

## **Faifey Invest SOCIMI, S.A.**

Audit report,  
Annual Accounts as of 31 December 2023  
Management Report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

## Independent auditor's report on the annual accounts

To the shareholders of Faifey Invest SOCIMI, S.A.:

### Opinion

We have audited the annual accounts of Faifey Invest SOCIMI, S.A. (the Company), which comprise the balance sheet as of 31 December 2023, the income statement, the statement of changes in equity, the cash flow statement and the notes to the financial statements for the year then ended.

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the Company's net assets and financial position at 31 December 2023 and of its results and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

### Basis for the opinion

We conducted our audit in accordance with Spanish auditing standards. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, applicable to our audit of the annual accounts in Spain as required by the regulations governing the auditing of accounts. In this respect, we have not provided any services other than auditing the accounts, nor have there been any situations or circumstances which, in accordance with the provisions of the aforementioned 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.

### Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the annual accounts of the current period. These risks were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

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Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
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**Measurement of equity instruments in group companies**

At 31 December 2023 the net book value of equity instruments in group companies recorded in non-current assets amounts to EUR 112 million, which represents approximately 98% of the Company's assets (Note 5.2).

Investments are initially measured at cost, which corresponds to the fair value of the consideration received. Subsequently, investments are measured at cost, reduced, where applicable, by the accumulated amount of impairment losses, as indicated in notes 2.4 and 4.1 to the annual accounts.

These adjustments are calculated as the difference between the carrying amount and the recoverable amount, the latter being the higher of the fair value of the asset less costs to sell and the present value of future cash flows from the investment. Unless there is better evidence of the recoverable amount, the equity of the investee, adjusted for any unrealised gains existing at the measurement date, is taken into account.

We consider the valuation of investments in group companies to be a key audit matter mainly because of its significance in relation to the annual accounts as a whole and because there is an inherent risk associated with the valuation of such investments.

We have gained an understanding of the valuation process of equity instruments in long-term group companies.

In addition, we have obtained the financial statements of the investees and compared the book value of the equity and the identified unrealised gains of each investee with the balance of the Company's equity instruments.

Unrealised gains correspond to the difference between the fair value and the book value of the properties owned by the investees. We have obtained the valuation of the investment property carried out by the management's independent experts, checking the consistency of the estimates.

Finally, we have assessed the adequacy of the information disclosed in the Company's annual accounts.

The result of the procedures performed was such that the audit objective for which the procedures were designed was reasonably achievable.

**Other information: Management report**

The other information comprises exclusively the management report for the financial year 2023, the preparation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, as required by the regulations governing the audit activity, is to assess and report on the consistency of the management report with the financial statements based on our knowledge of the entity obtained from our audit of the financial statements, and to assess and report on whether the content and presentation of the management report comply with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.



On the basis of the work performed, as described in the previous paragraph, the information contained in the management report is consistent with that in the annual accounts for the financial year 2023 and its content and presentation are in accordance with the applicable regulations.

#### **Directors' liability in relation to the annual accounts**

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

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, going concern matters and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or there is no realistic alternative.

#### **The auditor's responsibilities in relation to the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the 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 degree of assurance, but it does not guarantee that an audit conducted in accordance with Spanish auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.

As part of an audit in accordance with the regulations governing the auditing of accounts in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, deliberate misstatements, intentional misrepresentations, or the circumvention of internal control.
- We 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.
- We assessed the appropriateness of accounting policies 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions could cause the Company to cease to continue a going concern.
- We assessed the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the entity's management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, as well as any significant deficiencies in internal control that we identify during the course of the audit.

Among the significant risks that have been reported to the directors of the entity, we have identified those that have been of most significance in the audit of the current period's annual accounts and which are, consequently, the risks considered to be the most significant.

We describe these risks in our audit report unless legal or regulatory provisions prohibit public disclosure.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in spanish signed by María Callejo Dosset (23866)

24 June 2024

FAIFEY INVEST SOCIMI, S.A.  
Annual accounts and management  
report as of 31 December 2023

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## FAIFEY INVEST SOCIMI, S.A.

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## FAIFEY INVEST SOCIMI, S.A.

Balance sheet at year-end 2023 (expressed in euros)

ASSETS		NOTES	2023	2022
<b>A)</b>	<b>NON-CURRENT ASSETS</b>		<b>112,399,564.34</b>	<b>103,419,551.44</b>
<b>IV.</b>	<b>Long-term investments in group and associated companies</b>	<b>5.1, 5.2</b>	<b>112,399,564.34</b>	<b>103,419,551.44</b>
1.	Equity instruments		112,399,564.34	103,419,551.44
<b>B)</b>	<b>CURRENT ASSETS</b>		<b>786,996.07</b>	<b>1,510,351.20</b>
<b>III.</b>	<b>Trade and other receivables</b>			<b>2,420.00</b>
3.	Sundry debtors			2,420.00
<b>VII.</b>	<b>Cash and cash equivalents</b>	<b>5.1</b>	<b>786,996.07</b>	<b>1,507,931.20</b>
1.	Treasury		786,996.07	1,507,931.20
<b>TOTAL ASSETS (A + B)</b>			<b>113,186,560.41</b>	<b>104,929,902.64</b>

