IPOSA PROPERTIES SOCIMI, S.A.

Audit Report, Annual Accounts
to the period
ended December, 31st 2021

Crowe Servicios de Auditoría, S.L.P.
Member Crowe Global
Paseo de la Castellana, 130, Planta 7ª
28046 Madrid (España)
Teléfono: +34 91 451 70 30
Fax: +34 91 399 06 41
www.crowe.es

INDEPENDENT AUDITOR'S REPORT OF ANNUAL ACCOUNTS

To the Shareholders of **IPOSA PROPERTIES SOCIMI, S.A.**

Report of the annual accounts

Opinion

We have audited the abbreviated annual accounts of **IPOSA PROPERTIES SOCIMI, S.A.**, which comprises the abbreviated balance sheet at December 31, 2021, the abbreviated profit and loss account and the abbreviated annual report correspondent to the year then ended.

In our opinion, the accompanying abbreviated annual accounts present fairly, in all material respects, the view of the equity and the financial position of the Company as at December 31, 2021, and its earnings for the year then ended, in accordance with the financial reporting framework applicable (identified in the Note 2), and, particularly, with the generally accepted accounting principles and standards applicable contained in the framework.

Basis for opinion

We conducted our audit in accordance with the audit regulation and standards in force in Spain. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Abbreviated Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the annual accounts according to the auditing regulatory legislation in Spain. In that sense, we have not provided any other services than the audit of the annual accounts, and no situations or circumstances have occurred that, in accordance with the Spanish standards above mentioned, may have affected to the required independence so that it has been committed.

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

Most relevant matters of the audit

The most relevant matters of the audit are those that, according to our professional judgement, were of most significance in our annual accounts of the current period. These matters were addressed in the context of our audit of the abbreviated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Crowe

Valuation of Property Investments. Evaluation of possible impairment losses.

The Company is the result of the total split of the mercantile company INMOBILIARIA DEL PASAJE DE OVIEDO, S.A. through the division of its assets in two parts and its transfer to two newly created companies called INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. and IPOSA PROPERTIES SOCIMI, S.A.

At the time of the split an independent expert made an assessment of the non-monetary assets of INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., determining the market value of the property investments managed by IPOSA PROPERTIES SOCIMI, S.A. These property investments are of an urban nature and located in Spain. IPOSA PROPERTIES SOCIMI, S.A. value these assets at their cost, whether by their purchase price or production cost, recording impairment if their market value is lower. The updating of valuations is carried out by independent experts in accordance with the standards and considering specific variables such as lease contracts and assumes certain assumptions regarding variables such as discount rates, estimated market rents and comparable transactions, reaching a final valuation. At December 31, 2021, property investments portfolio is recorded in the abbreviated balance for a net book value of 4,335,309 euros, which represents 50% of its total assets.

We have considered that the estimation of the value and possible impairment losses of the Property Investments represent the most relevant aspect of the audit, due to the significance of the amounts and the relevance and uncertainty associated with the judgments and estimates made.

Our audit procedures to address this aspect included, among others:

- The review of the design and implementation of the relevant controls that mitigate the risks associated with the valuation process of the Property Investments. In particular, we have tested those by which the directors supervise and approve the hiring and the work done by the experts hired for this purpose, as well as that there is no pressure on the result of the work carried out by these experts.

- The evaluation of the facts and circumstances examined to consider the existence of signs of impairment on this type of assets.

- The evaluation of the competence, independence and integrity of the external evaluators.

- The verification of the reasonableness of the procedures and methodology and the performance of selective tests of verification of technical data used and verification of the technical hypotheses used, taking into account the circumstances of the market.

- Finally, we have reviewed the breakdowns made in relation to these aspects, which are included in Note 5 of the enclosed abbreviate annual report, contain the necessary information required by the applicable financial reporting framework in relation to this issue.

Responsibilities of the directors for the abbreviated annual accounts

The directors are responsible for the preparation of these abbreviated annual accounts, so that they express the fair view of the equity, of the financial position and the earnings of the Company, in accordance with the framework of financial information applicable to the entity in Spain, and for such internal control as management deems necessary to enable the preparation of the abbreviated annual accounts that are free of material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the abbreviated annual accounts

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Spanish Law and Standards on Audit will always detect a material misstatement when it exists.

Misstatements can arise from a fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these abbreviated annual accounts.

As a part of an audit in accordance with Spanish Law and Standards on Auditing, we exercise professional judgement and maintain a professional scepticism throughout the planning and performance of the audit. We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the abbreviated annual accounts, and to conclude, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we would mention in our audit report that adequate disclosure is made in the abbreviated annual accounts or, if there were not the right disclosures, we would express a modified opinion. Our conclusions are based on the audit evidence obtained until the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

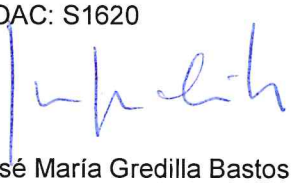
Among the significant risks that have been communicated to the Company's directors, we determine those that have been relevant in the audit of the current abbreviated annual accounts and which are, consequently, the most relevant risks.

We describe those risks in our audit report unless legal or statutory requirements prohibit revealing publicly the issue.

Madrid, May, 20th 2022

Crowe Servicios de Auditoría, S.L.P

ROAC: S1620



José María Gredilla Bastos

ROAC: 3.474

(Signed in the original version)

Note: This special report is a translation of the special report dated on May, 20th 2022 that was issued in Spanish. Where there is any doubt, the Spanish special report version shall prevail.

IPOSA PROPERTIES SOCIMI, S.A.
ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31st DECEMBER 2021
31 DECEMBER 2021

IPOSA PROPERTIES SOCIMI, S.A.

ABRIDGED BALANCE SHEET FOR THE FINANCIAL YEAR ENDED ON 31st DECEMBER 2021

ASSETS

	Notes to the Annual Accounts	2021	2020
A) NON-CURRENT ASSETS		**6,072,043.85**	**5,828,296.96**
II. Property, plant & equipment	5	406,037.94	400,283.00
III. Real estate investments	5	4,335,309.07	4,097,317.12
IV. Investments in Group & Associated Companies	7	1,314,794.08	1,314,794.08
V. Long-term financial investments	7	15,902.76	15,902.76
B) CURRENT ASSETS		**2,576,784.13**	**679,559.09**
I. Stocks		1,050.00	550.00
II. Trade & other receivables		198,620.60	149,930.67
1. Clients from sales & service provision	7	190,708.78	145,974.76
6. Other credits with the Public Administrations	9	7,911.82	3,955.91
IV. Short-term financial investments	7	70,786.31	42,956.54
V. Short-term accrual accounts		-	-
VI. Cash & other equivalent liquid assets		2,306,327.22	486,121.88
TOTAL ASSETS (A + B)		**8,648,827.98**	**6,507,856.05**

NET EQUITY & LIABILITIES

A) NET EQUITY		**6,370,766.83**	**5,922,724.35**
A-1) Equity		6,370,766.83	5,922,724.35
I. Capital.	6	5,058,842.00	5,058,842.00
1. Underwritten Capital.	6	5,058,842.00	5,058,842.00
III. Reserves.		490,116.55	317,751.34
VII. Profit/Loss for the Financial Year	3	1,321,808.28	1,396,131.01
VIII. Interim dividend	6	(500,000.00)	(850,000.00)
B) NON-CURRENT LIABILITIES		**2,011,262.02**	**283,582.32**
II. Long-term debts.	8	2,011,262.02	283,582.32
1. Debts with credit institutions	8	1,750,000.00	-
3. Other financial liabilities	8	261,262.02	283,582.32
V. Long-term accrual accounts		-	-
C) CURRENT LIABILITIES		**266,799.13**	**301,549.38**
II. Short-term debts		2,231.27	2,351.47
IV. Trade creditors & other accounts payable.		264,567.86	299,197.91
1. Suppliers	8	16,587.82	21,265.49
2. Other creditors		143,211.88	40,338.09
4. Staff (remunerations pending payment)		4,012.18	7,020.21
6. Other debts with the Public Administrations	9	100,755.98	230,574.12
TOTAL NET EQUITY & LIABILITIES (A + B + C)		**8,648,827.98**	**6,507,856.05**

IPOSA PROPERTIES SOCIMI, S.A.

