit/(Loss) for the year		4,029,082	16,122,961

Other comprehensive income:

Items to be transferred to Net Assets	-	-
Other comprehensive income for the period	-	-

Comprehensive Income	4,029,082	16,122,961
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Attributable to shareholders of the Parent Company	11 and 15	4,029,082	16,122,961
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() The figures are for the period from 29 January to 31 December 2020 (note 2.4)*

Notes 1-21 to the consolidated report are an integral part of the consolidated annual financial statements for the year ended 31 December 2021.

GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated statement of changes in net equity for the year ended 31 December 2021 (In euros)

	Share capital	Issue premium	Reserves	Profit/(Loss) for the year	Other shareholder contributions	Total
Balance at 31 December 2019						
Total recognised income and expense	-	-	-	16,122,961	-	16,122,961
Transactions with shareholders and owners:	5,000,000	7,602,083	-	-	8,339,746	20,941,829
Capital increases	5,000,000	7,602,083	-	-	-	12,602,083
Shareholder contributions	-	-	-	-	8,339,746	8,339,746
Balance at 31 December 2020 (*)	5,000,000	7,602,083		16,122,961	8,339,746	37,064,790
Total recognised income and expense	-	-	-	4,029,082	-	4,029,082
Transactions with shareholders and owners:	-	-	-	-	24,300,000	24,300,000
Capital increases	-	-	-	-	-	-
Shareholder contributions	-	-	-	-	24,300,000	24,300,000
Other changes in equity:			16,122,961	(16,122,961)	-	-
Balance at 31 December 2021	5,000,000	7,602,083	16,122,961	4,029,082	32,639,746	65,393,872

(*) The figures are for the period from 29 January to 31 December 2020 (note 2.4)

Notes 1-21 to the consolidated report are an integral part of the consolidated annual financial statements for the year ended 31 December 2021.

GLOBAL PIÉLAGO, SOCIMI, S.A. And Subsidiaries

Consolidated cash flow statement for the year ended 31 December 2021 (in euros)

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	-
Profit/(Loss) for the period before taxes	4,029,082
From continuing operations	4,029,082
Adjustments to profit/(loss)	(6,048,086)
Variation in fair value of investment properties	(9,991,800)
Impairments (+/-)	2,063,221
Finance expenses	1,880,493
Exchange differences	-
Changes in working capital	13,416,501
Increase/(Decrease) in Inventories	1,864,551
(Increase)/Decrease in Trade and other receivables	1,196,227
Increase/(Decrease) in Trade and other accounts payable	10,231,938
Other non-current assets and liabilities (+/-)	123,785
Other cash flows from operating activities	-
Cash flows from operating activities	11,397,497
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Payments for investments	(42,984,542)
Investment properties	(42,984,542)
Cash flows from investment activities	(42,984,542)
CASH FLOWS FROM FINANCING ACTIVITIES	
Collections and payments for equity instruments	16,747,151
Issue of equity instruments	28,445,861
Special debts	(1,131,416)
Loans and borrowings	29,577,277
Repayment and amortization	(11,698,711)
Loans and borrowings	(696,338)
Receivables from Group companies and associates	(11,002,372)
Cash flows from financing activities	41,047,151
NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENTS	9,460,106

Cash or equivalents at the start of the year	8,287,263
Cash or equivalents at the close of the year	17,747,369

GLOBAL PIÉLAGO, SOCIMI, S.A. and subsidiaries

Consolidated report of the year ended 31 December 2021.

1. General information

Global Piélago, SOCIMI, S.A., hereinafter the Parent Company, is a Spanish public limited company, with VAT No. A88581251, incorporated for an indefinite period under a deed granted before a Madrid notary public on 29 January 2020; it is entered on the Madrid Companies Register, volume 40,174, folio 110, sheet M713884, entry 1. Its current registered offices are located at Paseo de la Castellana, 93, 13th floor, 28046 Madrid.

The Company was initially incorporated as a limited liability company under said public deed executed on 29 January 2020. It was converted into a public liability company under public deed of 5 March 2020, in Madrid.

Its registered offices at the time it was incorporated were located in Calle Suero de Quiñones 34-36, 1st floor, 28002 Madrid. On 25 June 2020 it moved to its current offices, as set down in public deed, at which time its name was also changed to its current name.

The Company's corporate purpose is:

- a) The acquisition and development of urban real estate for lease.
- b) The holding of shares in the capital of other SOCIMIs or in other companies non resident in Spain with the same corporate purpose and which are subject to a scheme similar to the one established for SOCIMIs in relation to the obligatory policy on appropriation of profit stipulated by law or the bylaws.
- c) The holding of shares in the capital of other companies resident or non resident in Spain, whose main corporate purpose is the acquisition of urban real estate for lease, which are subject to the scheme established for SOCIMIs in relation to the obligatory policy on distribution of dividends stipulated by law or the bylaws and meet the investment requirements referred to in art. 3 of Law on Listed Real Estate Investment Trusts.
- d) The holding of shares or participations in Collective Real Estate Investment Undertakings governed by Law 35/2003, of 4 November, on Collective Investment Undertakings, or by future laws which may replace it.

In addition to the business activity deriving from the company's primary corporate purpose, SOCIMIs may also undertake ancillary activities, i.e., any activities the revenues from which account for less than 20% of the revenue in the company in any tax period, or any considered ancillary by law at any given time. The corporate purpose excludes any activities legally required to comply certain conditions not met by the Company or its bylaws.

On 25 June 2020, a resolution of the General Shareholders' Meeting, resolving that the Company would opt for the special scheme for listed real estate investment trusts (SOCIMI, in Spanish), regulated by Law 11/2009 of 26 October, was put on public deed.

We now list the primary elements defining the SOCIMI scheme which applies to the Company.

SOCIMI Scheme

Global Piélago SOCIMI, S.A. is regulated by Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December, on Listed Real Estate Investment Trusts.

The primary characteristics defining the SOCIMI scheme, which must be met for the scheme to be applied correctly, are:

1. Corporate Purpose.

- The primary corporate purpose of the company must be that of holding real estate for lease, holding interests in other SOCIMI or companies having a similar corporate purpose and the same dividend distribution scheme, and in Collective Investment Undertakings.

2. Investment.

- The company must invest at least 80% of its asset value in real estate for lease, in land for the development of real estate to be used for said purpose (providing that development commences within three years of its acquisition), and in interests in the capital of other companies having a similar corporate purpose to that of the company.

The asset value will be determined according to the average of the quarterly individual balance sheets for the financial year, and the company may choose to calculate that value by replacing the carrying amount with the market value of the elements comprising those balance sheets, which would be applied to all balance sheets for the financial year. This determination will not include any cash or credit rights issuing from the transmission of said properties or interests made in the same or previous years, providing, in this latter case, that the reinvestment term specified in Article 6 of the Law has not elapsed.

This percentage will be calculated on the basis of the consolidated financial statements if the company is the parent of a group according to the criteria established in art. 42 of the Code of Commerce, regardless of the place of residence and of the obligation to prepare consolidated annual financial statements. This group will be exclusively composed of the SOCIMIs and the rest of the companies to which art. 2.1 of the Law refers.

The Company is the parent in a group comprising itself, Global Piélago, SOCIMI, S.A., Global Sauco, SOCIMI, S.L. and Global Lucanor, S.L.

- Likewise, 80% of its revenues within the tax period should be obtained from: (i) real estate leasing and (ii) dividends on interests. This percentage will be calculated on the basis of the consolidated income statement if the Company is the parent of a group of companies according to the criteria established in art. 42 of the Code of Commerce, regardless of the place of residence and of the obligation to prepare consolidated annual financial statements. This group will be exclusively composed of the SOCIMIs and the rest of the companies to which art. 2.1 of the Law 11/2009 refers.
- Properties must be leased for at least three years (for calculation purposes, up to one year may be added from the period during which they were available for lease). Interests in the asset must be retained for at least three years.

3. Trading on a regulated market.

SOCIMs must be listed for trading on a regulated stock market in Spain or in any other country with which tax information is exchanged. Shares must be registered stocks.

On 20 April 2021 the Company shares were listed for trading on the Euronext Paris Stock Exchange, and were registered shares as indicated by Law. The shares entered the regulated market at a price of 4.92 euros per share. The total number of shares was 5,000,000. Nevertheless, at 31 December 2020, the Company shares were not listed on the stock market.

4. Distribution of gains.

The Company must distribute the following dividends, after complying with the applicable business requirements:

- One hundred percent of the profits from dividends or profit sharing distributed by the companies to which art. 2.1 of Law 11/2009 refers.
- At least 50% of the profits from the transfer of real estate and public or private limited liability company shares referenced in art. 2.1 of Law 11/2009, made after the minimum holding period, subject to compliance with its primary corporate purpose. The remaining profits should be reinvested in other real estate or shares subject to the fulfilment of that purpose, within three years as of the transfer date.
- At least 80 percent of the rest of the profits obtained. When the distribution of dividends is made against reserves from profits of a year in which the special tax scheme was not applied, their distribution must be adopted as described above.

5. Information.

SOCIMs are required to include in the notes to the financial statements the information required by the tax legislation governing the special scheme for SOCIMs.

6. Minimum capital.

The minimum share capital is established at 5 million euros.

Companies may opt for the application of the special tax scheme in the terms established in article 8 of the Law, even when they do not meet the minimum requirements established therein, providing the requirements are met within two years of opting for the scheme.

Failure to comply with any of said conditions will mean that the Company will be included under the general Corporate Income Tax regime from the year in which said failure comes about, unless it is remedied in the following year. Moreover, in addition to the quota for the year in question, the Company will also be required to pay the difference between the quota given by applying the general scheme and the quota paid after applying the special tax regime in the previous years, in addition to any delay interest, surcharges and sanctions which may apply.

The Parent Company and the investee, as defined below, opted to adopt the SOCIMI regime by notifying the Spanish Tax Agency on 25 June 2020, having agreed as much at their General Meeting.

At the time of filing these Consolidated Annual Financial Statements, both companies are in the provisional period established by Law for compliance with the above requirements. At 31 December 2020, neither complied with all of the requirements stipulated in the Act.

The Company is the parent in a group of companies and files consolidated annual financial statements formulated in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU.

1.1. Subsidiaries

The Company is the head of a corporate group, thereby being the parent of the following subsidiaries at 31 December 2021:

Company	Registered addresses	Activity	Holding %	Consolidation method
GLOBAL SAUCO, SOCIMI, S.L. (*)	Spain	SOCIMI	100% - direct	Full Consolidation
GLOBAL LUCANOR, S.L. (**)	Spain	SOCIMI	100% - direct	Full Consolidation

(*) Not audited.

(**) A Company audited by Ernst & Young, S.L.

GLOBAL SAUCO, SOCIMI, S.L.

On 5 March 2020, in Madrid, the Parent Company acquired 100% of the stock capital of Global Sauco, SOCIMI, S.L.U. (hereinafter, "the subsidiary"), also incorporated in 2020, under public deed No. 446.