EQUITY AND LIABILITIES		NOTES	2023	2022
<b>A)</b>	<b>NET WORTH</b>		<b>112,915,641.62</b>	<b>104,725,387.87</b>
<b>A-</b>	<b>Stockholder equity</b>	<b>5.4</b>	<b>112,915,641.62</b>	<b>104,725,387.87</b>
<b>I</b>	<b>Capital</b>	<b>5.4</b>	<b>5,060,000.00</b>	<b>5,060,000.00</b>
1.	Registered capital		5,060,000.00	5,060,000.00
<b>II.</b>	<b>Share premium</b>	<b>5.4</b>	<b>93,690,662.85</b>	<b>96,458,662.85</b>
<b>III.</b>	<b>Reserves</b>	<b>5.4</b>	<b>993,203.70</b>	<b>661,973.43</b>
1.	Legal and statutory		1,012,000.00	680,769.73
2.	Other reserves		(18,796.30)	(18,796.30)
<b>V.</b>	<b>Results of previous years</b>		<b>(86,289.31)</b>	<b>(4,827,743.12)</b>
2.	(Negative results of previous years)		(86,289.31)	(4,827,743.12)
<b>VI.</b>	<b>Other shareholder contributions</b>	<b>5.4</b>	<b>11,000,000.00</b>	
<b>VII.</b>	<b>Result for the year</b>	<b>3</b>	<b>8,732,253.75</b>	<b>7,372,494.71</b>
<b>VII</b>	<b>(Interim dividend)</b>	<b>3</b>	<b>(6,475,189.37)</b>	<b>-</b>
<b>B)</b>	<b>NON-CURRENT LIABILITIES</b>			
<b>C)</b>	<b>CURRENT LIABILITIES</b>		<b>270,918.79</b>	<b>204,514.77</b>
<b>III.</b>	<b>Short-term debts</b>	<b>5.1</b>		<b>190,548.79</b>
5.	Other financial liabilities			190,548.79
<b>IV.</b>	<b>Short-term payables to group and associated companies</b>	<b>5.1 y 10.1</b>	<b>183,918.79</b>	
<b>V.</b>	<b>Trade and other payables</b>	<b>5.3</b>	<b>87,008.00</b>	<b>13,965.98</b>
3.	Sundry creditors	5.1	87,000.00	5,630.06
6.	Other debts to public administrations	6		8,335.92
<b>TOTAL EQUITY AND LIABILITIES (A + B + C)</b>			<b>113,186,560.41</b>	<b>104,929,902.64</b>

Notes 1 to 15 of the notes to the financial statements form an integral part of these financial statements.

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FAIFEY INVEST SOCIMI, S.A.

Profit and Loss Account for the year 2023 (Expressed in euro)

		NOTES	2023	2023
<b>A)</b>	<b>CONTINUING OPERATIONS</b>			
<b>1.</b>	<b>Net turnover</b>	<b>5.2, 7.1</b>	<b>8,988,012.90</b>	<b>2,833,766.82</b>
b)	Dividend income		8,988,012.90	2,833,766.82
<b>7.</b>	<b>Other operating expenses</b>	<b>7.2</b>	<b>(261,389.15)</b>	<b>(202,725.92)</b>
a)	Outsourced services		(177,338.84)	(175,912.26)
b)	Taxes and rates		(84,050.31)	(26,813.66)
<b>13</b>	<b>Other results</b>		<b>6,630.00</b>	
<b>18.</b>	<b>Impairment and result on disposal of financial instruments</b>	<b>5.3</b>		<b>4,741,453.81</b>
a)	Impairment and loss			4,741,453.81
<b>A.1)</b>	<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<b>8,733,253.75</b>	<b>7,372,494.71</b>
<b>A.2)</b>	<b>FINANCIAL RESULT</b>		<b>-</b>	<b>-</b>
<b>A.3)</b>	<b>RESULT BEFORE TAX</b>		<b>8,733,253.75</b>	<b>7,372,494.71</b>
<b>A.5)</b>	<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>3</b>	<b>8,733,253.75</b>	<b>7,372,494.71</b>

Notes 1 to 15 of the notes to the financial statements form an integral part of these financial statements.

FAIFEY INVEST SOCIMI, S.A.

Statement of changes in equity for the year ending 31 December 2023

A) Statements of recognised income and expense (Expressed in euros)

		NOTES	2023	2022
<b>A)</b>	<b>RESULT OF PROFIT AND LOSS ACCOUNT</b>	<b>3</b>	<b>8,733,253.75</b>	<b>7,372,494.71</b>
	Income and expenses recognised directly in net equity			
<b>B)</b>	<b>TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN NET EQUITY</b>			
	Transfers to the profit and loss account			
<b>C)</b>	<b>TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT</b>			
	<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>	<b>3</b>	<b>8,733,253.75</b>	<b>7,372,494.71</b>

Notes 1 to 15 form an integral part of these financial statements.

FAIFEY INVEST SOCIMI, S.A.

Statement of changes in net equity for the year ended 31 December 2023

B) Statement of total changes in net equity (Expressed in euro)

		Registered capital	Issue premium	Reserves	Profit/(loss) brought forward	Other contributions of partners	Result for the year	(Interim dividend)	TOTAL
A)	<b>BALANCE, END OF 2021 FINANCIAL YEAR</b>	5,060,000.00	111,444,251.46	(18,796.30)	(18,611,259.31)		6,807,687.31		112,681,893.16
B)	<b>ADJUSTED BALANCE, BEGINNING OF 2021 FINANCIAL YEAR</b>	5,060,000.00	111,444,251.46	(18,796.30)	(18,611,259.31)	•	6,807,697.31	•	112,681,893.16
I.	Total recognized income and expenses						7,372,494.71		7,372,494.71
II.	Transactions with partners or owners	-	(14,985,588.61)			-		-	(14,985,588.61)
7.	<i>Other transactions with partners or owners</i>		(14,985,588.61)						(14,985,588.61)
III.	Other changes in net equity			680.769,73	5.783.516,19		(6.807.697,31)		(343.411,39)
C)	<b>BALANCE, END OF 2021 FINANCIAL YEAR</b>	5,060,000.00	96,458,662.85	661,973.43	(4,827,743.12)	-	7,372,494.71	-	104,725,387.87
D)	<b>ADJUSTED BALANCE, BEGINNING OF 2022 FINANCIAL YEAR</b>	5,060,000.00	96,458,662.85	661,973.43	(4,827,743.12)		7,372,494.71		104,725,387.87
I.	Total recognized income and expenses						8,733,253.75		8,733,253.75
II.	Transactions with partners or owners		(2,768,000.00)			11,000,000.00	(2,299,810.63)	(6,475,189.37)	(543,000.00)
4.	<i>(-) Dividend distribution</i>						(2,299,810.63)	(6,475,189.37)	(8,775,000.00)
7.	<i>Other transactions with partners or owners</i>		(2,768,000.00)			11,000,000.00			8,232,000.00
III.	Other changes in net equity			331,230.27	4,741,453.81		(5,072,684.08)	-	
E)	<b>BALANCE, END OF 2023 FINANCIAL YEAR</b>	5,060,000.00	93,690,662.85	993,203.70	(86,289.31)	11,000,800.00	8,733,253.75	(6,475,189.37)	112,915,641.62

Notes 1 to 15 form an integral part of these financial statements.