ABRIDGED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED ON 31st DECEMBER 2021

PROFIT AND LOSS	Notes to the Annual Accounts	2021	2020
A) ONGOING OPERATIONS			
1. Net turnover	11.1	2,105,654.65	2,160,516.82
6. Staff costs.	11.2	(176,890.69)	(162,564.18)
7. Other operating expenses.	11.3	(523,155.64)	(534,991.08)
8. Depreciation of fixed assets		(89,759.10)	(89,366.16)
11. Other results		(35.35)	(94.27)
A.1) OPERATING PROFIT/LOSS (1+2+3+4+5+6+7+8+9+10+11)		**1,315,813.87**	**1,373,501.13**
12. Financial revenue.	11.4	50,473.56	22,629.88
13. Financial expenses.		(44,479.15)	-
A.2) FINANCIAL PROFIT/LOSS (12+13+14+15+16)		**5,994.41**	**22,629.88**
A.3) PROFIT/LOSS BEFORE TAX (A.1 + A.2)		**1,321,808.28**	**1,396,131.01**
17. Corporation Tax.	10	-	-
A.4) PROFIT/LOSS FOR THE FINANCIAL YEAR (A.3 + 17)		**1,321,808.28**	**1,396,131.01**

IPOSA PROPERTIES SOCIMI, S.A.

ABRIDGED EXPLANATORY NOTES FOR THE FINANCIAL YEAR ENDED ON 31st DECEMBER 2021

1. THE COMPANY

1.1 GENERAL INFORMATION

IPOSA PROPERTIES SOCIMI, S.A hereinafter "the Company", was incorporated as a Public Limited Company in Spain, on 28th December 2018, by means of the public deed executed in the presence of the Notary Public of Madrid, Mr. Íñigo Casla Uriarte, under the corporate name of "IPOSA PROPERTIES SOCIMI, S.A."

The Company is registered with the Business Registry of Madrid at Volume 38,314, folio 149, section 8 and sheet M-681706. It has Spanish Tax Identity Number A-88276829.

The Company is the result of the complete spin-off of the Public Limited Company called INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., through the division of its assets into two parts and their conveyance to two newly created Companies called IPOSA PROPERTIES SOCIMI, S.A. and INMOBILIARIA DEL PASAJE DE OVIEDO, S.L., respectively. The operations of the original company are deemed carried out by the beneficiary companies, for accounting purposes, as from 1st January 2018. Said date shall be the date of acquisition of control pursuant to the provisions of Rule 21, Section 2.2.2. of the Spanish General Accounting Plan.

The current registered office is located at Calle Tambre, número 1, (28002 Madrid), and the corporate activity and object are as follows:

- The acquisition and development of urban real estate for rental. The activity of development includes refurbishment of buildings, pursuant to the provisions of Act 37/1992, of 28th December, on Value Added Tax.

All those activities for which the Law demands certain requirements which this Company cannot fulfil are excluded.

Activities which form part of corporate object may be carried out both in Spain and abroad.

The Company holds no stake in other companies with which it can establish a group or associate relationship pursuant to the provisions of Article 42 of the Spanish Code of Commerce and Rules 13 and 15 of the Third Part of Royal Decree 1514/2007, approving the General Accounting Plan, regarding the obligation to prepare Consolidated Annual Accounts.

The currency used by the Company in its operations is the euro. For the formulation of Annual Accounts in Euros, the criteria established in the Spanish General Accounting Plan have been followed.

1.2. Spanish REITs System

The Spanish system of Real Estate Investment Trusts is subject to Act 11/2009 of 26th October 2009, amended by Act 16/2012 of 27th December 2012, which regulates Spanish REITs. Article 3 lists certain requirements for this type of company:

They shall have invested at least 80% of their assets in leasable urban real estate or land for real estate development for the same purpose, as long as the development begins within three years following acquisition, as well as stakes in the capital or equity of other companies referred to in Section 1 of Article 2 of the Act:

a) At least 80% of profits from the relevant tax period for each Financial Year, excluding those arising from the transfer of stakes and real estate, both of which are used to fulfil the Company's main corporate purpose, once the maintenance period referred to in the following section has elapsed, shall come from the rental of real estate and from dividends or shares in profits linked to the aforesaid investments;

b) Any real estate which forms part of the Company's assets shall be leased for at least three years. To calculate this time period, the time during which the properties have been on offer to be leased shall be counted, with the limit of one year.

The First Transitional Provision of the Act on Spanish REITs allows the application of the Spanish REITs Tax System in the terms established in Article 8 of the Act to Spanish REITs, even if the requirements demanded therein are not met on the date of incorporation, provided that such requirements are met in the two years following the date when the application of said System was chosen. At the date of preparation of these Abridged Annual Accounts, the Company's shares are listed on Euronext.

1.3 Covid-19 Effects

On 11th March 2020, the World Health Organisation declared the outbreak of Coronavirus Covid-19 a pandemic, due to its rapid spread around the world, having affected more than 150 countries. Most governments are taking restrictive measures to contain the spread, including: isolation, confinement, quarantine and restriction of free movement of people, closure of public and private premises, except for basic necessities and health facilities, closure of borders and drastic reduction of air, sea, rail and road transport.

This situation is significantly affecting the global economy, due to the disruption or slowdown of supply chains and a significant increase in economic uncertainty, evidenced by an increase in asset price volatility, exchange rates and declining long-term interest rates.

In Spain, the Government adopted Royal Decree 463/2020 of 14th March, declaring a state of alarm for the management of the health crisis situation caused by COVID-19, which expired on 21st June, after just over three months.

Finally, it should be noted that the company's Board of Directors is constantly monitoring developments in both financial and non-financial aspects.

The current situation caused by the Covid-19 pandemic has had the following impacts on society in the 2021 Financial Year:

- The Company has established establishing periods of remote working or face-to-face work depending on the recommendations of health agencies.

- The Company has applied discounts on the rent of some commercial premises.

The company, as a consequence of the situation caused by the Covid-19 crisis, has carried out an analysis in relation to the main asset and liability items which are based on estimates affecting the 2021 Annual Accounts and which correspond to:

- Revenues: In Financial Year 2021 revenues were reduced by the pandemic, as a result of the discounts applied to the rent of some commercial premises.

In this sense, although the current situation caused by Covid-19 generates uncertainty about the evolution and development of the Company's activity, it has a good equity situation that determines its financial strength.

2. BASIS OF PRESENTATION

2.1 True and Fair View

The Abridged Annual Accounts have been prepared from the Company's Account Books and are presented pursuant to the Business Law in force and to the rules established in the Spanish General Accounting Plan, approved by Royal Decree 1514/2007, and the changes introduced thereto by means of Royal Decree 1159/2010 and Royal Decree 602/2016, with the purpose of showing a true and fair view of the assets, financial situation and results of the Company.

2.2 Non-mandatory Accounting Principles

Non-obligatory accounting principles have not been applied. Additionally, the Directors have prepared these Abridged Annual Accounts considering all of the accounting principles and rules which must be applied and which have a material impact on said Abridged Annual Accounts. There is no obligatory accounting principle that has not been applied.

2.3 Critical aspects of the valuation and uncertainty estimate

The preparation of the Abridged Annual Accounts demands that the Company uses certain estimations and judgements regarding the future, which are continuously evaluated and based on historical experience and other factors, including expectations of future events that are deemed reasonable under the circumstances. The resulting accounting estimations, by definition, rarely equate to the real, respective results:

- The Management has conducted an assessment and analysis of the main implications of the impact of Covid-19 (Note 1.3).

Notwithstanding the above, it should be noted that as a result of the current situation caused by the Covid-19 outbreak, which has led to uncertainty regarding the development of the markets, the significant accounting estimates and judgements in the preparation of these Annual Accounts are affected by a higher degree of uncertainty. Therefore, the effects on the Company's Annual Accounts have been assessed and analysed and are set out below in the relevant notes.