Global Sauco, SOCIMI, S.L.U. is a Spanish limited liability company, with VAT No. B88581236, incorporated for an indefinite period under a deed executed before a Madrid notary public on 29 January 2020, number 297; it is entered on the Madrid Companies Register, volume 40,174, folio 130, sheet M713886, entry 1a. Its current registered offices are located at Paseo de la Castellana, 93, 13th floor, 28046 Madrid.

Its registered offices at the time it was incorporated were located in Calle Suero de Quiñones 34-36, 1st floor, 28002 Madrid. On 25 June 2020 it moved to its current offices, as set down in public deed with protocol number 2,247, at which time its name was also changed to its current name.

The subsidiary is also a SOCIMI and has the same corporate purpose as the parent company. On 25 June 2020, a resolution of the General Shareholders' Meeting, under which it was agreed that the Company should be ruled by the special scheme for Listed Real Estate Investment Trusts (SOCIMI, in Spanish), regulated by Law 11/2009 of 26 October, was put on public deed.

The assets held by the Group at the end of 2020 were acquired by the Subsidiary after joining the Group.

When Global Sauco, SOCIMI, S.L.U. was acquired by Global Piélago, SOCIMI, S.A., the latter became the parent company of a corporate group, this 2020 being the first year in which consolidated annual statements were filed.

GLOBAL LUCANOR, S.L.

On 2 March 2021 the Company acquired 100% of the investee's shares in Madrid by public deed. Global Lucanor, S.L., hereinafter the "investee", is a Spanish public limited company, with VAT No. B42864306, incorporated for an indefinite period under a deed delivered before a Madrid notary public on 10 February 2021, under number 467 in his notarial records; it is entered on the Madrid Companies Register, tome 41,492, folio 180, sheet M735229, entry 1a. Its current registered offices are located at Paseo de la Castellana, 93, 13th floor, 28046 Madrid.

Its registered offices at the time it was incorporated were located in Calle Suero de Quiñones 34-36, 1st floor, 28002 Madrid. However on 5 March 2021 its registered offices were transferred to the current ones by public deed.

The investee is also a SOCIMI and has the same corporate purpose as the Company. On 5 March 2021, a resolution of the General Shareholders' Meeting, under which it was agreed that the Company should be ruled by the special scheme for Listed Real Estate Investment Trusts (SOCIMI, in Spanish), regulated by Law 11/2009 of 26 October, was put on public deed.

1.2 Management and Subscription Agreements

The following is a summary of the most important points of a series of management agreements issued originally in English.

1.2.1. Management Agreement

In June 2020, the Company signed a Management Agreement with Briks Residential, S.L. (management company), regulating aspects having to do with advisory and management services and the remuneration to be received by the management company in exchange for said activity.

The agreement is made for an unlimited time and may be terminated for any of the reasons stated in Point 9 therein, including withdrawal of either party, providing they give twelve months' notice.

The services provided by the management company to the parent company and investee include:

- a) General services. Coordination in the acquisition of properties. Formulation and implementation of business plan and yearly budget. Overseeing the requirement to send reports to banks and investors. Overseeing and coordinating the annual evaluations of investment properties. Overseeing the appointment of service providers. Monitoring CapEx plans for investments. Implementing sales strategies. Assisting clients with insurance decisions. Overseeing accounts books and other tax obligations.
- b) Strategic services. Advisory services in regard to investment price policy. Recommendations in relation to the business plan in order to maximise yield.

Overseeing agreements with regard to the selection of service providers, and supervising their performance.

- c) Asset Management Services: Providing precise instructions to Property Managers in relation to managing the properties. Liaising with regulatory agencies. Coordinating the delivery of the audited annual financial statements, as well as assisting the auditors.
- d) Property Management Services: Keeping a database of lessees. Keeping copies of legal documents relating to the properties. Ensuring compliance with all formal obligations in relation to the properties.
- e) Maintenance and Upkeep Services: Monitoring expenses in relation to the properties and working with the Property Managers to formulate reports in relation to said monitoring. Ensuring the upkeep of the properties.
- f) Rent and expense collection services: Negotiations and agreements with lessees. Monitoring financial ratios in relation to lessees. Making lease agreements. Overseeing rent and advances paid by lessees.
- g) Reporting services: Organising meetings and conferences in relation to the management of the properties. Sending reports to the Company and shareholders. Helping with the formulation of annual financial statements and audits.
- h) Financial Advisory Services: Working with a range of service providers to monitor project costs in relation to the business plan and advise accordingly.
- i) Disposals: Providing advisory services in relation to strategy and proceedings with regard to disposing of properties, and preparing material for marketing policy elements. Coordinating the Company's service providers in sales processes.

The management contract establishes a series of fees, as follows:

Acquisition Fee:

As owner of the properties, the investee, Global Sauco, SOCIMI, S.L. will pay the management company management fees of 0.75% of the total individual acquisition price of assets in the "Alcazar I" development, the private acquisition contract over which was signed between the parties on 7 April 2020.

With regard to the acquisition of properties not included in said development, the company which acquires the properties will pay the management acquisition fees of 0.5% the individual acquisition price to the management company.

Asset Management Fees:

The management company will be entitled to receive annual fees calculated at 0.5% of the total acquisition price of each of the Company's properties, plus the CapEx expenses over each asset (plus VAT).

Furthermore, the company will be entitled to receive promote fees linked to the dividends distributed based on the shareholder contribution and the IRR.

2. Basis of preparation of the consolidated annual financial statements

The consolidated financial statements for the financial year ended 31 December 2021 were obtained from the accounting records of the Company and its subsidiaries dated 31 December 2021. Meanwhile the consolidated financial statements for the year 2020, the year of incorporation, reflect the period between 29 January 2020 and 31 December 2020.

Furthermore, both annual financial statements were prepared by the Company's directors in accordance with the International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee, adopted by the European Union as Regulation (EC) No 1606/2002 of the European Parliament and of the Council and successive amendments thereto.

The comparative figures correspond to the year of incorporation, this being the period between 29 January 2021 and 31 December 2021.

The IFRS are applied in the Group's consolidated annual financial statements. Financial year 2020 is the first year in which those standards were applied. The Group has applied IFRS 1 in formulating the consolidated annual financial statements.

The Parent Company's Directors prepared the 2021 and 2020 consolidated financial statements in accordance with the going concern principle.

Formulating these consolidated annual financial statements in accordance with the IFRS requires the use of certain critical accounting estimations. It also requires that Management use their knowledge in the process of applying the Group's accounting policies. Note 4 to these consolidated annual financial statements stipulates those areas which require a high degree of understanding or complexity and the areas in which hypotheses and estimations have a material effect on these consolidated annual financial statements.

The currency in which these consolidated annual financial statements are formulated is the Euro, this being the currency in which the Group operates.

The figures contained in these consolidated annual financial statements are expressed in euros to two decimal places, unless otherwise indicated.

2.1 Consolidation perimeter

During the 2021 financial year, 100% of the shares in the subsidiary GLOBAL LUCANOR, S.L. were acquired.

The 2020 financial year saw the acquisition of GLOBAL SAUCO, SOCIMI, S.L. (note 1.1)

No type of goodwill arises from either acquisition nor are they considered business combinations, since at the time of acquisition the companies were not active.

2.2 Adoption of International Financial Reporting Standards

Standards and interpretations approved by the European Union and becoming effective in the year

During 2021, a series of standards, amendments and interpretations came into effect. These, if applicable to the Group, are to be used in formulating the consolidated annual financial statements:

Standards, Amendments and Interpretations	Description	Effective Date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the index benchmark reform (second phase).	1-Jan-21
Amendment to IFRS 4 Deferral of the application of IFRS 9.	Deferral of the application of IFRS 9 until 2023.	1-Jan-21
Amendment to IFRS 16 Leases	Amendment to extend the term of Application of the practical solution of IFRS 16 planned for rental improvements related to COVID-19.	1-Jan-21

There have been no significant impacts to the Group's consolidated financial statements deriving from the application of this standard.

Standards and interpretations issued by the IASB, not effective in the period

The following standards were not in force in 2021, either because their effective date is later than that of the consolidated annual financial statements, or because they had not yet been adopted by the European Union:

Standards, Amendments and Interpretations	Description	Effective Date
Amendment of IFRS 3 Reference to Conceptual Framework	IFRS 3 is updated to align definitions of assets and liabilities in a business combination with the definitions contained in the conceptual framework. Certain clarifications are also made regarding the recording of contingent liabilities and assets.	1-Jan-22
Amendment to IAS 16 Income obtained before intended use.	The amendment prohibits deduction from the cost of property, plant and equipment any income obtained from the sale of items produced while the entity is preparing the asset for its intended use. Income from the sale of such samples, along with production costs, must be recorded in profit or loss.	1-Jan-22
Amendment of IAS 37 Onerous contracts – cost of fulfilling a contract	The amendment explains that the direct cost of fulfilling a contract includes the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the fulfilment of the contract.	1-Jan-22
Amendments to IAS 1 Classification of liabilities as current or non-current	Clarifications with respect to the presentation of liabilities as current or non-current	1-Jan-23
Amendments to IAS 1 Breakdown of	Modifications that allow entities to adequately identify the information on material accounting	1-Jan-23

accounting standards	policies that must be broken down in the financial statements.	
Amendment to IAS 8 Definition of accounting estimate	Amendments and clarifications on what should be understood as a change in an accounting estimate.	1-Jan-23
Amendment to IAS 12 Deferred taxes derived from assets and liabilities resulting from a sole transaction	Clarifications on how entities must record the deferred tax generated in operations such as leases and dismantling obligations	01jan23
IFRS 17 Insurance contracts and their amendments	It replaces IFRS 4 and includes the principles of recording, valuation, presentation and breakdown of insurance contracts with the aim that the entity might provide relevant and reliable information that allows users of financial information to determine the effect that insurance contracts have on the financial statements.	01jan23

The Group intends to adopt the standards, interpretations and amendments to the standards issued by the IASB but not yet mandatory in the European Union at the time these consolidated annual financial statements were formulated once they take effect, if applicable. Although the Group is currently analysing the impact of this move, based on analyses conducted to date, the Group estimates that their initial application will have no material impact on its consolidated annual financial statements.

2.3 Functional currency

The euro is the currency in which the consolidated financial statements are presented, as this is the functional currency of the environment in which the Group operates.

2.4 Comparative information

The information contained in the consolidated annual financial statements corresponding to the 2020 financial year is presented solely and exclusively, for comparative purposes, with the information relating to the financial year ended December 31, 2021 and corresponds to the period between January 29 and December 31, 2020, date of incorporation of the parent company.

2.5 Responsibility for the information and estimates made

The information contained in these annual financial statements is the responsibility of the Directors of the Parent Company. In the Group's consolidated financial annual statements for 2021, estimates made by the Senior Management of the Group and of the consolidated entities, subsequently ratified by their Directors, have occasionally been used to quantify some of the assets, liabilities, income, expenses and commitments recorded in them. Basically these estimates refer to:

- The market value of the Group's property assets (see Note 3.2). The Group has received estimates from independent valuers as of 31 December 2021.
- The fair value of certain financial instruments (Notes 3.11).
- The measurement of equity provisions and contingencies (Note 3.12).