FAIFEY INVEST SOCIMI, S.A.

Cash flow statement for the year closing on 31 December 2023 (Expressed in euros)

	NOTES	2023	2022	
<b>A)</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1.	<b>Profit/(loss) for the year before tax</b>	<b>3</b>	<b>8,733,253.75</b>	<b>7,372,494.71</b>
2.	<b>Adjustments to the profit/(loss)</b>	<b>5.2</b>		<b>(4,741,452.81)</b>
b)	Valuation adjustments due to impairment			(4,741,453.81)
3.	<b>Changes in working capital</b>		<b>(4,390,324.92)</b>	<b>(9,496.97)</b>
b)	Debtors and other receivables		(4,463,358.92)	(2,420.00)
d)	Creditors and other accounts payable		73,034.02	
e)	Other current liabilities			(7,076.97)
5.	<b>Cash flows from operating activities (+/-1 +/-2 +/-3 +/-3 +/-4)</b>		<b>4,342,929.24</b>	<b>2,621,543.93</b>
<b>B)</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
6.	<b>Payments from investments</b>	<b>5.2</b>	<b>(11,035,000.00)</b>	
a)	Group and associated companies		(11,035,000.00)	
7.	<b>Divestment receipts</b>	<b>5.2</b>	<b>6,520,765.92</b>	<b>14,057,233.18</b>
a)	Group companies and associates		6,520,765.92	14,057,233.18
8.	<b>Cash flows from investing activities (6+7)</b>		<b>(4,514,234.08)</b>	<b>14,057,233.18</b>
<b>C)</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
9.	<b>Receipts and payments for equity instruments.</b>		8,232,000.00	(14,985,588.61)
a)	Issuance of equity instruments	5.4	11,000,000.00	
c)	Acquisition of own equity instruments	5.4	(2,768,000.00)	(14,985,588.61)
10	<b>Receipts and payments for financial liability instruments</b>	<b>7.3</b>	<b>(6,630.00)</b>	<b>3,630.00</b>
a)	Issue		183,918.79	3,630.00
3.	<b>Payable to group and associated companies</b>		<b>183,918.79</b>	
5.	<b>Other debts</b>			<b>3,630.00</b>
b)	Repayments and write-offs of other debts		(190,548.79)	
5.	<b>Other debts</b>		<b>(190,548.79)</b>	
11	<b>Payments for dividends and remuneration of other equity instruments</b>	<b>g</b>	<b>(8,775,000.90)</b>	<b>(343,411.39)</b>
a)	Dividends		(8,775,000.00)	(343,411.39)
12	<b>Cash flows from financing activities (+/-9 +/-10 -11)</b>		<b>(549,630.00)</b>	<b>(15,325,370.00)</b>
<b>D)</b>	<b>Effect of exchange rate changes</b>			
<b>E)</b>	<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS</b>		<b>(720,935.13)</b>	<b>1,353,407.11</b>
	Cash or cash equivalents at beginning of year	5.1	1,507,931.20	154,524.09
	Cash or cash equivalents at the end of the financial year	5.1	786,996.07	1,507,931.20

Notes 1 to 15 form an integral part of these financial statements.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### 1. COMPANY ACTIVITY

Faifey Invest SOCIMI, S.A. (hereinafter "the Company") was incorporated as a public limited company in Spain, for an indefinite period of time, on November 12, 2019, under the name of Faifey Invest, by a deed executed before the notary Francisco Javier Piera Rodríguez, under number 5,001 of his record. Its registered office is at Calle Príncipe de Vergara 112, 4º, 28002 Madrid.

It is entered in the Mercantile Registry of Madrid, in volume 39903, sheet 80, page M-708714. Its tax identification number is A88525563.

On February 1, 2021, in accordance with the public deed executed before the Madrid notary Antonio Pérez Coca Crespo, under number 988 of his record, the Company placed the resolutions of the General Shareholders' Meeting on record. These resolutions changed the corporate name to the current name and changed the Company's business purpose to the following:

- The acquisition and development of urban real estate for lease or the refurbishment of buildings pursuant to the terms set forth in the Value Added Tax Act 37/1992 of December 28, 1992.
- The holding of shares in the capital of other investment companies listed on the property market (SOCIMIs) or in other entities not based in Spain that have the same corporate purpose as the former and that are subject to a regime similar to that established for the SOCIMIs with regard to the compulsory, legal or statutory policy regarding the distribution of profits.
- The holding of shares in the capital of other entities, whether based in Spain or not, whose main corporate purpose is the acquisition of urban real estate for lease and which are subject to the same regime established for the SOCIMIs with regard to the compulsory policy, legal, or statutory, of distribution of profits and which meet the investment requirements referred to in Article 3 of the SOCIMI Act 11/2009 of October 26, 2009, regulating real estate corporations.
- The holding of shares or units in real estate collective investment institutions regulated by the Collective Institutions Act 35/2003 of November 4, 2003 or any law that may replace it in the future.

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

In addition, on February 1, 2021, by virtue of a deed executed before the Madrid notary Antonio Pérez Coca Crespo, under number 989 of his record, the Company placed the resolutions of the General Meeting on public record, accepting the resignation of Karoline Nader -Gräff as a member of the Board of Directors of the Company and appointing Christian Muller in her place as a new member of the Board. Therefore, the Company's current Board of Directors is made up of the following members:

- Board Member and Chairman: Mr Volker Kraft
- Board Member and Vice-Chairman: Mr. Markus Oscar Schmitt Habersack
- Board Member and Secretary: Mr José María Ortiz Lopez-Cámara
- Board Member and Vice-Secretary: Mr Christian Müller

## **FAIFEY INVEST SOCIMI, S.A.**

Notes to the Annual Accounts for the year 2023 (in euros)

The closing date of the financial year is December 31 of each year.