2.4 Comparing information

For the purposes of the obligation laid down in Article 35.6 of the Code of Commerce, and for the purposes of applying the principle of uniformity and the comparability requirement, the Annual Accounts for the year ended on 31st December 2021 are presented in comparison with the previous year-end.

The information contained in these Annual Accounts for Financial Year 2021 is presented solely and exclusively for comparative purposes with the information relating to Financial Year 2020. Comparative information takes into account the effects of Covid-19 (see Note 1.3).

The notes to the Annual Accounts include events or changes that are material to the explanation of changes in the Company's financial position or results for the year 2021.

2.5 Grouping of headings

For the purposes of easing comprehension of the Abridged Balance Sheet and the Abridged Income Statement, these statements are presented together, with the required analyses appearing together in the corresponding explanatory notes.

2.6 Changes in accounting estimates

The Annual Accounts for Financial Year 2021 do not include changes in accounting estimates.

2.8 Correction of errors.

The Annual Accounts for the year 2021 do not include adjustments made as a result of errors detected during the year.

2.9 Transition.

The approval of Royal Decree 1/2021 of 12th January, has amended the General Accounting Plan approved by Royal Decree 1514/2007 of 16th November 2007, and with it, the accounting of various components of the Abridged Annual Accounts. In compliance with the provisions of the First Transitional Provision of the aforesaid Royal Decree, we include the following information on transition:

a) Financial Instruments

The amendments introduced by Royal Decree 1/2021 of 12th January, have not had any significant impact on the Company.

Financial assets, previously classified in Loans and Receivables, are now classified as Financial Assets at Amortised Cost.

Financial liabilities, previously classified in Debits and Payables, are now classified as Financial Liabilities at Amortised Cost.

b) Revenue

The amendments introduced by Royal Decree 1/2021 of 12th January, have not had significant impacts on the Company with regard to the recording of revenue.

3. DISTRIBUTION OF RESULTS

The proposal for distribution of results corresponding to the Financial Year ending on 31st December 2021, prepared by the Directors and pending Shareholder approval, is as follows:

(EUR)		
BASE FOR DISTRIBUTION	**2021**	**2020**
Profit/Loss for the Financial Year	1,321,808.28	1,396,131.01
Interim dividend	(1,150,000.00)	(1,225,000.00)
Total	**171,808.28**	**171,131.01**
DISTRIBUTION		
Legal Reserve	132,180.82	139,613.10
Voluntary Reserve	39,627.46	31,517.91
Total	**171,808.28**	**171,131.01**

Article 6 of Act 11/2009, of 26th October, amended by Act 16/2012, of 27th December, on Spanish REITs, establishes the obligations referring to the distribution of results. The manner of distributing dividends to shareholders is as follows:

- One hundred percent of profits arising from dividends or holdings in profits distributed by the companies referred to in Article 2 Section 1 of Act 11/2009, of 26th October, amended by Act 16/2012, of 27th December.

- At least 50% of profits arising from the conveyance of real estate properties and shares/holdings, referred to in Article 2 Section 1 of Act 11/2009, of 26th October, amended by Act 16/2012, of 27th December.

- At least 80% of the remaining profits obtained.

4. ACCOUNTING CRITERIA

The main valuation rules used by the Company in the preparation of its Abridged Annual Accounts, pursuant to those established by the Spanish General Accounting Plan, were as follows:

4.1 Property, plant and equipment and real estate investments

These are valued by their cost, whether it be the price of acquisition or the cost of production, which also includes the amount invoiced after deducting any discount or rebate in price, all additional costs and those directly related which arise until their putting into use, such as demolition and levelling, transport, insurance, installation, assembly and other similar costs.

The Company includes in the cost, in view that a timeframe greater than one year is necessary for assets to be in conditions of use, operation or sale, the financial costs related to specific or general financing, directly attributable to acquisition, construction or production.

Also forming part of value is the initial estimation of the current valuation of the obligations taken on arising from stripping or retirement and other actions associated with assets, such as refurbishment costs, when these obligations give rise to the recognition of provisions, as well as the best estimate of the current contingent value amount. However, contingency payments that depend on amounts relating to the carrying out of works are booked as a cost on the Income Statement as and when they occur.

The Company has no commitments referring to stripping, retirement or refurbishment for its assets. For this reason they have not been accounted for in asset values for the coverage of such obligations in the future.

Loss through impairment is registered when its net accounting value is greater than its recoverable amount, which is understood as the greater amount out of its fair value less costs of sale and its value in use or market value.

The Board of Directors of the Company considers the accounting value of the assets is not greater than their recoverable value, nor their market value.

Expenses made during the Financial Year as part of works carried out by the Company are included in the accounts as the relevant cost. Extension or improvement costs that give rise to an increase in productive capacity or an extension of the useful life of an asset, are incorporated into the asset as a greater value. The records of property, plant and equipment under construction are charged by the amount of said costs, with a credit in the revenue in the item of works carried out by the Company for itself.

Costs relating to major repairs of assets are recognised as replacements when incurred and are depreciated over the period until the next repair, and any amount associated with the repair that might remain in the carrying amount of the aforementioned assets is written-off.

Assets are depreciated on a straight-line basis over their estimated useful lives from the time they are available for use, estimating a zero residual value based on their years of useful life.

The Company assesses at least at the end of each year whether there is any indication of impairment losses that would reduce the recoverable value or market value of these assets to an amount lower than their carrying amount. If any such an indication exists, the recoverable value or market value of the asset is estimated in order to determine the extent of the possible impairment loss.

If the asset does not generate cash flows that are independent of other assets or groups of assets, the Company shall calculate the recoverable value of the cash-generating unit (CGU) to which the asset belongs.

The recoverable value of assets is the higher of their fair value less sales costs and their value in use. Value in use is determined on the basis of expected future cash flows arising from the use of the asset, expectations about possible variations in the amount or timing of those flows, the time value of money, the price to be paid for bearing the uncertainty related to the asset and other factors that market participants would consider in measuring the future cash flows related to the asset.

If the recoverable value or estimated market value is lower than the asset's net carrying amount, the corresponding impairment loss is recognised with a charge to the income statement, reducing the asset's carrying amount to its recoverable amount.

Once the impairment loss or its reversal has been recognised, depreciation for the following years is adjusted to the new book value.

However, if the specific circumstances of the assets reveal a loss that is irreversible, the loss is recognised directly in losses in the Income Statement.

In 2021, the Company did not recognise any impairment losses on property, plant and equipment other than investment property.

4.2 Financial assets

- Financial assets at amortised cost

A financial asset is listed in this category even when it is admitted to trading on an organised market, if the Company holds the investment with the goal of receiving the cash flows derived from the execution of the contract, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The cash flows that are solely payments of principal and interest on the principal amount outstanding, are inherent to an agreement that is in the nature of an ordinary or common loan, without prejudice to the transaction being arranged at a zero or below-market interest rate.

This category generally includes trade receivables (financial assets arising from the sale of goods and the rendering of services in connection with business transactions with deferred payment) and non-trade receivables (financial assets which are not equity instruments or derivatives, and therefore are not of commercial origin, and whose collections are of a specific or determinable amount, and which arise from loans or credit granted by the Company). That is to say, this category includes loans and receivables, as well as debt securities with fixed maturities, specific or determinable payments that are traded in an active market, and which the Company intends and is able to hold until their maturity.

- Initial valuation: They are initially assessed at fair value, plus directly attributable transaction costs.

  However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as staff loans, dividends receivable, and calls for disbursement on equity instruments, whose amount is expected to be received in the short-term, may be measured at their nominal value when the effect of not discounting the flows is not significant.

- Subsequent valuation: they are assessed at amortised cost, and the interests accrued are recorded in the income statement, using the effective interest method.

  However, receivables maturing in less than one year which, in accordance with the provisions of the above section, are initially measured by their nominal value, will continue to be measured by said amount, unless they are impaired. Generally, when contractual cash flows of a financial asset are modified due to financial difficulties of the issuing company, the Company analyses whether to proceed to record an impairment loss.

- Impairment: The Company records the corresponding impairments for the difference between the recoverable amount of the receivables, and the carrying amount for which they are recorded.