- Financial risk management and especially liquidity risk (see Note 5).
- The recovery of deferred tax assets and the tax rate applicable to time differences (see Note 3.6).
- Compliance with the requirements that regulate Listed Real Estate Investment Companies (see Note 1).

3. Accounting standards

The principal accounting policies and evaluation standards adopted by the group, in accordance with which these consolidated annual financial statements have been formulated, were drawn up in accordance with the IFRS and are given here below:

3.1 Cash and cash equivalents.

Cash and cash equivalents Including cash, bank accounts and bank deposits and short-term, highly liquid investments which may be converted easily into cash, having an investment term of less than three months.

3.2 Investment properties

The investment properties include properties under construction and development for use as investment properties, investments are made partially or totally for the purpose of generating revenues, profits or both, instead of being used in the production or supply of good or services or for immediate sale in the ordinary course of business. They correspond to land, buildings and other constructions maintained for operation under a lease regime or for capital gains for their sale as a result of any increases of their respective market prices that may take place in the future.

The Directors of the Parent Company do not intend to dispose of these assets within the time frame, having decided to retain these assets as investment properties in the consolidated balance sheet.

Investment properties are initially measured at cost, including related transaction costs and financing costs, if any. After their initial measuring, investment properties are given at their fair value.

Investment properties are given at their fair value at the end of the reference period and are not depreciated as established in IAS 40.

Gains and losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which they arise.

While construction is in progress, the cost of construction works and finance expenses are capitalised. When the asset is ready to be put into operation, it is measured at its fair value.

Subsequent expenses are measured at their value in the asset's books only when it is probable that future economic benefits attributable to the expense will flow to the entity and the costs of the elements can be measured reliably. Other repairs and maintenance to the property are entered in the expenses for the year in which they are incurred. When part of an investment property is replaced, the book value of the replaced part is cancelled.

As stipulated in IAS 40, the Group periodically determines the fair value of investment properties in such a way that at the end of the year they reflect the actual market state of

the investment property elements on said date. This fair value is determined annually based on evaluations conducted by independent valuers.

3.4 Recognition of income

Income and expense are recorded on an accruals basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Lease income is evaluated at the fair value of the consideration received, less discounts and taxes.

When the Company acts as principal and is exposed to the risks associated with the transactions, the revenues are expressed in gross terms. When the Company acts as an agent and is exposed to the risks associated with the transactions, the revenues are given on a gross basis. Income is calculated at the fair value of the consideration less trade discounts, volume discounts and rebates.

Revenue from rentals

Rental revenue is recognised on a straight-line basis on the best estimate of the term of the lease. When a lease agreement ends before expected, any pending grace period or discount is entered in the final period before the end of the contract.

Other revenues from sale of stocks

The recognition of sales income occurs when the significant risks and benefits inherent to the ownership of the asset sold have been transferred to the buyer, and the day-to-day management or the effective control over such asset is no longer maintained. For real-estate inventories this generally takes place upon signing the public deed of sale.

3.5 Provisions

The provisions given in IAS 37 are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expected payments necessary to settle the obligation, using a pre-tax rate that reflects the current market value of money and the specific risks inherent in the obligation. Adjustments to update provisions are recognised as a finance expense as they are accrued.

Provisions settled within a year or less, whose financial effect is immaterial, and are not discounted. When it is expected that part of the payment necessary to settle the provision is to be made by a third party, the disbursement is recognised as an independent asset, provided its receipt is almost entirely guaranteed.

Services received under the item of "Success Fees" have been carried based on the term of IFRS 2 "Share-based payments" as liabilities, at their fair value.

3.6 Corporate Income Tax

General scheme

Income tax expense or income consist of both current and deferred expense or income.

Current tax is the amount of income taxes payable/(recoverable) as a result of the income tax settlements for a reporting period. Tax credits and other tax benefits, excluding tax withholdings and payments on account, and tax loss carryforwards effectively utilised in the current period reduce the current income tax expense.

Deferred tax expense or income correspond to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, identified as the amounts expected to be payable or recoverable, between the carrying values of assets and liabilities and their tax bases, as well as tax loss carryforwards pending offsetting and unused tax credits. These amounts are recognised by applying to the temporary difference or tax credit the tax rate that is expected to apply when the asset is realised or the liability is settled.

The Group recognises all deferred tax liabilities, except when the time difference derives from the initial recognition of the goodwill, the depreciation of which is not tax-deductible, or from the initial recognition of other assets and liabilities in operations that do not affect either the tax base or the accounting profit.

Deferred tax assets identified with temporary differences are recognised only to the extent that the consolidated companies will in the future have sufficient taxable profits against which they can be offset and when they do not proceed from the initial recognition of other assets and liabilities in an operation that does not affect either the tax base or the accounting profit. The rest of deferred tax assets (tax loss carryforwards, temporary differences and deductions pending offsetting) are only recognised if it is considered likely that in future the consolidated companies will have sufficient tax profits against which to offset them.

At each balance sheet date the recognised deferred tax assets are reconsidered, making the appropriate corrections to these to the extent that doubts exist on their future recovery. Likewise, deferred tax assets not recognised on the consolidated balance sheet are also assessed at each reporting date, and are recognised if it is likely they will be recovered with future tax gains.

SOCIMI scheme

On 25 June 2020, applying retroactively from the year commencing on its incorporation on 29 January 2020, the Company notified the Regional Office of the State Tax Administration Agency corresponding to its registered offices that its shareholders had agreed to adopt the special SOCIMI tax scheme.

The special SOCIMI tax scheme, after being amended by Act 16/2012 of 27 December, is based on a Corporate Income Tax rate of 0%, provided a series of requirements are met.

Nevertheless, the tax is accrued in proportion to the distribution of dividends. When a negative tax base is generated, the Corporate Income Tax Act 27/2014 of 27 November is not applicable. The tax deduction and bonus schemes established in Chapters II, III and IV of the legislation are also not applicable. For anything else not envisaged in the Law on Listed Real Estate Investment Trusts, the provisions of the Spanish Corporate Income Tax Act will also be applicable.

As established in Article 9 of the Law on Listed Real Estate Investment Trusts, the entity is subject to a special rate of 19% on the total amount of dividends or profit sharing distributed to shareholders whose holding in the share capital of the entity is equal to or greater than 5%, provided that said dividends are exempt or taxed at a rate lower than 10%

at their tax residences. This rate will be considered the Corporate Income Tax liability. In this regard, the Group has established a procedure by means of which it guarantees that its shareholders confirm the payment or withholding, when applicable, of 19% of the amount of the dividend paid to the shareholders who do not comply with the aforementioned tax requirements.

Said SOCIMI Regime is considered as from the year beginning on 29 January 2020, independently of whether the Company complies with all the requirements for its application as, under Provisional Disposition One of Act 11/2009 on the SOCIMI Regime, the Company has a period of two years from the time it adopts the regime to comply with the same. The Company's Directors expect that the Company will comply with the requirements before the end of the two-year period.

The proposal for the application of the results of the year of the Parent Company, as formulated by the Board of Directors of the Parent Company and pending approval by the shareholders, is to apply the losses of the year towards the negative results of previous years. The Board of Directors estimates that the loss generated in the abridged individual accounts for the year will be offset by the profits generated in subsequent years. Moreover, the Company's subsidiaries have not paid dividends to the Company in either 2020 or 2021.

Other Taxes

The Group's primary activity is leasing residential properties in mainland Spain and the Canary Islands, whose activity is subject to VAT or the Canary Islands General Tax (IGIC). Nevertheless, as the Company also owns a series of premises, the subsidiary pays tax under the special pro-rata regime and, accordingly, any VAT or IGIC paid is partially recoverable.

The taxpayer in question may deduct 100% of the tax paid in operations which entitle them to a deduction; 0% in transactions which do not, and a percentage in transactions having to do with the overall management of the business. Said deduction percentage is determined on the basis of the total volume of transactions, giving rise to the right to a deduction or not, divided by the total volume of transactions giving rise to the right to a deduction.

3.7 Consolidation Policies

(a) Consolidation principles applied

The main consolidation and evaluation principles applied by the Group to formulate the consolidated annual financial statements were as follows:

1. The consolidated annual financial statements were formulated on the basis of the accounting records of Global Piélago, SOCIMI, and its subsidiary companies. Companies are considered to be subsidiaries of the Parent Company when the latter has effective control of them, as indicated in Point 6 below;
2. The income of the subsidiary companies for the period is included in the consolidated income statement as from the effective date of acquisition or incorporation;
3. All accounts payable and receivable and other transactions between consolidated companies have been eliminated in the consolidation process;

4. When necessary, the annual accounts of the subsidiaries are adjusted to ensure that the accounting standards used are homogeneous with those used by the Parent company of the Group;
5. The interests of minority shareholders are established in proportion to the fair values of recognised identifiable assets and liabilities. The interests of minority shareholders in:
 - a. The assets of the investees: these are listed under the heading "External Shareholders" in the consolidated balance sheet, under the heading "Net Assets";
 - b. The results for the period: these are given under the heading "Net income attributable to external shareholders" in the consolidated income statement;
6. The criteria followed to determine the consolidation method applicable to the Group company is Full Consolidation:

The full consolidation method is used to consolidate all subsidiaries, defined as companies over which the Group has control to manage financial and operating policies, generally along with an interest of more than half the voting rights. The effect of any potential voting rights that are currently exercisable or convertible at year end are considered when assessing whether the Group exercises control over a company.

The initial measurement of subsidiaries is performed using the acquisition method. The acquisition cost is the fair value of the assets acquired, of the equity instruments issued and liabilities incurred or assumed on the date of exchange. The identifiable assets acquired and the identifiable liabilities and contingencies assumed in a business combination are evaluated initially at their fair value on the date of acquisition, independently of the scope of the minority interests. Any acquisition costs in excess of the fair value of the Group's interest in the identifiable acquired net assets is recognised as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated income statement for the period.

At 31 December 2021 all subsidiaries had been consolidated by the full consolidation method.

(b) Business combination

The Group's business combinations are accounted for by use of the acquisition accounting method, requiring judgements and estimations in allocating fair values to the assets acquired and liabilities assumed in the transaction and in allocating the acquisition price to said fair values.

To integrate the businesses into the Group's financial statements, current accounting standards were applied, allocating the purchase price to the assets acquired and liabilities assumed on the basis of estimating their fair value on the date of acquisition.

In 2020, the Group acquired 100% of the stock capital of Global Sauco SOCIMI, S.L. for the sum of 3,600 euros. In 2021, the Group subsequently acquired 100% of the share capital of Global Lucanor, S.L. for the sum of 3,600 euros. As outlined in Note 1.1., the acquired companies are based in Madrid and own real estate in Spain.

As the 12-month term from acquisition has not yet finalised, the accounting for this business combination will be revised in the event that any of the circumstances defined in IFRS 3 "Business Combinations" should arise.

In 2021, the assets acquired generated operating income in the amount of 2,572,526 euros (in 2020 this amount was 2,617,216 euros). The transaction expenses incurred during the period have been entered under the heading "Other operating expenses"

(c) Subsidiaries

The subsidiaries are all those companies over which the Group holds control. The existence and effect of any potential voting rights that are currently exercisable are taken into account to assess whether the Group exercises control over a company. Subsidiaries are consolidated as of the date on which the control is transferred to the Group. They are excluded from the consolidation from the date on which it ends.