The annual accounts statements are presented in euros, which is the Company's functional and reporting currency.

The Company is the head of a group of two companies and is part of a group of companies, the parent companies being ECE European Prime Shopping Centre II A, SCSp SIF, ECE European Prime Shopping Centre II B, SCSp and ECE European Prime Shopping Centre II C, SCSp SIF, all of which have their registered office in Luxembourg.

The Company is not obliged to present consolidated annual accounts as it does not exceed the limits established by law.

As of 31 December 2023, Faifey Invest SOCIMI, S.A. is listed on Euronext, Paris, under ISIN ES0105553004 and was admitted to trading on 30 July 2021.

### **SOCIMI REGIME**

On September 25, 2020, at the General Meeting of Shareholders adopted the system established in the SOCIMI Act 11/2009 of October 26, 2009, regulating real estate corporations. The adoption of this system was notified to the State Tax Administration Agency in a letter dated September 25, 2020.

## **2. BASIS OF REPORTING OF THE ANNUAL ACCOUNTS**

### **2.1 REGULATORY FRAMEWORK FOR FINANCIAL INFORMATION APPLICABLE TO THE COMPANY**

The Annual Accounts have been prepared by the Company's Board of Directors in accordance with the regulatory financial reporting framework applicable to the Company, which is set out in:

- The Code of Commerce, Capital Companies Act and other commercial legislation.
- General Accounting Plan approved by Royal Decree 1514/2007 and the amendments incorporated therein, the latest being those incorporated by Royal Decree 1/2021 of 12 January, in force for financial years commencing on or after 1 January 2021, as well as the Rules for the Adaptation of the General Accounting Plan to Real Estate Companies (Order of 28 December 1994), provided that they are not incompatible with the General Accounting Plan.
- The mandatory rules approved by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute) to implement the General Accounting Plan and its supplementary rules.
- Regime established in Law 11/2009, of 26 October, as amended by Law 11/2021, of 30 June, regulating Listed Real Estate Investment Companies (SOCIMI), which in practice means that, under certain requirements, the Parent Company is subject to a 0% income tax rate (Note 1).
- All other applicable Spanish accounting legislation.

The figures included in the Annual Accounts are expressed in euro, unless otherwise stated.

### **2.2 FAITHFUL IMAGE**

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## FAIFEY INVEST SOCIMI, S.A.

### Notes to the Annual Accounts for the year 2023 (in euros)

The Board of Directors expects that the annual accounts for the financial year 2023 will be approved by the Annual General Meeting without any changes.

The annual accounts have been prepared on 29 March 2024, based on the accounting records of 2023. The annual accounts for 2023 have been prepared in accordance with current commercial legislation and the rules set out in the preceding section, in order to give a true and fair view of the net assets and financial position as of 31 December 2023 and of the results of its operations, changes in equity and cash flows for the year then ended.

#### 2.3 NON-MANDATORY ACCOUNTING PRINCIPLES APPLIED

No non-mandatory accounting principles have been applied.

#### 2.4 CRITICAL ASPECTS OF VALUATION AND ESTIMATION OF RELEVANT UNCERTAINTIES AND JUDGMENTS IN THE APPLICATION OF ACCOUNTING POLICIES

The preparation of the annual accounts requires the application of significant accounting estimates and the making of judgements, estimates and assumptions in the process of applying the Company's accounting policies. In this regard, the following is a summary of the aspects that have involved a greater degree of judgement, complexity or where the assumptions and estimates are significant for the preparation of the annual accounts.

In preparing the accompanying financial statements, estimates were made by the Board of Directors in order to value some of the assets, liabilities, income, expenses and commitments reported herein. The estimates and criteria considered critical in the interpretation of the financial statements refer mainly to the following aspects:

##### Impairment of investments in group and associated companies

There is objective evidence that equity instruments are impaired when, after initial recognition, an event or combination of events occurs that implies that their carrying amount will not be recoverable due to a prolonged or significant decline in their fair value.

Investments are initially measured at cost, which corresponds to the fair value of the consideration received. Subsequently, the investments are valued at cost, less the accumulated amount of impairment losses, if applicable.

These adjustments are calculated as the difference between their carrying and recoverable amounts, understood as the higher of the fair value of the asset less costs to sell and the present value of future cash flows from the investment. Unless there is better evidence of the recoverable amount, the equity of the investee is taken into consideration, adjusted by the unrealized gains existing at the valuation date, net of the tax effect.

#### 2.5 COMPARISON OF INFORMATION

The annual accounts are presented, for comparative purposes, with each of the items of the balance sheet, the profit and loss account, the statement of changes in net equity, the cash flow statement and the notes to the financial statements, in addition to the figures for the financial year 2023, the figures for the previous year, which formed part of the annual accounts for the financial year 2022 approved by the General Meeting of Shareholders on 16 June 2023.

#### 2.6 ITEM GROUPING

Certain items in the balance sheet, income statement, statement of changes in net equity, recognised income and expenses statement and cash flow statement, are presented in groups to facilitate their understanding, although, to the extent it is significant, the information is disclosed in the related notes to the consolidated financial statements.

## FAJFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### 2.7 ELEMENTS INCLUDED UNDER VARIOUS ITEMS

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

### 3. DISTRIBUTION OF PROFIT/LOSS

The distribution of the Company's profit for the year ended 31 December 2022 was approved by the General Meeting of Shareholders on 16 June 2023:

<b>Balance for the purpose of distribution</b>	<b>Amount 2022</b>
Profit and loss account balance	7,372,494.71
<b>Total</b>	<b>7,372,494.71</b>
<b>Balance for the purpose of distribution</b>	
To the legal reserves	331,230.27
To dividends	2,299,810.63
To offsetting of prior years' losses	4,741,453.81
<b>Total</b>	<b>7,372,494.71</b>

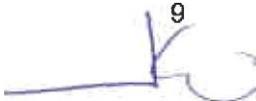
The proposed distribution of the profit for the year ended 31 December 2023 formulated by the Board of Directors of the Company and to be submitted for approval by the General Meeting of Shareholders is as follows (in euros):

<b>Balance for the purpose of distribution</b>	<b>Amount 2023</b>
Profit and loss account balance	8,733,253.75
<b>Total</b>	<b>8,733,253.75</b>
<b>Balance for the purpose of distribution</b>	
To dividends	2,258,064.38
To interim dividends	6,475,189.37
<b>Total</b>	<b>8,733,253.75</b>

During the financial year 2023, the General Meeting of Shareholders approved three interim dividend distributions against profit for a total amount of 6,475,189.37 euros.