- Assets at fair value with changes in profit/loss

All financial assets are listed in this category, unless they should be classified under any of the other categories. The financial assets held for trading are included on a compulsory basis in this category.

For equity instruments that are not held for trading or measured at cost, the Company may make the irrevocable election at initial recognition to present subsequent changes in fair value directly in the equity.

In any case, the Company may irrevocably designate a financial asset as measured at fair value with changes in profit/loss at initial recognition, if doing so eliminates or significantly decreases a valuation inconsistency or mismatch.

- Initial valuation: They are assessed at fair value. The directly attributable transaction costs are recorded in the Income Statement for the Financial Year.

- Subsequent valuation: Fair value with changes in profit/loss

- Impairment: They are not impaired as they are measured at fair value at all times, with changes in value being taken to profit/loss for the financial year.

The disposal of the Company's cash is not restricted in any way.

4.3 Net Equity

The share capital is represented by ordinary shares.

The costs of issuing new shares are accounted directly against net equity, as lower reserves.

In the case of acquisition of the Company's own shares, the consideration paid, including any directly attributable incremental costs, are deducted from equity until the shares are cancelled, reissued or sold. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable incremental transaction costs, is included in equity.

At the date of preparation of these Abridged Annual Accounts, the Company's shares are listed on Euronext.

As part of the requirements for the Spanish REITs System, the Company's shares must be admitted to trading on a regulated market or in a multilateral trading system in Spain or in any other country with which there is exchange of tax information with Spain. Likewise, due to the requirements of the aforesaid System, the Company's shares have become registered shares.

4.4 Financial Liabilities

- Financial liabilities at amortised cost

All financial liabilities are listed within this this category except when they must be measured at fair value with changes in profit/loss. This category generally includes trade payables and non-trade payables.

Equity loans that are in the nature of an ordinary or common loan shall also be also included in this category, without prejudice to the transaction being arranged at a zero or below-market interest rate.

- Initial valuation: They are initially assessed at fair value which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration given, plus directly attributable transaction costs.

However, trade payables maturing in less than one year and which do not have a contractual interest rate, as well as disbursements demanded by third parties on investments, whose amount is expected to be paid out in the short-term, are measured at their nominal value when the effect of not discounting the flows is not significant.

- Subsequent valuation: at amortised cost The interests accrued are recorded in the income statement, using the effective interest method. However, payables maturing in less than one year which, in accordance with the section above provisions, are initially measured by their nominal value, will continue to be measured by said amount.

- Guarantees provided and received

The deposits or guarantees provided as security for certain obligations are measured at the amount actually paid, which does not differ significantly from their fair value.

In guarantees provided or received for operating leases or for the rendering of services, the difference between their fair value and the disbursed amount is considered an advance payment or collection for the lease or rendering of the service, which is taken to profit/loss during the lease period or during the service provision period, pursuant to the regulations on revenue from sales and the provision of services.

When estimating the fair value of the guarantees, the minimum committed contractual period during which the amount cannot be repaid is taken as the remaining period, without taking into account the statistical behaviour of repayment.

In the case of short-term guarantees, it is not necessary to discount cash flows if the effect is not material.

4.5 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or implicit obligation as a result of past events, an outflow of resources is likely to be required to settle the obligation and the amount can be reliably estimated.

Provisions are valued at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

If part of the disbursement required to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is almost certain.

Contingent liabilities are defined as possible obligations arising from past events, the materialisation of which is conditional upon the occurrence or non-occurrence of one or more future events outside the Company's control. These contingent liabilities are not recognised for accounting purposes and details are disclosed in the notes to the Annual Accounts.

4.6 Corporation Tax

4.6.1 General System

The Corporation Tax expense or income comprises the portion relating to current tax expense or income and the portion relating to deferred tax expense or income.

Current tax is the amount paid by the Company as a result of Corporation Tax settlements for a given year. Tax deductions and other tax benefits, excluding tax withholdings and prepayments, and tax loss carry-forwards from previous years that were actually applied in the year result in a lower amount of current tax.

Current tax assets and liabilities are valued at the amounts expected to be paid to or recovered from the tax authorities pursuant to the legislation in force or approved and pending publication at the date of the end of the Financial Year.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include temporary differences identified as the amounts expected to be payable or recoverable arising from differences between the carrying amounts of assets and liabilities and their tax bases, as well as tax loss and tax credit carry-forwards. These amounts are recorded by applying to the temporary difference or credit corresponding to the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither accounting nor taxable profit and is not a business combination.

Deferred tax assets are only recognised to the extent that it is considered probable that the Company shall have future taxable profit against which they can be utilised.

Deferred tax assets and liabilities arising from transactions with a direct charge or credit to equity accounts are also recognised in net equity.

The deferred tax is determined by applying the tax regulations and rates approved or about to be approved at the Balance Sheet date and which are expected to apply when the corresponding deferred tax asset is used or the deferred tax liability is settled.

4.6.2 Spanish REITs System

By virtue of Act 11/2009, of 26th October, as amended by Act 16/2012, of 27th December, regulating Spanish REITs, the companies that meet the requirements defined in the regulations and opt for the application of the special tax system provided for in said Act shall be taxed at a rate of 0% for Corporation Tax. Article 25 of the Consolidated Corporation Tax Act does not apply to the generation of negative tax bases, in the event. In addition, the system of tax credits and tax relief established in Chapters II, III and IV of the aforementioned Act shall not be applicable. For all other matters not provided for in the Spanish REITs Act, the provisions of the Consolidated Corporation Tax Act shall apply on a subsidiary basis.

The Company shall be subject to a special tax of 19% on the full amount of the dividends or shares in profits distributed to shareholders whose stake in the Company's capital is equal to or greater than 5%, if the shareholders themselves are not taxed on these dividends or taxed at a rate of less than 10%. This tax shall be treated as a Corporation Tax payment.

4.7 Classifying assets and liabilities as current and non-current

Assets and liabilities are presented in the Abridged Balance Sheet classified as current and non-current. For these purposes, assets and liabilities are classified as current when they are linked to the Company's normal operating cycle and are expected to be sold, consumed, assigned or settled in the course of that cycle; they are different from the above and their maturity, disposal or selling is expected to occur within a maximum period of one year. They are held for trading purposes or are cash and cash equivalents whose use is not restricted for a period exceeding one year.

4.8 Revenue and expenditure

The Company recognises revenue from a contract when control of the goods or services agreed upon with the customers is transferred.

The Company is understood to have transferred control of an asset when the customer simultaneously receives and consumes the benefits provided by the company's activity, as it is carried out by the entity.

The revenue from the sale of goods and the rendering of services is measured at the monetary value or when applicable, at the fair value of the consideration received or expected to be received, which, unless there is evidence to the contrary, is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or similar items that the company may grant; as well as interests incorporated in the face value of receivables. However, the interests incorporated in trade receivables maturing in less than one year and which do not have a contractual interest rate, may be included when the effect of not discounting the cash flows is not material.

The taxes levied on the delivery of goods and rendering of services which the company must pass on to third parties, such as Value Added Tax and special taxes, as well as amounts received on behalf of third parties, do not form part of the revenue.

Revenues and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

4.9 Transactions between related parties

In general, transactions between group and related companies are initially recorded at fair value. Where appropriate, if the agreed price differs from the fair value, the difference is recorded on the basis of the economic reality of the transaction. The subsequent valuation is carried out pursuant to the relevant rules.

5. Property, plant and equipment and real estate investments

The changes in the Financial Year in each of these Balance Sheet headings and in the corresponding accumulated depreciation and impairment losses are as follows:

5.1 Property, plant and equipment

fixed assets in construction and advances	(Expressed In Euros)
A) GROSS OPENING BALANCE, FINANCIAL YEAR 2020	**382,536.63**
(+) Extensions and improvements	17,746.37
(-) Disposals, de-registrations, reductions or conveyances	-
B) GROSS CLOSING BALANCE, FINANCIAL YEAR 2020	**400,283.00**
C) GROSS OPENING BALANCE, FINANCIAL YEAR 2021	**400,283.00**
(+) Extensions and improvements	5,754.94
(-) Disposals, de-registrations, reductions or conveyances	-
B) GROSS CLOSING BALANCE FINANCIAL YEAR 2021	**406,037.94**
E) FINAL NET BOOK VALUE, FINANCIAL YEAR 2020	**400,283.00**
F) FINAL NET BOOK VALUE, FINANCIAL YEAR 2021	**406,037.94**

The balance of the Property, Plant and Equipment heading corresponds to improvements made to the fixtures and fittings of investment property.