The acquisition accounting method is used to account for the Group's business combinations. The price paid for the acquisition of a subsidiary consists of the fair value of the assets transferred, the liabilities incurred by the previous owners of the concern and the shares issued by the Group. The transferred consideration includes the fair value of all assets and liabilities deriving from a contingent consideration agreement.

The acquired identifiable assets and the liabilities and contingencies assumed in a business combination are evaluated initially at their fair value on the date of acquisition. For each business combination, the Group may decide to recognise any interest not controlled in the acquired concern either at its fair value or in proportion to the non-controlling interest in the amounts recognised in relation to the interest in the identifiable net assets in the acquired concern.

The related costs are entered as expenses in the year in which they are incurred.

If the business combination is done in stages, it will be established at the fair value on the date of acquisition of the interest as previously determined by the acquirer, and be re-evaluated at its fair value on the date of acquisition. Any gain or loss resulting from this second evaluation will be recognised in the profit or loss for the year.

Any contingent considerations to be transferred by the Group are recognised at their fair value on the date of acquisition. Subsequent changes to the fair value of the consideration classified as an asset or liability are recognised as established in IAS 39. Transactions between companies, balances and unrealised profits resulting from intragroup transactions between associates are eliminated. Unrealised losses are also eliminated if they have been adjusted and, if the amounts submitted by the subsidiaries must be adapted to the Group's accounting practices, the corresponding measures are applied.

(d) Changes in the ownership of subsidiaries with no change in control

Transactions involving non-dominant interests resulting in no loss of control are entered as asset transactions, in other words, as transactions with the owners in their capacity as such. The difference between the fair value paid for the consideration and the corresponding acquired proportion of the carrying amount of the subsidiary's net assets are entered in the equity. Gains and losses resulting from the disposal of non-controlling interests are also recognised in the equity.

(e) Disposal of subsidiaries

When the Group relinquishes control, all interests held by the Group are adjusted to their fair value on the date on which control is relinquished, recognising the change in the recognised value in the consolidated income statement. Moreover, any amounts previously

recognised in the other comprehensive income with regard to the investee in question are entered as if the Group had directly sold the related assets and liabilities.

3.8 Share capital

Share capital consists of ordinary registered shares.

The costs of issuing new shares are entered directly into assets as a reduction in the issue premium.

In the event that the Company acquires treasury shares, the consideration paid includes all directly attributable incremental costs and is deducted from equity until the shares are cancelled. When these shares are sold or reissued, all amounts received are entered directly into equity.

3.9 Earnings per Share

The basic earnings per share is calculated by dividing the balanced average number of ordinary shares in circulation during the year by the net profit for the year attributable to the Parent Company, not including the average number of shares in the Parent Company in the Group company portfolios.

3.10 Leases

Leases are classified as finance leases whenever the terms of the lease substantially transfer the risks and rewards incidental to ownership of the leased asset to the lessee.

All other leases are classified as operating leases. At 31 December 2021, the Group did not hold any finance leases.

Operating lease

The income and expense deriving from operating lease contracts are charged to the income statement in the year in which they accrue.

Any collection that may be made when contracting an operating lease will be treated as an advance collection that will be allocated to profit/(loss) throughout the lease period, as the profits of the leased asset are assigned or received on a straight-line basis.

Evaluating the impact of IFRS 16 Leases

IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of information for leases.

It introduced a single model for accounting for leases which requires that the assets and liabilities of all leases of over 12 months be accounted, in a manner similar to those previously classified as finance leases. In relation to the lessee's accounts, the accounting requirements in force prior to IAS 17 are substantially maintained.

In this regard, the Directors have estimated that there was no material impact on the consolidated annual accounts and, accordingly, no impact has been entered for the first application of said item.

Amendment to IFRS 16: COVID-19-related rent concessions

In April 2020 the IASB published an educational document clarifying the treatment of concessions/relief provided to lessees in relation to the exceptional situation arising as a result of the COVID-19 pandemic. As the IASB makes clear, these concessions/relief may be considered changes in the scope of a lease agreement and, therefore, amendments to contracts.

This new guidance concluded with regard to the accounting treatment to be given to the two possible situations in which a lessor may find themselves:

- Future concessions agreed for future periods: In this situation, the lessor will apply IFRS 16 and may straight-line future concessions agreed with the lessee.

The Group has recorded no impact for this situation at 31 December 2021.

- Concessions or relief for past rent: In this situation, the lessor may recognise a credit impairment, as established in IFRS 9, or conduct the same exercise as in the previous situation.

3.11 Financial assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets unless they mature in more than 12 months after the date of the consolidated statement of financial position, in which case they are classified as non-current. Loans and receivables are classified as "Loans to companies" and "Trade and other receivables" in the consolidated balance sheet.

These financial assets are initially recognised at fair value, including the transaction costs directly attributable to them, and subsequently at amortised cost, recognising the interest accrued in accordance with their effective interest rate, understood as the update rate that equals the carrying value of the instrument with all its estimated cash flows until maturity.

Nevertheless, trade receivables maturing in less than a year are valued, both initially and subsequently, at nominal value, when the effect of not updating the cash flows is not significant.

At least at year-end, the necessary impairment corrections are made, should there be objective evidence that not all amounts owed will be collected.

The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of future estimated cash flows, discounted at the interest rate at the time of its initial recognition. Value adjustments, and also reversals, if any, are recognised in the consolidated income statement.

3.12 Financial liabilities

a) Debits and payables

This category includes trade payables and non-trade payables. These external resources are classified as current liabilities, unless the Company has the unconditional right to defer their settlement for at least 12 months after the date of the consolidated balance sheet.

These liabilities are initially recognised at fair value, adjusted for directly attributable transaction costs, and are subsequently measured at amortised cost using the effective

interest method. Said effective interest is the update rate equalling the carrying amount of the instrument with the expected flow of payments until maturity.

Notwithstanding the foregoing, trade payables maturing in less than a year and without a contractual interest rate are valued, both initially and subsequently, at nominal value, when the effect of not updating the cash flows is not significant.

The Group derecognises financial liabilities when the obligations cease to exist.

When debt instruments are exchanged, provided that they have substantially different conditions, the original financial liability is derecognised and the new financial liability arising is recognised. Similarly, a substantial modification is recorded in the current conditions of a financial liability. The difference between the carrying amount of the financial liability, or the part thereof that has been derecognised, and the consideration paid, including attributable transactions costs, also including any assigned asset other than the cash or liability undertaken, is recognised in the consolidated income statement on the date it takes place.

When there is an exchange of debt instruments that do not have materially different conditions, the original financial liability is not derecognised from the consolidated statement of financial position, and the amount of fees paid are entered as an adjustment in the carrying amount. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate matching the carrying amount of the financial liability on the date of modification with the cash flows payable in accordance with the new conditions.

Should there be any renegotiation of existing payables, no substantial amendments of the financial liability are considered to exist when the lender of the new loan is the same party granting the initial loan and the present value of cash flows including net fees differs by less than 10% from the present value of the cash flows pending payment of the original liability, calculated using the same method.

3.13 Related party transactions

Transactions carried out between Group companies and related companies are generally measured initially at fair value. Where the agreed price differs from fair value, the difference is recognised based on the economic substance of the transaction. The transactions are subsequently measured as set out in the related measurement standards.

3.14 Equity items of an environmental nature

Assets of an environmental nature are those which are used with lasting effect in the Group's activities and which have as their primary purpose to minimise environmental impact and protect and improve the environment, including by reducing or eliminating pollution in the future.

The Group's activity inherently has no significant environmental impact.

4. Estimations

Formulating these consolidated annual financial statements requires the directors of the Parent Company to make judgements, estimations and assumptions which affect how accounting policies are applied and asset and liability and income and expenditure balances. The real results may differ from said estimations.

The directors revise their estimations on a constant basis. However, in view of their inherent uncertainty, there is a risk that significant adjustments may have to be made to the future in relation to the value of the affected assets and liabilities, as well as changes in the assumptions, facts and circumstances on which they are based.

To formulate these consolidated annual financial statements, the judgements made by the directors of the Parent Company in applying the accounting principles of the Group and the main areas of uncertainty in their estimations are the following:

Fair value of investment properties

The fair value is determined by independent external assessors, using evaluation techniques and assumptions, such as estimated future cash flows and estimated appropriate discount rate for said future cash flows, and also management assessments based on economic models.

Additionally, investment properties under development also require an estimation of construction costs. In this case, the fair value is determined on the basis of the most recent transactions involving properties of similar characteristics and locations as the property being assessed.

The evaluations made by the independent valuer up to 31 December 2020 were conducted under the circumstances arising as a result of the COVID-19 pandemic and are, therefore, subject to "material uncertainty", according to the RICS Global Valuations Standards. In this regard, a lower degree and a greater degree of caution should be given to the evaluation. Nevertheless, the evaluation made by the independent valuer includes an estimation of the potential impact of the situation on net earnings, growth expectations, projected prices and discounts of each asset owned by the Company.

The best evidence of the fair value of investment properties on the market is their comparison with similar assets. When this information is not available, the valuer determines the fair value by applying a range of fair values. When making these judgements, the valuer uses a series of sources, including:

- i. Current prices in an active market with different types of properties, under different conditions and in different places, adjusting them to the differences with the Group's assets.
- ii. Recent prices of properties in other, less active markets, adjusting them to the changes in economic conditions since the date of the transaction.
- iii. Discounting cash flows based on estimations deriving from the terms and conditions of current rental agreements and, if possible, market price evidence for similar properties in the same place, using discount rates that reflect the uncertainty of the time factor.

Evaluation and assumption techniques applied to measure fair value.

The fair value of financial assets and liabilities is determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions traded on active, liquid markets is determined in reference to market prices.
- The fair value of other financial assets and liabilities (not including derivatives) is determined using generally accepted evaluation models based on discounting cash flows, using observable transaction prices on the market and quotes for similar instruments.

Financial instruments evaluated subsequently to their initial recognition at fair value are classified into levels 1 to 3, based on the degree to which the fair value is observed.

- Level 1: referenced to quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: referenced to other observable inputs (other than the quoted prices included in Level 1) for the asset or liability, whether directly (prices) or indirectly (deriving from prices).
- Level 3: referenced to valuation techniques including inputs for the asset or liability not based on observable market data (non-observable inputs).

There are no transactions in levels 1, 2 or 3.

Note 6 also provides detailed information on calculating the fair value of investment properties which, according to Level 2, amounted in 2021 to 98,358,999 euros (in 2020 the amount corresponding to that level was 49,173,300 euros), without including advances for investment properties.

Corporate Income Tax

The Parent Company is covered by the tax regime established in Act 11/2009 of 26 October on Listed Real Estate Investment Trusts (SOCIMI), which, provided they comply with a series of requirements, pay tax at a rate of 0%.

The Directors of the Parent Company monitor compliance with the applicable legal requirements to ensure that the company is entitled to the tax gains established by law.

In this regard, the Directors of the Parent Company consider that said requirements will be fulfilled within the established deadlines and, accordingly, have recognised no expenditure in relation to corporate income tax.