These amounts to be distributed did not exceed the results obtained by the Company since the end of the last financial year, net of the estimated corporate income tax payable on said results, in accordance with the provisions of article 277 of the Consolidated Text of the Spanish Companies Act (Texto Refundido de la Ley de Sociedades de Capital).

The provisional accounting statement prepared in accordance with legal requirements and showing sufficient liquidity for the distributions of the aforementioned dividends is set out below:

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**FAIFEY INVEST SOCIMI, S.A.**

Notes to the Annual Accounts for the year 2023 (in euros)

19/06/2023	Euros
<b>Interim dividends distributed</b>	<b>439,188.37</b>
<b>Forecast of distributable profits</b>	
Projected profit net of tax at year-end	1,612,480.14
Allocation to legal reserve	-
<b>Estimated distributable profits</b>	<b>1,612,480.14</b>
<b>Cash flow forecast</b>	
Cash balance at the date of distribution	1,404,143.66
Estimated collections up to year end	1,814,000.00
Estimated payments up to the end of the year, including interim dividend	2,840,020.00
<b>Projected cash balance at the end of the year</b>	<b>378,123.66</b>

21/09/2023	Euros
<b>Interim dividends distributed</b>	<b>3,768,000.00</b>
<b>Forecast distributable profits</b>	
Projected profit net of tax at year-end	7,824,956.91
Allocation to legal reserve	-
<b>Estimated distributable profits</b>	<b>7,824,956.91</b>
<b>Cash flow forecast</b>	
Cash balance at the date of distribution	1,342,501.16
Estimated collections up to year end	2,768,000.00
Estimated payments up to the end of the year, including interim dividend	3,829,760.00
Projected year-end cash balance	<b>280,741.16</b>

07/12/2023	Euros
<b>Interim dividends distributed</b>	<b>2,268,000.00</b>
<b>Forecast of distributable profits</b>	
Projected profit net of tax at year-end	8,754,695.27
Allocation to legal reserve	-
<b>Estimated distributable profits</b>	<b>8,754,695.27</b>
<b>Cash flow forecast</b>	
Cash balance at the date of distribution	289,716.57
Estimated collections up to year end	2,768,000.00
Estimated payments up to the end of the year, including interim dividend	2,324,920.00
<b>Projected cash balance at the end of the year</b>	<b>732,796.57</b>

As of 31 December 2023, the amounts of restricted reserves are as follows:

Restricted reserves	2023	2022
Legal reserve	(1,012,000.00)	(680,769.73)
Others	18,796.30	18,796.30
<b>Total</b>	<b>(993,203.70)</b>	<b>(661,973.43)</b>

**4. RECORDING AND VALUATION RULES**

**4.1 FINANCIAL INSTRUMENTS**

4.1.1 Financial assets

Classification and valuation

a) Financial assets at cost

In any case, they are included in this valuation category:

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

- a) Investments in the equity of group companies, jointly controlled entities and associates.
- b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives that have these investments as their underlying.
- c) Hybrid financial assets whose fair value cannot be reliably estimated, unless they qualify for recognition at amortised cost.
- d) Contributions made as a result of a joint account contract and the like.
- e) Participative loans whose interest is contingent, either because a fixed or variable interest rate is agreed on the fulfilment of a milestone in the borrowing company (e.g. the achievement of profits), or because it is calculated solely by reference to the performance of the borrowing company's business.
- f) Any other financial asset that is initially classified in the fair value through profit or loss portfolio when it is not possible to obtain a reliable estimate of its fair value.

### Initial assessment

Investments included in this category are initially measured at cost, which is the fair value of the consideration given plus directly attributable transaction costs, the latter not being included in the cost of investments in group companies.

However, in cases where an investment exists prior to its classification as a group company, jointly controlled entity or associate, the cost of this investment is taken to be the carrying amount that the investment should have had immediately before the company was classified as such.

The initial valuation includes the amount of any pre-emptive subscription rights and similar rights that may have been acquired.

### Subsequent assessment

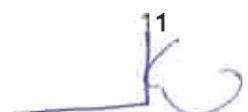
Equity instruments included in this category are measured at cost less any accumulated impairment losses.

When these assets have to be assigned a value due to derecognition or otherwise, the weighted average cost method is applied for homogeneous groups, i.e. securities with equal rights.

In the case of the sale of pre-emptive subscription rights and similar rights or the segregation of such rights for exercise, the amount of the cost of the rights decreases the book value of the respective assets.

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

The same applies to participating loans whose interest is contingent either because a fixed or variable interest rate is agreed on the achievement of a milestone in the borrower's business (e.g. profit) or because it is calculated solely by reference to the performance of the borrower's business. If irrevocable fixed interest is agreed in addition to contingent interest, the latter is accounted for as income.

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## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

The transaction costs are taken to the profit and loss account on an accruals basis. Transaction costs are taken to the profit and loss account on a straight-line basis over the life of the participating loan.

### Impairment of financial assets

At least at the year-end, the necessary valuation adjustments are made whenever there is objective evidence that the carrying amount of an investment is not recoverable. The amount of the valuation adjustment is the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of future cash flows arising from the investment, which in the case of equity instruments is calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment in the investee.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated on the basis of the equity of the investee and the unrealised gains existing at the date of valuation, net of the tax effect. In determining this value, and provided that the investee has in turn invested in another investee, the equity included in the consolidated annual accounts prepared in accordance with the criteria of the Commercial Code and its implementing regulations is taken into account.

### b) Financial assets at amortised cost

This category includes financial assets, including those admitted to trading on an organised market, in which the Company holds the investment with the objective of receiving cash flows arising from the execution of the contract, and for which the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of an ordinary loan, regardless of whether the transaction is arranged at a zero or below-market interest rate.