5.2 Real estate investments

	Land and Natural assets	Constructions	Total
	(EUR)		
A) GROSS OPENING BALANCE, FINANCIAL YEAR 2020	**328,152.61**	**5,029,971.22**	**5,358,123.83**
(+) Acquisitions, extensions and improvements	-	76,698.49	**76,698.49**
(-) Disposals, de-registrations, reductions or conveyances	-	-	-
B) GROSS CLOSING BALANCE, FINANCIAL YEAR 2020	**328,152.61**	**5,106,669.71**	**5,434,822.32**
C) GROSS OPENING BALANCE, FINANCIAL YEAR 2021	**328,152.61**	**5,106,669.71**	**5,434,822.32**
(+) Acquisitions, extensions and improvements	-	327,751.05	**327,751.05**
(-) Disposals, de-registrations, reductions or conveyances	-	-	-
B) GROSS CLOSING BALANCE FINANCIAL YEAR 2021	**328,152.61**	**5,434,420.76**	**5,762,573.37**
E) ACCUMULATED DEPRECIATION, OPENING BALANCE, FINANCIAL YEA	-	**(1,248,139.04)**	**(1,248,139.04)**
(+) Increases due to acquisitions or transfers		(89,366.16)	**(89,366.16)**
(-) Decreases due to disposals, de-registrations, reductions or conveyan	-	-	-
F) ACCUMULATED DEPRECIATION, CLOSING BALANCE, FINANCIAL YEAI	-	**(1,337,505.20)**	**(1,337,505.20)**
G) ACCUMULATED DEPRECIATION, OPENING BALANCE, FINANCIAL YEA	-	**(1,337,505.20)**	**(1,337,505.20)**
(+) Increases due to acquisitions or transfers		(89,759.10)	**(89,759.10)**
(-) Decreases due to disposals, de-registrations, reductions or conveyan	-	-	-
H) ACCUMULATED DEPRECIATION, CLOSING BALANCE, FINANCIAL YEA	-	**(1,427,264.30)**	**(1,427,264.30)**
I) FINAL NET BOOK VALUE, FINANCIAL YEAR 2020	**328,152.61**	**3,769,164.51**	**4,097,317.12**
J) FINAL NET BOOK VALUE, FINANCIAL YEAR 2021	**328,152.61**	**4,007,156.46**	**4,335,309.07**

The Company is the result of the total spin-off of the trading company INMOBILIARIA DEL PASAJE DE OVIEDO, S.A. by dividing its assets into two parts and transferring them to two newly created companies called INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. and IPOSA PROPERTIES SOCIMI, S.A.

At the time of the spin-off, an independent expert made a valuation of the non-monetary assets of INMOBILIARIA DEL PASAJE DE OVIEDO, S.A., determining the market value of the Real Estate Investments currently managed by IPOSA PROPERTIES SOCIMI, S.A. Below is the list of properties intended for lease referred to in section 1 of article 3 of Law 11/2009, modified by Law 16/2012, by net book value and market value:

REAL ESTATE INVESTMENTS	NET BOOK VALUE	MARKET VALUE	DIFFERENCE
C/ Uria 12 Oviedo	623,661.99	6,579,293.30	5,955,631.31
C/ Uria 14 Oviedo	55,719.23	5,107,315.45	5,051,596.22
C/ Uria 16 Oviedo	2,116,731.70	6,449,073.04	4,332,341.34
C/ Milicias Nacionales 4 Oviedo	39,773.19	13,215,996.13	13,176,222.94
C/ Milicias Nacionales 6 Oviedo	209,215.18	8,311,755.37	8,102,540.19
C/ Milicias Nacionales 8 Oviedo	33,159.31	13,123,168.36	13,090,009.05
C/ Pelayo 11,13,15 Oviedo	1,237,719.68	15,215,912.68	13,978,193.00
Remodeling and improvement works of other propertie	19,328.79	n/a	n/a
TOTAL	**4,335,309.07**	**68,002,514.33**	**63,686,534.05**

The Company complies with the investment requirement set out in Article 3.1 of Law 11/2009.

6. EQUITY

6.1 Share capital

On 28th December 2018, the Company was incorporated with a share capital of EUR 5,058,818.16,

represented by 10,000 shares with a value of EUR 505.881816 each, numbered consecutively from 1 to 10,000 inclusive, which were fully underwritten and paid up.

Subsequently, on 9th May 2019, the Company split the nominal value of the shares into which it divided its share capital by reducing their nominal value to EUR 1.187516 per share, with the consequent multiplication of the number of shares by 426, with no change in the reallocation and share portion.

Pursuant to Title I Chapter III of the Capital Companies Act, the Company has been registered at the Business Registry as a Public Limited Company.

6.2 Legal Reserve

The Company is obliged to set aside 10% of the profit for the Financial Year to the legal reserve, until this reserve reaches at least 20% of the share capital. Until such time as the legal reserve exceeds the aforesaid limit, it may only be used to offset losses if sufficient other reserves are not available for this purpose, and shall be replenished with future profits.

As at 31st December 2021, the legal reserve had not reached the legal minimum of 20% of share capital.

Once the endowments established in the legal provisions and in those of the Articles of Association have been effected, dividends may only be distributed from the profit of the year or from unrestricted reserves if the value of the equity is not or does not become lower than the share capital as a result of the distribution. For these purposes, profits attributed directly to equity may not be distributed, either directly or indirectly. If there are losses from previous years that make the value of the Company's equity lower than the amount of the share capital, the profit shall be used to offset these losses.

6.3 Dividends

The Company has distributed an interim dividend of EUR 1,150,000.00, declared by the Board of Directors on 16th June 2021 (EUR 325,000.00), 29th September 2021 (EUR 175,000.00) and 19th January 2022 (EUR 650,000).

The following is a forecast cash flow statement, used for the approved dividend distribution, pursuant to Article 277 of the Capital Companies Act.