5. Managing Financial Risk and Financial Instruments.

5.1 Financial risk factors

The Group's activities are exposed to a series of financial risks. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential effects on its return on equity.

Risk management is handled by the management company Briks Residential, S.L.U.

5.1.1 Market risk

Due to the current situation of the real estate sector, and with the aim of mitigating its potential negative impacts, the Group has specific measures in place to reduce their impact on its balance sheet.

The application of these measures is subject to the results of the sensitivity analysis that the Group performs on a recurring basis. These analyses take into account:

- Economic environment in which it carries out its activity: Design of different economic scenarios modifying the key variables that can affect the group (interest rates, share prices, % occupancy of investment properties, etc.). Identification of those interdependent variables and their level of linkage.

- The time frame in which the evaluation is being done: The time horizon of the analysis and its possible deviations will be taken into account.

The Group is exposed to market risk due to possible property vacancies or downward renegotiations of lease contracts when the rental contracts expire.

This risk would directly negatively affect the measurement of the assets.

5.1.2 Liquidity risk

The liquidity risk is defined as the risk of the Group not fulfilling its obligations in relation to settled financial liabilities or other financial assets.

The Group implements a prudent liquidity risk management policy, having the sufficient liquidity to fulfil all due obligations, not just in normal market conditions, but also in times of uncertainty, without incurring unreasonable losses or endangering the reputation of the Group. At 31 December 2021, the Group had loans and borrowings with credit institutions.

5.1.3 Currency risk

The Group is exposed to no risk with regard to possible exchange rate fluctuations, as it conducts all transactions in euros, its functional and accounting currency.

5.1.4 Credit risk

The Group has cash and deposits in Spanish banks, being thus exposed to their stability and insolvency risks.

Another credit risk lies in the possible insolvency of tenants. Accordingly, the Group selects tenants with the highest possible credit rating. However, business units are occasionally acquired with tenants in place who, already installed, could not be assessed by the Group. The Group attempts to attenuate the risk of non-payment by having tenants pay advances.

5.1.5. Tax risk

As mentioned in Note 1, the Parent Company is covered by the special tax scheme for Listed Real Estate Investment Trusts (SOCIMI). Article 6 of the Law on Listed Real Estate Investment Trusts 11/2009, as amended by Law 16/2012, establishes that dividends must be paid out to shareholders, providing certain trade obligations are fulfilled. Dividend payouts must be approved within six months of the end of the tax year, and paid within one month of their approval.

If the General Meeting of Shareholders of a SOCIMI does not approve the dividend share-out proposed by the Board of Directors, calculated in accordance with the requirements of the law, they may be infringing the law and, therefore, would be taxed in accordance with the general tax scheme rather than the one that applies to SOCIMI.

6. Investment properties

Investment properties include: apartments, lofts, storage rooms, parking spaces and business premises owned by the Group for long-term leases, and not occupied by Group affiliates.

The following are the movements occurring under this heading during the year in progress:

	In euros
	Investment properties
Balance at 29 January 2020	
Acquisitions	31,720,422
Disposals	(140,740)
Capex	1,157,322
In progress	6,786
Impairment	(1,733,945)
Investment property evaluation result	18,163,456
Balance at 31 December 2020	49,173,300

	In euros
	Investment properties
Balance at 1 January 2021	49,173,300
Acquisitions	35,541,552
Disposals	(157,739)
Capex	3,548,725
In progress	2,318,059
Impairment	(2,056,698)
Investment property evaluation result	9,991,800
Balance at 31 December 2021	98,358,999

At 31 December 2021, the subsidiaries had 1,243 properties on their books. Of these, 552 properties belong to (GLOBAL LUCANOR, S.L.) and the remaining 691 to GLOBAL SAUCO, SOCIMI, S.L. At 31 December 2020, subsidiary (GLOBAL SAUCO, SOCIMI, S.L.) had 587 properties on its books.

From the time the Parent Company was incorporated up to 31 December 2021, the Group had performed the following transactions:

GLOBAL SAUCO, SOCIMI, S.L. property purchases:

- On 7 April 2020, the subsidiary entered into a private sale-purchase agreement (the "Alcázar I" Agreement) with two non-group companies, regulating the terms

and conditions by which both parties undertook to transfer and acquire, respectively, on different dates a property portfolio. Said private sale-purchase agreement was renewed on 25 May 2020 and 26 June 2020.

- On 2 October 2020, the subsidiary entered into a private sale-purchase agreement (the "Alcázar II" Agreement) with three non-group companies, regulating the terms and conditions for the purchase of a property portfolio by the former from the latter.

Under the Alcázar I Agreement, the subsidiary acquired properties on the following date and for the following amounts:

- On 26 June 2020, in deeds executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 373 properties. The acquisition cost of said properties was 19,757,636 euros (plus transaction fees and certain improvements amounting to 942,151 euros).
- On 30 July 2020, in deeds executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 32 properties. The acquisition cost of said properties was 1,825,723 euros (plus transaction fees and certain improvements amounting to 36,570 euros).
- On 30 September 2020, in deeds of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 32 properties. The acquisition cost of said properties was 1,653,862 euros (plus transaction fees and certain improvements amounting to 6,898 euros).
- On 30 December 2020, in deeds of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 6 properties. The acquisition cost of said properties was 426,081 euros.
- On 26 February 2021, in deeds of sale executed before Madrid Notary Mr Antonio Morenés Giles, the Group acquired 17 properties for a purchase price of 659,844 euros. On that same day and before the same notary, the Group acquired 2 properties for a purchase price of 101,292 euros.
- On 23 June 2021, in deeds of sale executed before Madrid Notary Mr Antonio Morenés Giles, the Group acquired 74 properties for a purchase price of 2,983,852 euros.

Additionally, under the Alcázar II Agreement, the subsidiary acquired properties on the following date and for the following amounts:

- On 30 October 2020, in deeds of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 45 properties. The acquisition cost of said properties was 2,127,530 euros (plus transaction fees and certain improvements amounting to 171,703 euros).
- On 30 December 2020, in deeds of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group acquired 107 properties. The acquisition cost of said properties was 5,929,589 euros.
- On 26 February 2021, in the deed of sale executed before Madrid Notary Mr Antonio Morenés Giles, the Group acquired 8 properties. The purchase price of all these properties was 524,247 euros. On that same day and before the same notary, the Group acquired 3 properties for a price of 161,264 euros.

GLOBAL LUCANOR, S.L. property purchases:

Subsidiary GLOBAL LUCANOR acquired properties distributed among several portfolios (FREYA, ODÍN, LEOPARD and THOR) on the following dates and for the amounts indicated below:

- On 30 April 2021 (Freya 1st closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 77 properties. The cost of the transaction came to 3,816,666 euros.
- On 30 April 2021 (Odín 1st closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 86 properties for a purchase price of 4,596,718 euros.
- On 30 June 2021 (Freya 2nd closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 6 properties for a purchase price of 285,304 euros.
- On 29 October 2021 (Odín 2nd closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 36 properties for a purchase price of 2,016,688 euros.
- On 1 December 2021 (Odín 3rd closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 8 properties for a purchase price of 362,033 euros.
- On 24 November 2021 (Thor 1st closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 205 properties. The purchase price for those properties was 12,159,351 euros.
- On 24 November 2021 (Leopard 2nd closing), in the deed of sale executed before Madrid Notary Mr Ignacio Paz-Ares Rodríguez, the Group acquired 205 properties. The purchase price for those properties was 7,875,977 euros.

The details of the properties listed under this heading, in compliance with Article 11 of the Law on Listed Real Estate Investment Trusts, is included in Annex I to these consolidated annual financial statements.

Evaluation procedure

At 31 December 2021, the investment properties were recognised at their fair value, this being understood as their market value. The market value of the Group's investment properties at 31 December 2021, less advances on investment properties, as calculated by independent valuers, amounted to 98,358,999 euros. At 31 December 2020, this amount came to 49,173,300 euros.

The results recognised in the consolidated income statement as a result of the variation in the fair value of the investment properties amounts to 9,991,800 euros. In 2020 this amount came to 18,163,456 euros. As indicated in IFRS 13, in certain cases, the transaction price may not reflect the fair value of the asset at initial recognition. The Group's investment properties have been valued by an independent, expert valuation firm, as per the standards of the Royal Institute of Chartered Surveyors (RICS).

The approach used to calculate the market value of the investment properties is the sales comparison. This method is based on the principle of substitution, meaning that the asset is compared to others whose value is known. The greater the similarity between them with regard to construction type, location, etc., the more reliable the result.

The primary variables that influence and affect the market, such as relative weighting, must be determined. This may be done directly or by using regression analysis applying the models. The commonly used factors are: location, build quality, build age, build status and condition, surface area and fitness for purpose.

Similar operations may include sales and lease arrangements in the area, the supply of land and buildings and the opinions of other valuers or agents. As a result, the value is determined by identifying comparable transactions for the sale and closure of operations, which are comparable in terms of location, as well as condition and functionality.

The first step towards obtaining a reliable comparison is to standardise the (comparable) unit market prices obtained, based on a series of parameters including surface area, location, asset quality/specifications, etc.; the second is the weighting of these values based on the degree of similarity between the assets being compared. These are the main factors or variables used to determine variations in the specific market, such as the correct weighting.

Advances on investment properties

In addition to the items included under the heading “Investment properties”, the Group presents a balance of 2,630 euros in 2021 (this amounted to 173,647 euros in 2020) for payments made by the Group for the acquisition of properties pending acquisition based on the signing of the Alcázar I and Alcázar II private purchase-sale agreements mentioned above.

These advances are amounts paid as earnest money, making the offers irrevocable and obliging the Company to acquire the properties in question. This notwithstanding, the final implementation of the contract is subject to a series of conditions precedent contingent on the legal, property and tax reviews being satisfactory after reviewing the corresponding legal documents.

Any unjustified failure by the Group to perform the sale contracts within the specified time, will entitle the sellers to terminate the contract and retain the advances.

Disposal of Properties:

In 2020, throughout the year, the Company disposed of certain investment properties acquired in the year on the following dates:

- On 7 September 2020, in a deed of sale executed before Madrid Notary Public Mr Javier de Lucas y Cadenas, the Group disposed of five properties. The sale price of said properties was 79,057 euros.
- On 7 September 2020, in a deed of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group disposed of one property. The sale price of said property was 15,811 euros.
- On 7 September 2020, in a deed of sale executed before Madrid Notary Public Mr Antonio Morenés Giles, the Group disposed of two properties. The sale price of said properties was 135,311 euros.

The total profits resulting from the sale of investment properties in 2020 amounted to 77,298 euros.

In 2021, throughout the year, the Company disposed of certain investment properties acquired in the year on the following dates:

- On 4 April 2021, in a deed of sale granted before Mairena del Aljarafe Notary Mr Roberto López Tormos Pascual, the Group disposed of one property. The sale price for that transaction was 110,000 euros.
- On 17 June 2021, in a deed of sale executed before Madrid Notary Mr Jose Ortiz Rodríguez, the Group disposed of one property. The sale price for that transaction was 11,500 euros.
- On 18 June 2021, in a deed of sale executed before Alcoy Notary, Mr Eugenio Pérez Almarche, the Group disposed of one property in that city. The sale price for that transaction was 125,000 euros.
- On 14 September 2021, in a deed of sale executed before Seville Notary Ms María Enriqueta Zafra Izquierdo, the Group disposed of one property for a sale price of 87,000 euros.