Included in this category are trade receivables and non-trade receivables:

- a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the company's business transactions with deferred payment, and
- b) Non-trade receivables: financial assets which, not being equity instruments or derivatives, do not have a commercial origin and whose proceeds are of a fixed or determinable amount and which derive from loans or credit operations granted by the company.

### Initial assessment

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, will be the transaction price, which will equate to the fair value of the fee provided plus any transaction costs directly attributable thereto.

Nonetheless, trade receivables maturing within one year with no explicit contractual interest rate, as well as advances, dividends receivable, and payments required on equity instruments, the amount of which is expected to be received in the short term, are measured at their nominal value to the extent that the effect of not updating the cash flows is not considered to be material.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### Subsequent assessment

Financial assets included in this category shall be valued at amortised cost. Accrued interest shall be recognised in the profit and loss account using the effective interest method.

However, loans maturing in less than one year which, in accordance with the previous paragraph, are initially valued at their nominal value, continue to be valued at that amount, unless they have become impaired.

When the contractual cash flows of a financial asset change due to the issuer's financial difficulties, the company assesses whether an impairment loss should be recognised.

### Impairment

The necessary valuation adjustments are made at least at the balance sheet date and whenever there is objective evidence that a financial asset or a group of financial assets with similar risk characteristics valued collectively is impaired as a result of one or more events that occurred after initial recognition and that result in a reduction or delay in the estimated future cash flows, which may be caused by the insolvency of the debtor.

In general, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows, including, where applicable, those arising from the enforcement of collateral and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For floating rate financial assets, the effective interest rate at the reporting date is used in accordance with the contractual terms and conditions. Impairment losses for the financial asset group are calculated using models based on formulas or statistical methods, specifically.

Impairment losses, and reversals of impairment losses when the amount of the impairment decreases due to a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised on the date of reversal if the impairment has not been recorded.

#### 4.1.2 Financial liabilities

##### Classification and valuation

###### a) Financial liabilities at amortised cost

As a general rule, debits from trade transactions and debits from non-trade transactions are included in this category:

- a) Trade payables: financial liabilities arising from the purchase of goods and services in connection with business transactions for which payment is deferred.
- b) Non-trade payables: financial liabilities which, not being derivative instruments, do not have a commercial origin, but arise from loans or credit operations received by the company.

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the agreed interest rate (zero or below market).



## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### Initial assessment

Financial liabilities included in this category are initially recognized at fair value, which is the transaction price, which will equate to the fair value of the fee received adjusted for any transaction costs directly attributable thereto.

However, trade payables maturing within one year that do not bear contractual interest rates, as well as payments required by third parties in respect of shareholdings, the amount of which is expected to be paid in the short term, are measured at their nominal value, when the effect of not discounting the cash flows is not significant.

### Subsequent valuation

Financial liabilities included in this category are valued at amortized cost. Accrued interest is recognized in the profit and loss account using the effective interest rate method.

However, debits maturing in less than one year that were initially assessed at their nominal value continue to be valued at that amount.

In the case of a renegotiation of an existing debt, no significant modification of the financial liability is deemed to exist where the lender of the new loan is the same as the lender of the original loan and the present value of the cash flows, including net fees, does not differ by more than 10% from the present

## 4.2 CORPORATE TAX

Income tax expenses or income comprises both current tax and deferred tax.

Current income tax assets or liabilities are measured at the amounts expected to be paid to or recovered from the taxation authorities, using the tax rates and regulations in force or approved and pending publication at the reporting date.

Current or deferred income tax is recognized in profit or loss, unless it arises from a transaction or economic event that has been recognized in the same or a different period, against equity or from a business combination.

### ***Recognition of deferred tax liabilities***

The Company recognizes deferred tax liabilities in all cases, except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable profit.

### ***Recognition of deferred tax assets***

The Company recognizes deferred tax assets whenever it is probable that sufficient future taxable profit will be available against which they can be utilized or when tax legislation sets out the possibility of future conversion of deferred tax assets into a receivable from the tax authorities.

The Company recognizes the conversion of a deferred tax asset into a receivable from the tax authorities when it is receivable in accordance with current tax legislation. For these purposes, the deferred tax asset is derecognized with a charge to the deferred income tax expense and the account receivable with a credit to current income tax. Similarly, the Company recognizes the exchange of a deferred tax asset for government debt securities when ownership of these securities is acquired.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

The Company recognizes the payment obligation arising from capital contributions as an operating expense with a credit to the debt with the Tax Authorities when this is accrued in accordance with the Corporate Income Tax Law.

However, assets arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and at the date of the transaction affects neither accounting profit nor taxable profit are not recognized.

Unless there is evidence to the contrary, it is not considered probable that the Company will have future taxable profits when their future recovery is expected to take place more than ten years from the year-end date, regardless of the nature of the deferred tax asset, or in the case of tax credits and other tax benefits not yet available for tax purposes due to insufficient taxable profit, when the activity has been performed or the income has been obtained that gives rise to the right to the tax credit or tax relief and there are reasonable doubts as to whether the requirements for taking the tax credit or tax relief have been met.

The Company only recognizes deferred tax assets arising from tax loss carryforwards to the extent that it is probable that future taxable profits will be available against which they can be utilized within a period not exceeding that established by the applicable tax legislation, with a maximum limit of ten years, unless there is evidence that their recovery is probable within a longer period, when the tax legislation allows them to be utilized within a longer period or does not establish any time limit on their offsetting.

On the other hand, it is considered probable that the Company has sufficient taxable profits to recover the deferred tax assets, provided that there are sufficient taxable temporary differences relating to the same tax authority and referring to the same taxpayer, the reversal of which is expected in the same tax year in which the deductible temporary differences are expected to reverse or in years in which a tax loss arising from a deductible temporary difference can be offset against earlier or later profits.

The Company recognizes deferred tax assets that have not been recognized because they exceed the ten-year recovery period, to the extent that the future reversal period does not exceed ten years from the year-end date or when there are sufficient taxable temporary differences.

In determining future taxable profits, the Company takes into account tax planning opportunities where it intends to take or is likely to take them.