Income Statement

(EUR)	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Net Turnover	177,265.76	185,999.82	167,143.96	164,977.45	158,282.27	159,560.39	153,515.73	167,640.27	174,925.12	180,652.39	227,483.73	188,007.76	2,105,654.65
7050000 Revenue from commercial premises	156,637.00	165,356.27	147,968.15	145,790.80	139,352.43	135,557.84	135,211.55	149,830.28	155,927.90	160,155.92	198,275.62	166,936.54	1,857,000.30
7050001 Revenue from dwellings	20,628.76	20,643.55	19,175.81	19,186.65	18,929.84	24,002.55	18,304.18	17,809.99	18,997.22	20,696.47	29,208.11	21,071.22	248,654.35
6. Staff Costs	(11,722.88)	(11,722.88)	(11,722.88)	(14,781.26)	(10,669.73)	(11,089.73)	(24,409.86)	(11,419.14)	(14,633.45)	(17,244.86)	(11,419.14)	(26,054.88)	(176,890.69)
6400000 Salaries & Wages Madrid	(9,055.59)	(9,055.59)	(9,055.59)	(12,264.76)	(8,573.23)	(8,573.23)	(21,729.77)	(8,739.05)	(8,739.05)	(12,064.77)	(8,739.05)	(23,363.84)	(139,953.52)
6400004 Remuneration Directors	-	-	-	-	-	-	-	-	-	(2,500.00)	-	-	(2,500.00)
6420000 Social Security costs of the Company	(2,667.29)	(2,667.29)	(2,667.29)	(2,516.50)	(2,096.50)	(2,516.50)	(2,680.09)	(2,680.09)	(5,894.40)	(2,680.09)	(2,680.09)	(2,691.04)	(34,437.17)
7. Other Operating Expenses	(37,425.39)	(29,551.02)	(46,185.51)	(28,860.46)	(24,234.35)	(27,796.84)	(28,106.73)	(17,471.70)	(51,914.45)	(32,442.30)	(150,944.69)	(48,322.20)	(523,155.64)
6210000 Leases and Royalties	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(4,121.05)	(49,452.60)
6220000 Repairs and Maintenance	(6,404.30)	(332.50)	(1,080.75)	(1,462.53)	(646.47)	(1,241.60)	(1,239.41)	(744.69)	(1,650.61)	(2,980.22)	(1,739.14)	(1,958.79)	(21,481.01)
6230000 Professional Services	(15,745.01)	(2,922.49)	(2,551.64)	(13,937.36)	(8,308.57)	(17,435.26)	(14,440.05)	(2,051.87)	(2,883.13)	(17,176.93)	(3,526.47)	(35,696.20)	(136,674.98)
6250000 Insurance premiums	-	(5,613.84)	(10,602.74)	-	-	-	(716.47)	(5,877.30)	-	-	-	-	(22,810.35)
6260000 Banking and Similar Services	(74.87)	(306.17)	(174.50)	(303.75)	(37.15)	(131.93)	(326.68)	(322.58)	(92.37)	(325.25)	(74.11)	(19.80)	(2,189.16)
6280000 Supplies	(9,209.19)	(14,954.61)	(13,898.02)	(7,714.29)	(9,418.90)	(3,560.49)	(5,754.53)	(3,072.01)	(4,858.62)	(4,475.42)	(4,817.11)	(4,100.01)	(85,843.20)
6290001 Communications	(36.93)	(72.64)	(36.52)	(73.30)	(21.73)	(54.48)	(54.48)	(54.48)	(54.76)	(55.05)	(54.70)	(54.48)	(623.55)
6290004 Restaurants	-	-	-	-	-	-	-	-	-	-	(375.12)	-	(375.12)
6290006 Fuel	-	-	-	-	-	-	-	-	-	-	(85.27)	-	(85.27)
6290007 Travel	-	-	-	-	-	-	(226.34)	-	-	(117.30)	(204.36)	-	(548.00)
6290010 Office Supplies	-	-	-	-	-	-	-	-	(42.97)	-	-	-	(42.97)
6290012 Cleaning	(1,296.91)	(1,227.72)	-	(1,248.18)	(1,647.66)	(1,252.03)	(1,227.72)	(1,227.72)	(2,194.55)	(3,167.48)	(1,517.26)	(1,422.11)	(17,429.34)
6290013 IT	(537.13)	-	-	-	-	-	-	-	-	-	-	-	(537.13)
6310000 Other taxes	-	-	(13,720.29)	-	(32.62)	-	-	-	(36,006.39)	(23.60)	(134,330.10)	-	(184,113.20)
6340000 Negative VAT adjustments	-	-	-	-	-	-	-	-	-	-	-	(949.76)	(949.76)
8. Depreciation of Fixed Assets	(7,623.32)	(6,885.58)	(7,623.32)	(7,377.41)	(7,623.32)	(7,377.41)	(7,623.32)	(7,623.32)	(7,377.41)	(7,623.32)	(7,377.41)	(7,623.96)	(89,759.10)
6820001 Depreciation Remodelling Uria	(3,793.57)	(3,426.45)	(3,793.57)	(3,671.20)	(3,793.57)	(3,671.20)	(3,793.57)	(3,793.57)	(3,671.20)	(3,793.57)	(3,671.20)	(3,793.63)	(44,666.30)
6820002 Depreciation Improvement Pelayo 15	(1,874.55)	(1,693.14)	(1,874.55)	(1,814.08)	(1,874.55)	(1,814.08)	(1,874.55)	(1,874.55)	(1,814.08)	(1,874.55)	(1,814.08)	(1,874.60)	(22,071.36)
6820003 Depreciation Works Pelayo	(58.57)	(52.90)	(58.57)	(56.68)	(58.57)	(56.68)	(58.57)	(58.57)	(56.68)	(58.57)	(56.68)	(58.58)	(689.62)
6820004 Depreciation Uria	(1,517.95)	(1,371.05)	(1,517.95)	(1,468.98)	(1,517.95)	(1,468.98)	(1,517.95)	(1,517.95)	(1,468.98)	(1,517.95)	(1,468.98)	(1,518.03)	(17,872.70)
6820005 Depreciation Works Milicias Nacl	(62.96)	(56.87)	(62.96)	(60.93)	(62.96)	(60.93)	(62.96)	(62.96)	(60.93)	(62.96)	(60.93)	(63.05)	(741.40)
6820006 Depreciation Works Uria 16-2	(51.59)	(46.60)	(51.59)	(49.93)	(51.59)	(49.93)	(51.59)	(51.59)	(49.93)	(51.59)	(49.93)	(51.68)	(607.54)
6820007 Depreciation Remodelling Pelayo 15	(48.66)	(43.95)	(48.66)	(47.09)	(48.66)	(47.09)	(48.66)	(48.66)	(47.09)	(48.66)	(47.09)	(48.74)	(573.01)
6820008 Depreciation Pelayo 11	(50.84)	(45.92)	(50.84)	(49.20)	(50.84)	(49.20)	(50.84)	(50.84)	(49.20)	(50.84)	(49.20)	(50.86)	(598.62)
6820009 Depreciation Milicias Nac.6	(138.62)	(125.21)	(138.62)	(134.15)	(138.62)	(134.15)	(138.62)	(138.62)	(134.15)	(138.62)	(134.15)	(138.72)	(1,632.25)
6821037 Depreciation of Investments Real-Estate	(26.01)	(23.49)	(26.01)	(25.17)	(26.01)	(25.17)	(26.01)	(26.01)	(25.17)	(26.01)	(25.17)	(26.07)	(306.30)
13. Other Results	-	3.72	-	(0.79)	-	-	(0.03)	-	(13.21)	-	(59.21)	34.17	(35.35)
6780000 Extraordinary Expenditure	-	-	-	(0.79)	-	-	(0.40)	-	(13.66)	-	(90.01)	(30.00)	(134.86)
7780000 Extraordinary Revenue	-	3.72	-	-	-	-	0.37	-	0.45	-	30.80	64.17	99.51
A) Operating Profit	120,494.17	137,844.06	101,612.25	113,957.53	115,754.87	113,296.41	93,375.79	131,126.11	100,986.60	123,541.91	57,783.28	106,040.89	1,315,813.87
14. Financial Income	-	-	-	-	-	-	97.67	-	-	29,555.03	-	20,820.86	50,473.56
B) Other Financial Income	-	-	-	-	-	-	97.67	-	-	29,555.03	-	20,820.86	50,473.56
7603000 Income Share in Instruments	-	-	-	-	-	-	97.67	-	-	29,555.03	-	-	29,652.70
7620000 Revenue Appropriations Lp, Emp, Gr, Gr.	-	-	-	-	-	-	-	-	-	-	-	20,820.86	20,820.86
15. Financial expenses	-	-	-	-	-	-	(35,000.00)	(1,895.83)	(1,895.83)	(1,895.83)	(1,895.83)	(1,895.83)	(44,479.15)
6623011 Interests Loan Bankinter N	-	-	-	-	-	-	(35,000.00)	(1,895.83)	(1,895.83)	(1,895.83)	(1,895.83)	(1,895.83)	(44,479.15)
B) Financial Result	-	-	-	-	-	-	(34,902.33)	(1,895.83)	(1,895.83)	27,659.20	(1,895.83)	18,925.03	5,994.41
C) Profit Before Tax	120,494.17	137,844.06	101,612.25	113,957.53	115,754.87	113,296.41	58,473.46	129,230.28	99,090.77	151,201.11	55,887.45	124,965.92	1,321,808.28
D) Result for the Financial Year	120,494.17	137,844.06	101,612.25	113,957.53	115,754.87	113,296.41	58,473.46	129,230.28	99,090.77	151,201.11	55,887.45	124,965.92	1,321,808.28

Pursuant to Article 6 of Act 16/2012, of 27th December:

1. Spanish REITs and companies residing in Spanish territory in which they hold shares referred to in Article 2.1.c) of this Act, which have opted for the application of the special tax system established in this Act, shall be obliged to distribute in the form of dividends to their shareholders, once the corresponding business obligations have been fulfilled, the profit obtained in the Financial Year, and the distribution shall be resolved within the six months following the end of each Financial Year, in the following manner:

a) 100% of the profits from dividends or shares in profits distributed by the entities referred to in Article 2.1 of this Act;

b) At least 50% of the profits arising from the conveyance of real estate and shares or holdings referred to in Article 2.1 of this Act;

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

7. Financial assets

The breakdown of financial instruments on the assets side of the Company's Balance Sheet, classified by category, is:

7.1 Long-term financial instruments:

	Equity Instruments		Credit derivatives and others		Total	
(EUR)	2021	2020	2021	2020	2021	2020
Assets at fair value with changes in profit/loss	15,902.76	15,902.76	-	-	15,902.76	15,902.76
Financial assets at amortised cost	-	-	1,314,794.08	1,314,794.08	1,314,794.08	1,314,794.08
Total	15,902.76	15,902.76	1,314,794.08	1,314,794.08	1,330,696.84	1,330,696.84

There have been no changes of non-current financial assets during the 2020 and 2021 Financial Years.