The total profits resulting from the sale of investment properties in 2021 amounted to 169,152 euros.

Income derived from investment properties

The Group has operating lease agreements in force over the properties acquired. At 31 December 2021, the Company recorded incomes of 1,409,010 euros under this item. That amount was 235,501 euros at the close of the 2020 financial year.

Operating leases

The revenue recognised in the year by the group has its origin in rental revenues deriving from lease agreements, as stated above.

The total amount of minimum future receivables for non-cancelled operating leases is as follows:

Year 2020

Expiry of Leases	EUROS
Under one year	22,701
From one to two years	1,882
From two to three years	1,942
Over three years	630
TOTAL	27,155

Year 2021

Expiry of Leases	EUROS
Under one year	67,570
From one to two years	2,933
From two to three years	1,131
Over three years	271,123
TOTAL	342,757

Insurance

The Group's policy is to cover all possible risks which may affect its investment properties by taking out insurance policies having coverage considered sufficient by the directors of the Parent Company.

7. Other financial assets

By virtue of the Subsidiary's operating lease agreements, at 31 December 2021 the Group recognised the sum of 86,618 euros as advances deposited with official bodies. At 31 December 2020, the amount came to 24,146 euros.

In turn and under this heading, the subsidiary recognised certain advances to third-party service providers amounting to 981 euros (in 2020 the amount came to 841 euros).

8. Inventories

Supplier advances

Acquisition of financial rights

On 7 April 2020, the subsidiary entered into a private sale-purchase agreement with a non-group company (included under the Alcázar I agreement), by virtue of which it was agreed that the subsidiary would acquire the financial rights deriving from a portfolio of properties being sold by the seller.

Under said agreement, on 26 June 2020 the subsidiary paid the other party the sum of 5,917,386 euros.

The remaining amount corresponding to each asset is offset as sales are made. 25% of the initial price of unsold assets will be paid in 2022, as the company will acquire any properties not sold by that date as investment properties.

Additionally, as the seller transfers the properties included in the portfolio to third parties outside the Group, the subsidiary recognises the cancellation of said financial rights over the properties sold and the corresponding profit in the income statement.

During 2021, the sale of those retail properties took place, resulting in revenues of 963,259 euros for the company. While the revenue recorded for that item in 2020 was 2,108,980 euros.

Consequently, at 31 December 2020, the amount recognised by the Group as supplier advances paid to third parties for this item amounted to 3,381,526 euros. At 31 December 2021, the amount of these advances stands at 35,555 euros.

Other supplier advances

At 31 December 2021, the Group recorded 1,928,015 euros as supplier advances, mainly for the purchase of plant, property and equipment. At 31 December 2020, the amount was 446,595 euros.

9. Trade and other receivables

Under trade receivables, the Group recognises the sum of 264,813 euros as rents owed by clients (at the end of 2020 that amount came to 1,305,267 euros), less certain advances received from tenants, as well as what was owed for the settlement of the sales of the financial rights to the third party that sold them.

In 2020, the Group recognises current liabilities of 4,924 euros as trade advances. There is no balance in the financial year ended 31 December 2021.

In turn, during 2021 the Group cancelled the balance it held at 31 December 2020 under other receivables in the amount of 127,294 euros as the quantity owed to the subsidiary company for the sale of the credit rights that took place in 2020.

10. Cash and cash equivalents

This heading includes cash and cash equivalents of the Group in cash, banks and short-term deposits maturing in three months or earlier. The carrying amount of these assets is equivalent to their fair value.

At 31 December 2021, the balance of "Cash and cash equivalents" came to 17,747,369 euros, of which 14,172,732 euros is fully available, while 3,574,637 euros are in pledged bank accounts.

11. Equity and shareholders' equity

Share capital and issue premium

At 31 December 2021 and 2020 the share capital of the Parent Company amounted to 5,000,000 euros, represented by 5,000,000 shares, each with a par value of 1 euro. All shares are the same class and fully subscribed and paid up.

Heimdall Luxembourg Holdings II S.à r.l. owns 4,925,000 of said shares, numbers 1 to 59,100, both inclusive, and 60,001 to 4,925,900, both inclusive, accounting for 98.5% of the stock capital, with an issue premium of 7,488,052 euros.

Welcomechance, S.L.U. owns 75,000 of said shares, numbers 59,101 to 60,000, both inclusive, and 4,925,901 to 5,000,000, both inclusive, accounting for 1.5% of the share capital, with an issue premium of 114,031 euros.

Legal reserve and other reserves

The Spanish Companies Act requires that the limited company transfers 10% of profits for the period to a legal reserve until this reserve reaches an amount equal to at least 20% of share capital. This legal reserve can be used to increase capital in the part exceeding 10% of capital after the increase. Apart from the purpose mentioned above, the legal reserve may only be used to offset losses, providing it does not exceed 20% of the capital and taking into account the limits in place under the SOCIMI regime, provided no other sufficient reserves are available for the purpose.

Under Law 11/2009, regulating Listed Real Estate Investment Trusts (SOCIMI), the legal reserves of companies subject to the special tax scheme established therein may not exceed 20% of their share capital. The bylaws of these companies may not establish any restricted reserve other than the foregoing one.

At 31 December 2021, the Company's legal reserve was not constituted.

Shareholder contributions

At 31 December 2021, the total amount of shareholder contributions amounts to 32,639,746 euros, with 32,150,150 euros corresponding to majority shareholder Heimdall Luxembourg Holdings II, S.À.R.L., and 489,596 euros to Welcomechance, S.L.U. At 2020 year-end, the amounts came to a total of 8,339,746 euros, with 8,214,650 euros corresponding to the majority shareholder and 125,096 euros to the minority shareholder.

Shareholder contributions received in 2021 and 2020 were:

- Heimdall Luxembourg Holdings II, S.À.R.L.

Date	Contributions
23/11/2021	21,177,500
13/05/2021	2,758,000
16/10/2020	5,861,172
27/03/2020	2,353,478
TOTAL	32,150,150

- Welcomechance, S.L.U.

Date	Contributions
23/11/2021	322,500
13/05/2021	42,000
16/10/2020	35,840
27/03/2020	89,256
TOTAL	489,596

Shareholder structure

At 31 December 2021, the direct shareholders of the Parent Company were:

- Heimdall Luxembourg Holdings II S.á r.l., majority shareholder, holding 98.5% of the capital.
- Welcomechance, S.L.U., minority shareholder, holding 1.5% of the capital.

Earnings per Share

At 31 December 2020, the details to be taken into account to calculate earnings/(losses) per share were:

Net profit for the period attributable to the shareholders	16,122,961
Total number of shares in circulation	5,000,000
Earnings per share (euros)	3.22

While at 31 December 2021 the calculation is:

Net profit for the period attributable to the shareholders	4,029,082
Total number of shares in circulation	5,000,000
Earnings per share (euros)	0.81

Appropriation of profit/(loss)

The proposed distribution of the profits(losses) of the Parent Company to be put to the General Meeting of Shareholders is as follows:

APPROPRIATION OF PROFIT/(LOSS)	EUROS	
	2021	2020
Basis of allocation		
Profit/(Loss) in Income Statement	(697,511)	(296,527)
TOTAL	(697,511)	(296,527)
Appropriation		
Prior years' losses	(697,511)	(296,527)
TOTAL	(697,511)	(296,527)

This distribution is expected to be approved by the General Meeting of Shareholders in early 2022. The distribution of profit/(loss) for 2020 was approved at the start of 2021, against prior years' losses.

Dividend distribution policy

Dividends will be paid in cash when available, and recognised as a liability in the consolidated annual financial statements in the period in which they are approved by the shareholders of the Parent Company or the subsidiary.

After fulfilling the corresponding commercial obligations, SOCIMIs must distribute the profit obtained in the year to its shareholders, in the form of dividends, and should resolve on this distribution within six months of the end of each year as follows:

- 100% of the profits from dividends or profit sharing distributed by the companies to which art. 2.1 of this Law refers.

- b) At least 50% of the profits from the transfer of real estate and public or private limited liability company shares referenced in art. 2.1 of this Law, performed following the end of the periods to which art. 3.3 of this Law refers, subject to the fulfilment of its main corporate purpose. The remaining profits should be reinvested in other real estate or shares subject to the fulfilment of that purpose, within three years of the transfer date. Otherwise, these profits should be distributed in their entirety and together with any profits, as appropriate, from the year in which the reinvestment period ends. If the elements for reinvestment are transferred prior to the maintenance period, any profits should be distributed in their entirety together with any profits, as appropriate, from the year in which they were transferred. The distribution obligation does not cover, where appropriate, that part of the profits attributable to years in which the company was not taxed by the special tax scheme established in this Law.
- c) At least 80% of the rest of the profits obtained.

When the distribution of dividends is made against reserves from profits of a year in which the special tax scheme was not applied, their distribution must be adopted in terms of the resolution referenced in the preceding paragraph.

The legal reserve of companies subject to the special tax scheme established in the Law may not exceed 20% of their capital. The bylaws of these companies may not establish any restricted reserve other than the foregoing one.

No dividends were paid out during 2020 and 2021.

12. Financial liabilities

12.1 Non-current payables

Loans and borrowings:

GLOBAL SAUCO, SOCIMI, S.L.

On 29 December 2020, the subsidiary recorded in a public deed a mortgage agreement over certain investment properties held by the Company, for which it received the sum of 9,300,088 euros.

During 2021, on 15 February the subsidiary company GLOBAL SAUCO, SOCIMI, S.L. received the amount of 15,414,629 euros as capital and, on 19 October of that same year, it received another capital contribution of 1,000,000 euros. Furthermore, capital repayments took place on 23 April 2021 in the amount of 82,500 euros, and 14 July in the amount of 102,000 euros. Whereby the amount of outstanding capital is 25,530,217 euros.

The group paid fees of 1,330,412 euros to formalise said loan, having recognised the sum of 3,003 euros in the income statement in 2020. In 2021 the amount of 30,500 euros was paid as formalisation expenses, while the quantity of 227,191 euros was recognised in the income statement for that item.

At the end of 2020 and 2021, there were no significant differences between the fair value and the carrying value of the loans and borrowings.

The essential terms of the financing agreement in GLOBAL SAUCO, SOCIMI, S.L. are described below:

- The principal of the borrowing shall be returned in full on its expiry date, established as 23 December 2023.
- The subsidiary shall pay the interests on the borrowing in quarterly instalments, in January, April, July and October, until the expiry date.
- The interest rate applied will be the EURIBOR rate plus a fixed market rate.
- The subsidiary undertakes to comply with a series of given financial ratios. Specifically the Loan to Value may not exceed 65% in the first 3 years of the loan, decreasing to 60% for the fourth and fifth year if the maturity date is extended. From 2022 onwards, it must ensure that the Debit Yield ratio does not fall below 6.25% in 2022 and 2023, or 6.5% in 2024 and 6.75 in 2025, if the expiry date is extended.