### ***Valuation of deferred tax assets and liabilities***

Deferred tax assets and liabilities are valued at the tax rates that will apply in the years in which the assets are expected to be realised or the liabilities are expected to be settled, based on tax rates and tax laws in force or enacted and pending publication, after taking into account the tax rates that have been enacted or substantively enacted.

### ***Compensation and classification***

The Company only offsets income tax assets and liabilities if there is a legal right to set them off against the tax authorities and it intends either to settle the resulting amounts on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, regardless of the expected date of realisation or settlement.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### 4.3 INCOME AND EXPENDITURE

Income and expenditure is recognized 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. This revenue is measured at the fair value of the consideration received, net of discounts and taxes.

The Company includes the interest incorporated into trade receivables maturing in less than one year that do not have a contractual interest rate when the effect of not updating the cash flows is not significant. Interest received on financial assets is recognized using the effective interest method and dividends are recognized when the Company's right to receive them is declared. In any case, interest and dividends on financial assets accrued after the time of acquisition are recognized as income on the income statement.

#### b) Interest income

Interest income from financial assets measured at amortized cost is recognized using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the instrument's original effective interest rate, and continues to carry the discount as a reduction in interest income. Interest income on impaired loans is recognized using the effective interest rate method.

#### c) Dividend income

Dividend income is recognized as income in the income statement when the right to receive payment is established, provided that, since the date of acquisition, the investee or any group company in which the investee has an interest has generated profit in excess of the shareholders' equity to be distributed. Notwithstanding the foregoing, if the dividends distributed unequivocally come from results generated prior to the acquisition date because amounts in excess of the profit generated by the investee since the acquisition have been distributed, these are not recognized as income, and they reduce the carrying amount of the investment.

### 4.4 NET WORTH

The share capital is represented by common shares.

The costs of issuing new shares or options are shown directly against equity as a reduction in reserves.

### 4.5 TRANSACTIONS WITH RELATED PARTY

Transactions between Group companies, except those related to mergers, spin-offs, and non-monetary contributions to businesses, are recognized at the fair value of the consideration given or received. The difference between this value and the agreed amount is recorded in accordance with the underlying economic substance.

**FAIFEY INVEST SOCIMI, S.A.**

Notes to the Annual Accounts for the year 2023 (in euros)

**5. FINANCIAL INSTRUMENTS**

**5.1 INFORMATION ON THE RELEVANCE OF FINANCIAL INSTRUMENTS TO THE COMPANY'S FINANCIAL POSITION AND RESULTS**

*Information related to the balance sheet*

a) *Categories of financial assets and liabilities*

(i) Classification of financial assets by category

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

Categories	Classes	Long-term financial instruments		Short-term financial instruments	
		Loans, derivatives, and others		Loans, derivatives, and others	
		2023	2022	2023	2022
Financial assets at cost		112,399,564.34	103,419,551.44	-	-
Cash and other cash equivalents		-	-	786,996.07	1,507,931.20
<b>Total</b>		<b>112,399,564.34</b>	<b>103,419,551.44</b>	<b>786,996.07</b>	<b>1,507,921.20</b>

(ii) Classification of financial liabilities by category

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

Categories	Classes	Short-Term Financial Instruments	
		Derivatives and Others	
		2023	2022
Financial liabilities at amortised cost		270,918.79	196,178.85
<b>Total</b>		<b>270,918.79</b>	<b>196,178.85</b>

b) *Classification by maturity*

The Company's financial liabilities at the end of the current year mature in less than one year.

c) *Transfers of financial assets*

There were no transfers of financial assets during the year, nor were there any contracts for the assignment of receivables during the year.

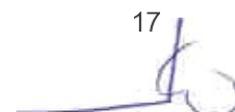
d) *Corrections due to impairment arising from credit risk*

No financial assets were impaired during the year.

**5.2 GROUP COMPANIES, JOINTLY-CONTROLLED ENTITIES, AND ASSOCIATES**

(i) Jointly controlled entities and associates

Details of investments in equity instruments of jointly controlled entities are as follows:



**FAIFEY INVEST SOCIMI, S.A.**

Notes to the Annual Accounts for the year 2023 (in euros)

Legal information			2023
<b>Name</b>	<b>Asturias Propco Número Uno, S.L.</b>	<b>Wattenberg Invest, S.L. (*)</b>	
Activity	The development of urban real estate for lease	Real estate development	
Percentage Direct participation	100%	<b>100%</b>	
<b>Net worth</b>			
Capital	5,098,708.37	333,006.00	
Reserves	79,992,769.29		
Other equity items	10,887,902.81	2,262,912.59	
Result from previous financial year	6,046,595.39	(52,979.50)	
<i>Profit from continuing operations</i>	<i>6,046,595.39</i>	<i>(52,979.50)</i>	
<b>Data in the master</b>			
Carrying value of the Company's investment	111,152,665.09	1,246,899.25	
Dividends distributed to the Company	8,988,012.90		
<b>Impairment</b>			
Impairment recorded in the financial year			

Legal information			2022
<b>Name</b>	<b>Asturias Propco Número Uno, S.L.</b>	<b>Wattenberg Invest, S.L. (*)</b>	
Activity	The development of urban real estate for lease	Real estate development	
Percentage Direct participation	100%	100%	
<b>Net worth</b>			
Capital	5,098,708.37	333,006.00	
Reserves	86,513,535.21		
Other equity items	(55,641.93)	2,279,026.78	
Result from previous financial year	(566,568.91)	(51,114.19)	
<i>Profit from continuing operations</i>	<i>(566,568.91)</i>	<i>(51,114.19)</i>	
<b>Data in the master</b>			
Carrying value of the Company's investment	102,207,652.19	1,211,899.25	
Dividends distributed to the Company	2,833,766.82		
<b>Impairment</b>			
Reversal of impairment recorded in the year	4,741,453.81		

(\*) Unaudited company.

On January 14, 2020, the Company acquired all the shares of the Spanish company Briscoe, S.L.U. On January 27, 2020, said company acquired all shares in the company Asturias Propco Número Uno, S.L. through a private sales agreement.