7.2 Short-term financial instruments:

	Equity Instruments		Credit derivatives and others		Total	
(EUR)	2021	2020	2021	2020	2021	2020
Assets at fair value with changes in profit/loss	5,901.28	5,901.28	-	-	5,901.28	5,901.28
Financial assets at amortised cost	-	-	255,593.81	183,030.02	255,593.81	183,030.02
Total	**5,901.28**	**5,901.28**	**255,593.81**	**183,030.02**	**261,495.09**	**188,931.30**

No impairment write-downs arising from credit risk were recognised in 2020 and 2021.

8. Financial Liabilities

The information on the financial instruments on the liabilities side of the Company's Balance Sheet, classified by category, is:

8.1 Long-term financial instruments:

	Debts with credit institutions		Derivatives and Others		Total	
(EUR)	2021	2020	2021	2020	2021	2020
Financial liabilities at amortised cost	1,750,000.00	-	261,262.02	283,582.32	2,011,262.02	283,582.32
Total	**1,750,000.00**	-	**261,262.02**	**283,582.32**	**2,011,262.02**	**283,582.32**

8.2 Short-term financial instruments:

	Derivatives and Others		Total	
(EUR)	2021	2020	2021	2020
Financial liabilities at amortised cost	166,043.15	70,975.26	166,043.15	70,975.26
Total	**166,043.15**	**70,975.26**	**166,043.15**	**70,975.26**

The classifications by maturity of the Company's financial liabilities for the amounts maturing in each following year at the closing of the financial year, and up to their final maturity, are detailed in the following table:

	Maturity in years						
	2022	2023	2024	2025	2026	>2026	Total
Debts	**2,231.27**	**36,054.22**	**87,330.67**	**88,472.74**	**89,629.78**	**1,709,774.61**	**2,013,493.29**
Debts with credit institutions	-	36,054.22	87,330.67	88,472.74	89,629.78	1,448,512.59	1,750,000.00
Other financial liabilities	2,231.27	-	-	-	-	261,262.02	263,493.29
Trade creditors & other accounts payable	**163,811.88**	-	-	-	-	-	**163,811.88**
Suppliers	16,587.82	-	-	-	-	-	16,587.82
Sundry creditors	143,211.88	-	-	-	-	-	143,211.88
Staff	4,012.18	-	-	-	-	-	4,012.18
TOTAL	**166,043.15**	**36,054.22**	**87,330.67**	**88,472.74**	**89,629.78**	**1,709,774.61**	**2,177,305.17**

The breakdown of the financial instruments of long-term liabilities, corresponding to guarantees, is as follows:

MILICIAS NACIONALES 4, 33003 OVIEDO		
Property	**2021**	**2020**
Premise 1	12,000.00	12,000.00
2nd left	540.00	540.00
2nd right	521.00	521.00
4th right	168.28	-
5th right	168.28	-
6th left	650.00	650.00
	14,047.56	**13,711.00**

MILICIAS NACIONALES 6, 33003 OVIEDO		
Property	**2021**	**2020**
Premise 1	-	-

MILICIAS NACIONALES 8, 33003 OVIEDO		
Property	**2021**	**2020**
Premise 1	22,000.00	17,167.32
Premise 2	10,000.00	10,000.00
Premise 3	12,000.00	12,000.00
	44,000.00	**39,167.32**

PELAYO 11, OVIEDO-33003		
Property	**2021**	**2020**
Premise 1	30,742.70	30,000.00
1rt left	-	-
2nd left	1,600.00	1,600.00
2nd right	600.00	600.00
3rd right	800.00	800.00
5th right	2.70	
6th left	700.00	1,000.00
6th right	1,200.00	1,200.00
7th right	32.06	-
	35,677.46	**35,200.00**

PELAYO 13- 15, OVIEDO-33003		
Property	**2021**	**2020**
Premise 1	14,000.00	14,000.00
Premise 2	34,000.00	10,000.00
Premise 3		23,000.00
Office A	1,100.00	1,100.00
Office B	1,800.00	
Office C	-	750.00
2nd left	11,800.00	11,800.00
2nd right		
3rd left		
3rd right		
4th left		
4th right		
	62,700.00	**60,650.00**

URIA 12, OVIEDO-33003		
Property	**2021**	**2020**
Premise 1	1,200.00	1,200.00
Premise 3		-
Premise 6	7,200.00	7,200.00
Mezz 1	3,000.00	3,000.00
Mezzanine 3	400.00	400.00
Principal	2,200.00	2,200.00
Mezz Right	340.00	340.00
Mezz Left	700.00	700.00
2nd apartment	1,800.00	4,800.00
	16,840.00	**19,840.00**

URIA 14, OVIEDO-33003		
Property	**2021**	**2020**
Local 1	24,000.00	24,000.00
Premise 2	24,400.00	24,400.00
1st Floor		
2nd Floor		
3rd Floor		
4th Floor		
	48,400.00	**48,400.00**

URIA 16, OVIEDO-33003		
Property	**2021**	**2020**
Premise 2	-	28,000.00
Premise 3	24,000.00	24,000.00
2nd Office 1	1,150.00	1,150.00
2nd Office 2	1,160.00	1,160.00
2nd Office 3	2,000.00	2,000.00
2nd Office 4	1,000.00	1,000.00
2nd Office 5	1,800.00	1,800.00
3rd A	750.00	750.00
3rd B	750.00	750.00
3rd C	450.00	450.00
3rd D	2,000.00	550.00
4th A	1,900.00	1,900.00
4th G	550.00	550.00
4th H	362.00	700.00
5th I	450.00	450.00
5th J	625.00	754.00
5th K	650.00	650.00
	39,597.00	**66,614.00**
Total	**261,262.02**	**283,582.32**

8.1 Information on the kind and level of risk arising from financial instruments

The following information, both qualitative and quantitative, is detailed in relation to the different types of risk:

- Market risk: the Company is not exposed to market risks by non-financial assets.
- Exchange rate risk: The Company does not operate internationally and therefore is not exposed to exchange rate risks through foreign exchange transactions. Exchange rate risk arises from recognised assets and liabilities and net investments in foreign operations.
- Credit risk: The Company's financial assets are mainly composed of loans to related companies. The Company believes that it does not have significant credit risk on its financial assets.
- Liquidity risk: The Company carries out prudent liquidity risk management, based on maintaining sufficient cash and availability of financing through a sufficient amount of committed credit facilities and sufficient capacity to liquidate market positions.
- Cash flow and fair value interest rate risk: The Company's interest rate risk arises from long-term and short-term debt. Debt issued at variable rates exposes the Company to cash flow interest rate risk.