GLOBAL LUCANOR, S.L.

On 24 November 2021, the subsidiary recorded in a public deed a mortgage agreement over certain investment properties held by the Company, for which it received the sum of 13,347,148 euros.

The group paid fees of 563,389 euros to formalise said loan, having recognised the sum of 25,096 euros in the income statement in 2021.

At the end of 2021, there were no significant differences between the fair value and the carrying value of the loans and borrowings.

The essential terms of the financing agreement in GLOBAL LUCANOR, S.L. are described below:

- The principal of the borrowing shall be returned in full on its expiry date, established as 14 January 2024.
- The subsidiary shall pay the interests on the borrowing in quarterly instalments, in January, April, July and October, until the expiry date.
- The interest rate applied will be the EURIBOR rate plus a fixed market rate.
- The Subsidiary undertakes to comply with a series of given financial ratios.

Based on said borrowings, at 31 December 2020, the Group recognised the sum of 7,972,679 euros in the long term as principal pending repayment and 4,263 euros as in the short term as accrued, unpaid interest. At 31 December 2021, the Group recognised the sum of 37,208,351 euros as outstanding principal and 356,682 euros as accrued and unpaid interest.

Other non-current payables and other financial liabilities

a) *Other financial liabilities:*

By virtue of the Subsidiary's operating lease agreements at 31 December 2021, the Group recognised the sum of 186,396 euros (the balance at 31 December 2020 was 45,310 euros) for deposits and additional guarantees from tenants.

b) *Non-current fixed assets payable:*

The subsidiaries recognise the sum of €4,502,801 euros in this heading with suppliers of non-current fixed assets, as the conditions of the contracts of sale stipulate that 25% of the initial acquisition price for the investment properties be paid by the different deferred asset payment dates (see Note 6). At 31 December 2020 this amount came to 5,588,907 euros.

12.2 Payables to Group companies:

The loan with group companies was cancelled during the 2021 financial year. At the end of 2020, the group recorded the sum of 10,940,830 euros in payables to group companies: The breakdown is as follows:

Heimdall Luxembourg Holdings II S.à r.l.

On 25 June 2020 and in order to finance the real estate acquisitions, the Group received loans from its then majority shareholder Heimdall Luxembourg Holdings S.à.r.l. (with new shareholder Heimdall Luxembourg Holdings II, S.à.r.l. acting as lender at year-end).

The initial principal received was 8,669,928 euros. This was added to by a further borrowing of 1,920,328 euros by means of a transfer received on 16 October 2020.

The stipulated maturity date for both borrowings is 25 June 2025, moreover, a fixed annual interest rate has been established on the basis of a 360-day year.

Throughout 2020, no repayments of principal or interest were made. Accordingly, at 31 December 2020, the accrued and unpaid interest was capitalised, being added to the principal as stipulated in Point 3.4 of the loan agreements.

Accordingly, at 31 December 2020, the total principal of the borrowings amounted to 10,777,251 euros, with accrued unpaid interest, entered on the income statement, of 186,995 euros.

On 23 February 2021, the Company decided to cancel all debts held with its shareholders in a total amount of 10,837,873 euros to Heimdall Luxembourg Holding II, S.à r.l. At the end of 2021, the interest recorded in the income statement for this loan amounts to 60,622 euros.

Welcomechance, S.L.U.

On 25 June 2020, the Group received loans to cover its property acquisitions from its minority shareholder, Welcomechance, S.L.U.

The initial principal received was 132,029 euros. This was added to by a further borrowing of 29,243 euros by means of a transfer received on 16 October 2020.

The stipulated maturity date for both borrowings is 25 June 2025, moreover, a fixed annual interest rate has been established on the basis of a 360-day year.

Throughout 2020, no repayments of principal or interest were made. Accordingly, at 31 December 2020, the accrued and unpaid interest was capitalised, being added to the principal as stipulated in Point 3.4 of the loan agreements. Additionally, the sum of 541 euros was withheld to pay the Tax Administration Agency.

Accordingly, at 31 December 2020, the total principal amounted to 163,579 euros, with accrued unpaid interest, entered on the income statement, of 2,847 euros.

On 23 February 2021, the Company decided to cancel all debts held with its shareholders in a total amount of 164,324.25 euros to Welcomechance, S.L.U. At the end of 2021, the interest recorded in the income statement for this loan amounts to 921 euros.

13. Trade payables

The carrying amount of the trade payables is equivalent to their fair value.

At 31 December 2021, the Company owed 3,594,005 euros; at the close of the previous year the Company owed 1,113,646 euros.

Trade payables includes commercial creditors of debts for goods or services supplied, included in the "Miscellaneous Creditors" items of the current liabilities.

Information on deferred payment to suppliers.

In accordance with the ICAC Resolution of 29 January 2016, regarding information to be included in the notes to the annual financial statements in relation to the average payment period to suppliers in trade operations, the company supplies the following information:

	2021	2020
	Days	Days
Average supplier payment period* <i>The figures are for the period from 29 January to 31 December 2020 (note 2.4)</i>	219.27	67.48

14. Public Entities and tax position

The structure of current balances with Public Entities at 31 December 2020 was as follows:

	In Euros	
In euros	Accounts receivable	Accounts payable
<u>Balances with the Tax Authorities</u>		
Withholdings from professionals (Personal Income Tax)	-	14,444
Withholdings on interest (Corporate Income Tax)	36,070	36,611
VAT	4,102	-
	40,172	51,055

The structure of current balances with Public Entities at 31 December 2021 is as follows:

	In Euros	
In euros	Accounts receivable	Accounts payable
<u>Balances with the Tax Authorities</u>		
Withholdings from professionals (Personal Income Tax)	-	3,955
Withholdings on interest (Corporate Income Tax)	11,694	-
VAT	-	17,178
	11,694	21,133

Corporate Income Tax calculation

The conciliation between the consolidated result and the sum of the taxable bases of the Group companies for the year 29 January 2020 to 31 December 2020 is given below:

	EUROS
	2020
Accounting profit/(loss) before taxes	16,122,961
Corrections to the result	16,429,331
Offsetting of tax loss carryforwards	-
Taxable income (tax profit/(loss))	(36,370)
Tax at 0%	-
Withholdings	(36,070)

The conciliation between the consolidated result and the sum of the taxable bases of Group companies for the period between 1 January and 31 December 2021 is as follows:

	EUROS
	2021
Accounting profit/(loss) before taxes	4,029,082
Corrections to the result	4,029,082
Offsetting of tax loss carryforwards	-
Taxable income (tax profit/(loss))	(11,694)
Tax at 0%	-
Withholdings	(11,694)

The taxable base given in the table is the sum of the taxable bases of the Group's companies, after adjusting the consolidated profit/(Loss) for the year by consolidation adjustments and eliminations.

Under the Law on SOCIMIs, the current Corporate Income Tax is the result of applying a rate of 0% to the taxable base.

Additionally, in accordance with Article 9 of Act 11/2009 of 26 October on Listed Real Estate Investment Trusts, Article 26 of the revised Corporate Income Tax Act does not apply to negative tax bases and, accordingly, they are not accumulated to offset future years.

The Group has a credit with the Public Entities for withholdings made by the investee in relation to capitalised interests on the loan. This credit amounts to 36,070 euros and its repayment will be requested in the 2020 Corporate Income Tax statement. The amount of withholding as regards capitalised interests on the loan granted in 2021 comes to 11,693 euros, whose reimbursement will be requested in the 2021 Corporate Income Tax return.

Years open to inspection and tax audits:

As established by legislation in force, taxes cannot be deemed as definitively settled until the tax returns filed have been audited by tax authorities or until the 4-year statute of limitations has concluded. At 2021 year-end, the Group companies' tax returns for all the years since its incorporation were open for review by the tax authorities.

The Directors of the Parent Company deem that the settlements of the aforementioned taxes have been appropriately undertaken whereby, even if discrepancies arise over the existing regulatory interpretation of the tax treatment given to the transactions, any possible resulting liabilities, should they materialise, would not have a significant impact on these consolidated annual financial statements.

15. Income and expense

a) Gains in the fair value of investment properties:

The breakdown of the fair value of the investment properties is given in Note 6.

b) Income from investment properties

The breakdown of the income from the subsidiary's investment properties is given below.

INCOME FROM LEASES AND SALES	EUROS
	2020 ^(*)
Lease income	196,658
Lease rent settlements	38,843
Sale of financial rights	2,108,980
Income from disposal of investment properties	77,298
Sales of other credit rights	195,437
TOTAL	2,617,216

** The figures are for the period from 29 January to 31 December 2020 (note 2.4)*

INCOME FROM LEASES AND SALES	EUROS
	2021
Lease income	1,227,432
Lease rent settlements	181,578
Sale of financial rights	963,259
Income from disposal of investment properties	169,152
Sales of other credit rights	30,675
Other income	430
TOTAL	2,572,526

Notwithstanding the foregoing, the Group considers the Net Turnover to include only the incomes deriving from its lease activities, this being the group's primary activity. Accordingly, the Net Turnover for the year 2021 is 1,409,010 euros. Meanwhile, the amount of that item at 31 December 2020 was 235,501 euros.

c) Supplies

The group recognises the sum of 660,644 euros from the acquisitions of financial rights which it has cancelled as they were transmitted throughout 2021. The amount of that item in 2020 was 1,419,210 euros.

d) Operating expense

The breakdown of this item of the consolidated income statement is as follows:

OPERATING EXPENSE	EUROS	
	2021	2020(*)
Independent professional services	2,130,051	529,739
Asset management services	589,211	488,196
Property management services	167,501	84,219
Insurance premiums	115,981	45,404
Banking services	77,868	25,197
Other miscellaneous expense	146,800	8,994
Property expenses	547,024	114,096
Taxes	156,450	8,150
TOTAL	3,930,886	1,303,995

** The figures are for the period from 29 January to 31 December 2020 (note 2.4)*

Arising from the management agreement explained in Note 1.2 here, the group has paid 589,211 euros in asset management services to 31 December 2021. The amount of the item at 31 December 2020 came to 488,196 euros.

e) Finance expense

The finance expenses are the result of loans received from group companies and the bank and of difference in exchange rates, as indicated in point 12.

In 2020 the total finance expenses were 200,381 euros, broken down into 189,842 euros for loans received from group companies, 7,266 euros for finance expenses relating to the mortgage loan, and 3,273 euros for negative exchange rate differences.

At 31 December 2021, total finance expenses were 1,857,613 euros, broken down into 1,788,676 for finance expenses relating to loans with bank institutions, 61,542 for loans received from group companies and 7,394,73 euros for negative exchange rate differences.

f) Audit fees

The fees for the auditing and review services provided by Ernst & Young, S.L. in 2021 amount to 101,750 euros. In 2020 these expenses were 99,800 euros.