9. Public Administrations

As a consequence of various legal obligations, the Company maintains relations with the Public Administration, from which debit and credit positions with respect to the Administration bodies arise, as detailed below:

(EUR)	2021	2020
- Public Treasury- Corporation Tax payable	7,911.82	3,955.91
- Public Treasury, VAT payable	(83,479.63)	(97,066.21)
- Public Treasury- Personal Income Tax payable	(10,578.32)	(130,341.03)
- Public Treasury- Corporation Tax payable	-	-
- Social Security bodies- payable	(6,698.03)	(3,166.88)
Total	**(92,844.16)**	**(226,618.21)**

10. Tax Situation

The reconciliation between the net amount of income and expenses for the Financial Year and the tax basis for Corporation Tax is as follows:

(EUR)	2021	2020
Profit/Loss before Tax	**1,321,808.28**	**1,396,131.01**
Permanent/Temporary Differences	-	-
Tax basis (taxable income)	**1,321,808.28**	**1,396,131.01**
Corporation Tax	-	-

By virtue of Act 11/2009, of 26th October, amended by Act 16/2012, of 27th December, regulating Spanish REITs, the companies that meet the requirements defined in the regulations and opt for the application of the special tax system provided for in said Act shall be taxed at a rate of 0% for Corporations.

Current legislation establishes that taxes cannot be considered to be definitively settled until the tax returns submitted have been inspected by the tax authorities or until the four-year period of prescription has elapsed. The Company Directors do not expect any significant additional liabilities to accrue to the Company as a result of any inspection.

As a result, among others, of the different possible interpretations of the current tax legislation, additional liabilities may arise as a result of an inspection. In any case, the Directors consider that said liabilities, in the event that they were to arise, would not have a material effect on the Abridged Annual Accounts.

The Company is pending inspection by the tax authorities for the principal taxes that are applicable to it from its incorporation (2018) and whose settlement period has elapsed.

Pursuant to the provisions of Article 11 of Act 11/2009, the requested information is included in detail in the Annexe to these Abridged Annual Accounts, amended by Act 16/2012 of 27th December.

11. Revenue and expenditure

11.1 Revenue

The Company has obtained the following revenue during the periods ending 31st December 2021 and 2020:

(EUR)	**2021**	**2020**
Revenue from commercial premises	1,857,000.30	1,918,502.52
Revenue from dwellings	248,654.35	242,014.30
Total	**2,105,654.65**	**2,160,516.82**

11.2 Staff costs

The Company has had employees, during the periods ended on 31st December 2021 and 2020, and it has incurred the following staff costs:

(EUR)	**2021**	**2020**
Wages and salaries	142,453.52	136,401.88
Social Security contributions	34,437.17	26,022.30
Others	-	140.00
Total	**176,890.69**	**162,564.18**

11.3 Other operating expenses

The breakdown of this item of the Income Statement, as of 31st December 2021 and 2020, is as follows:

(EUR)	2021	2020
Other tax	184,113.20	195,191.10
Professional services	136,674.98	114,898.02
Supplies	85,843.20	79,779.91
Repair and maintenance	21,481.01	52,179.18
Leases	49,452.60	48,758.61
Insurance premiums	22,810.35	21,571.68
Cleaning	17,472.31	13,410.00
Negative VAT adjustments on non-current assets	949.76	4,626.69
Banking and similar services	2,189.16	2,710.13
Communications	623.55	681.12
Restaurants and travel	923.12	669.40
Other expenditure	622.40	515.24
Total	**523,155.64**	**534,991.08**

12. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

12.1 Remuneration of the members of the Governing Body

The Directors of the Company in the Financial Years ended 31st December 2021 and 2020, have received an annual remuneration of EUR 500.00 each, in accordance with the Articles of Association of the Company and the resolution at the Annual General Meeting of 10th June 2019.

The Directors of the Company, as at 31st December 2020, have not received any shares or share options during the year, nor have they exercised any options or have any options outstanding.

Similarly, no contributions were made to pension funds or schemes in favour of the Directors.

12.2 Conflict of interest situations for the Directors

In order to avoid situations of conflict with the interests of the Company, during the Financial Year the Directors who have held positions on the Board of Directors have complied with the obligations set out in Article 228 of the Consolidated Text of the Capital Companies Act. Likewise, both they and the persons related to them have abstained from incurring in cases of conflict of interest as provided for in Article 229 of said Act, except in those cases in which the relevant leave had been secured.

13. TRANSACTIONS WITH RELATED PARTIES:

Balances and transactions with related parties are as follows:

	2021	2020
Investments in Group & Associated Companies	*(EUR)*	
.- Credit IPOSA S.L.	1,314,794.08	1,314,794.08

Investments in Group & Associated Companies

INMOBILIARIA DEL PASAJE DE OVIEDO, S.L., in the representation indicated above, expressly and irrevocably recognises
that it owes IPOSA PROPERTIES SOCIMI, S.A. the amount of EUR 1,314,794.07, and said amount is liquid, due and fully payable.

INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. shall pay said amount to IPOSA PROPERTIES SOCIMI, S.A. within the maximum period of ten (10) years after the date of the Agreement, i.e., before 31st December 2028.

The contract shall accrue a fixed interest rate calculated at the rate of 1.70% annually, from the date of the deed until the maturity of the Contract and/or its early repayment. Interests shall be due and payable annually, and shall be paid by INMOBILIARIA DEL PASAJE DE OVIEDO, S.L. on 31st December of each year until the full repayment of the debt. In Financial Years 2021 and 2020, the Company has recorded EUR 20,820.56 in interest.

14. ENVIRONMENTAL INFORMATION

In view of the activity carried out by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be significant regarding its equity, financial position and results.

15. ADDITIONAL INFORMATION

The average number of individuals employed over the course of the Financial Year is the following:

	2021		2020	
	MEN	WOMEN	MEN	WOMEN
PERMANENT	1	2	1	2

16. AVERAGE PAYMENT TERM

	2021	2020
Average payment term to suppliers	60.26	46.52

17. EVENTS AFTER YEAR-END

No significant events have occurred after the closing date of the Annual Accounts which, due to their importance, require their inclusion in the notes to the Annual Accounts.

During Financial Year 2021, the consequences of COVID-19 have been noted, although, at the date of preparation of the Annual Accounts, it is not possible to estimate the future impact of this crisis on the Company. This circumstance is considered a subsequent event that does not require an adjustment in the Annual Accounts for 2021, although it should be recognised in the Annual Accounts for 2022.

At the date of formulation of these Annual Accounts, the Company is in the process of updating the appraisals of the properties registered in real estate investments.

Except for the aforementioned, after the year end and up to the date of preparation of these Annual Accounts, no significant event has occurred that affects the going concern principle or could be significant for these Annual Accounts.

José Carlos Rodríguez San Pedro y Márquez
Chairperson

Carlos Luís Rodríguez San Pedro y Martos
Non-Board Member Secretary

At Madrid, this 23rd March 2022

ANNEXE

Information disclosure requirements arising from the status of REIT, Act 11/2009, as amended by Act 16/2012:

Description	**31 December 2021**
a) Reserves from Financial Years prior to the application of the tax system established in Act 11/2009, amended by Act 16/2012, of 27th December.	Not applicable
b) Reserves for each Financial Year in which the special tax system established in the aforesaid Act has been applicable • Profits from income subject to the general tax rate • Profits from income subject to tax at the rate of 19% • Profits from income subject to tax at the rate of 0%	Note 6.2
c) Dividends distributed out of profits for each Financial Year in which the tax system established in the aforesaid Act has been applicable • Dividends from income subject to the general tax rate • Dividends from income subject to the 18% (2009) and 19% (2010 to 2012) tax rate • Dividends from income subject to the 0% tax rate	Note 3
Dividends distributed from reserves, • Distribution from reserves subject to the general rate. • Distribution from reserves subject to tax at the rate of 19% • Distribution from reserves subject to tax at the rate of 0%	Not applicable
e) Date of the resolution to distribute the dividends referred to in Points c) and d) above	Note 6.3
f) Date of acquisition of the property to be leased that produces income under this special scheme	Note 5
g) Date of acquisition of holdings in the capital of companies referred to in Article 2, Section 1 of the aforesaid Act.	Not applicable
h) Identification of the asset that counts towards the 80 percent referred to in Article 3, Section 1 of the aforesaid Act	Note 5
i) Reserves arising from Financial Years in which the special tax system established in the aforesaid Act has been applied and which have been set aside during the tax period, other than for distribution or to offset losses. The Financial Year from which these reserves originated shall be identified.	Not applicable