During the year ending 31 December 2021, we expect that the services provided by other companies of the E&Y group will amount to 50,993 euros. While that item came to 59,620 euros for other services.

g) Shareout of Consolidated Result

The financial statements for the period from 29 January 2020 to 31 December 2020 for the companies included in the consolidation perimeter are as follows:

Companies	In euros
Full Consolidation	2020^(*)
Global Piélago, SOCIMI, S.A.	(296,527)
Global Sauco, SOCIMI, S.L. (**)	16,419,488
Total	16,122,961

* The figures are for the period from 29 January to 31 December 2020 (note 2.4)

**Unaudited company

The financial statements for the period from 1 January 2021 to 31 December 2021 for the companies included in the consolidation perimeter are as follows:

Companies	In euros
Full Consolidation	2021
Global Piélago, SOCIMI, S.A.	(697,513)
Global Sauco, SOCIMI, S.L. (*)	(4,321,484)
Global Lucanor, S.L. (**)	9,048,078
Total	4,029,082

*Not audited Company

** Company audited by Ernst & Young, S.L.

16. Other information

Environmental information

In view of the business activities carried out by the Group, companies, they do not have any environmental liability, expense, assets, provisions or contingencies that might be material with respect to their equity, financial position or results.

Therefore, no specific disclosures relating to environmental issues are included in these consolidated annual financial statements.

Staff costs

At 31 December 2021 and 2020, the group companies have no employees.

17. Related party transactions and balances

On the other hand, at 31 December 2020, the heading "Non-current payables to Group companies" recognises loans granted to the Company by Heimdall Luxembourg Holdings II S.à r.l. and Welcomechance, S.L.U., accruing interest at a fixed annual rate and expiring on 25 June 2025.

At 31 December 2020, these loans had accrued interest of 186,995 euros and 2,847 euros, respectively, which have been recognised in the income statement for the year.

On 23 February 2021, the Company decided to cancel all debts held with its shareholders in a total amount of 10,837,873 euros to Heimdall Luxembourg Holding II, S.À.R.L. and

164,324 euros to Welcomechance, S.L.U. At the end of 2021, the interest recorded in the income statement for this loan amounts to 61,542 euros.

The Directors of the Parent Company consider that the operations with affiliate companies have been conducted under market conditions and on the basis of agreements between the parties.

The prices of related-party transactions are properly supported, so the Company Directors consider there are no risks that might cause material tax liabilities.

18. Provisions and contingencies

At 31 December 2021 and 2020, the Group had received no claims or complaints, and accordingly no contingencies or provisions were set aside.

19. Information concerning conflicts of interest on the part of the Directors

Shareholdings, posts and activities of members of the Board of Directors

Article 229 of Spanish Companies Act obliges company directors to notify the company's governing bodies of any direct or indirect conflicts of interests potentially affecting the interests of the Group companies.

Likewise, the directors are required to notify any direct or indirect interests held by themselves or related persons in any company having a corporate purpose that is similar, analogous or complementary to that of the Company, as well as notify any positions or functions they may hold in them.

In this regard, in order to comply with the obligations established in the Spanish Companies Act and particularly with those established for directors, certain members of the Board have reported that they may possibly incur in conflict of interest as they directly or indirectly hold an interest in the Management Company or in companies having a corporate purpose that is analogous or complementary to that of the Group companies.

Notwithstanding the foregoing, during the period in which the directors of the Parent Company held their positions on the Board of Directors, no resolutions were passed which could have involved a conflict with the interest of the Company and, accordingly, none was obliged to abstain from voting in order to comply with applicable legislation.

Remuneration to Directors and Senior Management.

In 2021, the Directors of the Company received and accrued no amounts as salaries, remuneration or expenses as directors. Neither did they receive shares or stock options in those years, and they did not exercise any options and did not have any options pending exercise.

Likewise, no contributions were made to funds or pension schemes on behalf of the Company's Board of Directors.

Throughout 2020, Senior Management functions were performed by several members of the Board of Directors.

20. Information deriving from SOCIMI Status. Law 11/2009

Description	Year 2021
a) Reserves from financial years prior to the application of the tax scheme established in the Law on Listed Real Estate Investment Trusts	N/A
b) Reserves from years in which the tax regime established for listed real estate investment trusts is first applied, differentiating the part resulting from revenues subject to the 0% interest rate or the 19% rate from those subject to the general rate	N/A
c) Dividends distributed against the profits for each year in which the tax regime established for listed real estate investment trusts is applicable, differentiating the part resulting from revenues subject to the 0% interest rate or the 19% rate from those subject to the general rate	N/A
d) In the case of dividends distributed against reserves, stipulating the year from which the reserve used was constituted and whether it has been taxed at the 0% rate, the 19% rate or the general rate	N/A
e) Date of the resolution for distribution of the dividends to which letters c) and d) above refer	N/A
f) Date of acquisition of the properties for lease and the shares in the capital of the enterprises to which art. 2.1 of this Law refers	See Note 6
g) Identification of the asset that is calculated within the 80% referenced in art. 3.1 of the Law on Listed Real Estate Investment Trusts	See Note 6
h) Reserves from financial years in which the special tax regime for listed real estate investment trusts applied, utilised during the tax period for purposes other than their distribution or to offset losses, identifying the year in which it was constituted	N/A

21. Subsequent events

In the opinion of the Company's Directors, the following relevant operations have occurred since the close of the financial year, which have been through the investee company GLOBAL LUCANOR, S.L., since during the month of February 2022 a total of 126 properties included in the acquisition contracts mentioned in Note 6 were incorporated into the group perimeter for a total 7,527,348 euros,

Consolidated Management Report for the year ended 31 December 2021.

This Consolidated Directors Report for 2021 is filed by the directors of the Parent Company, in compliance with Articles 253 and 262 of the Spanish Companies Act, as amended, for approval by the shareholders.

1. Situation of the Group

Global Piélago, SOCIMI, S.A., hereinafter the Parent Company, is a Spanish public limited company, with VAT No. A88581251, incorporated for an indefinite period under a deed executed before a Madrid notary public on 29 January 2020; it is entered on the Madrid Companies Register, volume 40,174, folio 110, sheet M713884, entry 1. It has registered offices at Paseo de la Castellana, 93, 13th floor, 28046 Madrid.

The Parent Company was initially incorporated as a limited liability company under said public deed executed on 29 January 2020. It was converted into a public liability company under public deed of 5 March 2020, in Madrid.

On 5 March 2020, in Madrid, the Parent Company acquired 100% of the stock capital of Global Sauco, SOCIMI, S.L. (Hereinafter, the “subsidiary”).

Global Sauco, SOCIMI, S.L. is a Spanish limited liability company, with VAT No. B88581236, incorporated for an indefinite period under a deed executed before a Madrid notary public on 29 January 2020; it is entered on the Madrid Companies Register, volume 40,174, folio 130, sheet M713886, entry 1. It has registered offices at Paseo de la Castellana, 93, 13th floor, 28046 Madrid.

On 2 March 2021 the Company acquired 100% of the investee's shares in Madrid by public deed.

Global Lucanor, S.L., hereinafter the “investee”, is a Spanish public limited company, with VAT No. B42864306, incorporated for an indefinite period under a deed delivered before a Madrid notary public on 10 February 2021, under number 467 in his notarial records; it is entered on the Madrid Companies Register, tome 41,492, folio 180, sheet M735229, entry 1a. Its current registered offices are located at Paseo de la Castellana, 93, 13th floor, 28046 Madrid

The corporate purpose of both group companies is that of SOCIMIs (outlined below), both being covered by said regime. On 25 June 2020, a resolution of the General shareholders' Meetings, resolving that the Companies would opt for the special regime for Listed Real Estate Investment Trusts (SOCIMI, in Spanish), regulated by Act 11/2009 of 26 October, was recorded in a public deed.

The corporate purpose is:

- a) The acquisition and development of urban real estate for lease.
- b) The holding of shares in the capital of other SOCIMIs or in other companies non resident in Spain with the same corporate purpose and which are subject to a scheme similar to the one established for SOCIMIs in relation to the obligatory policy on appropriation of profit stipulated by law or the bylaws.
- c) The holding of shares in the capital of other companies resident or non resident in Spain, whose main corporate purpose is the acquisition of urban real estate for lease, which are subject to the scheme established for SOCIMIs in relation to the obligatory policy on distribution of dividends stipulated by law or the bylaws

and meet the investment requirements referred to in art. 3 of Law on Listed Real Estate Investment Trusts.

- d) The holding of shares or participations in Collective Real Estate Investment Undertakings governed by Law 35/2003, of 4 November, on Collective Investment Undertakings, or by future laws which may replace it.

2. Progress of the Business

2.1 Business Progress and Results in 2021.

The Parent Company (GLOBAL PIELAGO, SOCIMI, S.A.) as well as the subsidiary GLOBAL SAUCO, SOCIMI, S.A. were incorporated in 2020. The subsidiary GLOBAL LUCANOR, S.L. was incorporated in 2021.

During the year, the subsidiary GLOBAL LUCANOR, S.L. acquired a total of 557 assets. While the subsidiary GLOBAL SAUCO, SOCIMI, S.L. acquired a total of 163 properties, 8 of which it transferred during the year as it considered it profitable for the business. While the subsidiary GLOBAL SAUCO, SOCIMI, S.L. acquired a total of 595 assets, 8 of which it transferred during the year as it considered it profitable for the business. Accordingly at end of 2020, the group had 587 properties.

It also acquired 143 financial rights over a portfolio of properties made available for sale, transferring 32 throughout the year and retaining 111 at year end. At 31 December 2021 there was only one property in portfolio with financial rights.

Any of said assets made available for sale and not sold by 28 June 2021 were acquired by the subsidiary to form part of its investment property portfolio.

2.2 Managing Financial Risk and Financial Instruments.

In order to finance its property investments, the Company has acquired intragroup debt, which it hopes to reduce in 2022. External finance was also acquired.

2.3 Expectations for 2022

The company intends to continue with its activity, obtaining revenues from its subsidiaries from their investment property leasing activities.

We justify these expectations by: The growth in the number of leased units, the re-valuation of the lease agreements and the implementation of a cost reduction plan.

Based on these expectations, the policy of the Group will be to optimise its costs and maintain an on-going control of its fund flow.

3. Environmental Issues

The Group's activity inherently has no significant environmental impact.

4. R&D&i Activities

The Group has not conducted any research and development activities during the financial year ended 31 December 2021.

5. Acquisition and Disposal of Treasury Shares

Throughout 2021, the Group has conducted no operations involving the acquisition or disposal of treasury shares.

6. Other Relevant Information

The shares of the Parent Company are listed on the Euronext Paris Stock Exchange. In compliance with the legal requirements for SOCIMIs. This condition was not fulfilled in 2020.

Consolidated Annual Financial Statements for the period ended 31 December 2021, formulated in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

In accordance with current legislation, the company directors have formulated the Consolidated Annual Financial Statements for the period from 1 January to 31 December 2021, formulated in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, and which include:

- The consolidated balance sheet
- Consolidated income statement
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Changes in Net Assets
- Consolidated Cash Flow Statement
- Notes to the consolidated annual financial statements
- Consolidated directors' report

Madrid, 31 March 2022



Zubin Phiroze Irani



Juan Ignacio Gómez Vega



Blueseat Trust Services Spain, S.L.U. with Rima Yousfan Moreno acting as its individual representative.