On May 28, 2020, a deed was signed for a merger through absorption between Asturias Propco Número Uno, S.L.U., as the absorbing company, and Briscoe, S.L.U., as the absorbed company, through which Faifey Invest Socimi, S.A. became the sole shareholder of the absorbing company.

In addition, on 27 January 2020, the Company acquired all the shares of Wattenberg Invest, S.L.U. by means of a private purchase agreement, which was subsequently notarised on 31 January 2020.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

During 2023, the Company has received four distributions from Asturias Propco Number One, S.L.U. with a charge to account 114 "special merger reserve" of the latter. These have been paid out as follows:

- 2,768,000.00 euros, dated 2 March 2023.
- Dated 30 May 2023 for an amount of 925,000.00 euros.
- On 31 August 2023 for an amount of 1,005,455.05 euros.
- On 30 November 2023 for an amount of 1,822,310.87 euros.

Likewise, the Company has made two monetary contributions and one non-monetary contribution to Asturias Propco Número Uno, S.L.U. during the 2023 financial year, effective as follows:

- Monetary contribution formalised in a deed dated 30 May 2023 in the amount of 5,000,000.00 euros.
- Non-monetary contribution formalised in a deed dated 30 May 2023 in the amount of 4,465,778.82, offset against a credit right it held against Asturias Propco Número Uno, S.L.U. for the dividends distributed from the result of the 2022 financial year.
- Monetary contribution formalised in a deed dated 30 May 2023 in the amount of 6,000,000.00 euros.

The Company also decided to make a cash contribution to Wattenberg Invest, S.L.U. in the amount of 40,000.00 euros on 30 November 2022 in order to increase the company's equity.

Similarly, the Company has made a cash contribution to Wattenberg Invest, S.L.U. in the amount of 35,000.00 euros on 8 November 2023 in order to increase the Company's equity.

During 2022, the Company received four distributions from Asturias Propco Número Uno, S.L.U. with a charge to account 114 "special merger reserve" of the latter. These were paid out as follows:

- On 15 March 2022 for an amount of 7,672,233.18 euros.
- On 15 June 2022 for an amount of 3,419,000.00 euros.
- On 15 September 2022 for an amount of 2,506,000.00 euros.
- On 15 December 2022 for an amount of 500,000.00 euros.

During the financial year 2023, the Company has not recorded any impairment on investments in equity instruments of group companies. In the financial year 2022 the Company recorded a reversal of impairment amounting to EUR 4,741,453.81.

### 5.3 INFORMATION ON THE NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

#### Qualitative information

The Company's financial risk management is centralized within the Finance Department, which has established the necessary mechanisms to control exposure to interest rate and exchange rate fluctuations, as well as to credit and liquidity risks. The main financial risks that affect the Company are indicated below:

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

a) *Credit risk:*

In general, the Company keeps its cash and cash equivalents in financial institutions with high credit ratings. Additionally, there is no significant concentration in the volume of client transactions.

b) *Liquidity risk:*

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

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

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

### **Quantitative information**

The maximum exposure to the main risks as of 31 December 2023 and 2022, excluding foreign exchange exposure, was as follows:

Patrimonial Group	2023	2022
<b>Credit</b>		
Long-term financial investments	112,399,564.34	103,419,551.44
Trade and other receivables		2,420.00
Cash and other cash equivalents	786,996.07	1,507,931.20
<b>Liquidity</b>		
Short-term debts	183,918.79	190,548.79
Trade creditors and other payables	87,000.00	13,965.98
<b>Total</b>	<b>113,457,479.20</b>	<b>105,134,417.41</b>

Exposure to exchange rate risk arises to the extent that the Company carries out transactions in foreign currencies or has assets or liabilities denominated in currencies other than the presentation currency.

Therefore, the Company is not exposed to exchange rate risk as it does not carry out transactions in foreign currencies.

### **5.4 STOCKHOLDER EQUITY**

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

#### **Capital**

As of 31 December 2023 and 2022 the Company's share capital is represented by 5,060,000.00 fully paid ordinary bearer shares of EUR 1.00 par value each.

The movement of outstanding shares is as follows:

	Ordinary shares	
	2023	2022
Opening balance	5,060,000.00	5,060,000.00
<b>Total</b>	<b>5,060,800.00</b>	<b>5,060,000.00</b>

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### a) *Cash contribution*

By virtue of a deed dated 30 January 2020, the decisions of the General Meeting of Shareholders were made public, whereby it was agreed to increase the share capital of the Company, which amounted to 60,000.00 euros at incorporation, fully subscribed and paid up in the amount of 5.5,000,000.00 euros, bringing the share capital to 5,060,000.00 euros, by issuing 5,000,000 new shares of 1.00 euro par value each, numbered from 60,001 to 5,060,000, both inclusive.

The new shares were fully subscribed and paid up by Fas Prop Co. A S.á.r.l. (25.5883%), Fas Prop Co. B S.á.r.l. (25.8817%) and Fas Prop Co. C S.á.r.l. (48.5300%), by bank transfer to the company's bank account.

### **Issue premium**

The capital increase described above was carried out by including an issue premium of 33.18885029 per newly issued share, i.e. a total share premium of 165,944,251.46 euros.

On 12 June 2020, the General Meeting approved a distribution of reserves in the total amount of EUR 52,500,000.00 against the issue premium.

On 13 December 2021, a distribution of reserves in the total amount of EUR 2,000,000.00 against the issue premium was approved.

Three distributions of reserves totalling 14,985,588.61 euros from the issue premium were approved in the year 2022.

On 9 March 2023, a distribution of reserves in the total amount of EUR 2,768,000.00 against the issue premium was approved. Thus, as of 31 December 2023, the issue premium amounted to 93,690,662.85 euros (96,458,662.85 euros in the financial year 2022).

### **Reserves**

#### a) *Legal reserve*

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

At the end of the financial year 2023, the Company has endowed this reserve with an amount of 1,012,000.00 euros (680,769.73 euros at the end of the financial year 2022). The Company's legal reserve is fully funded.

#### b) *Voluntary reserves*

Voluntary reserves are freely distributable.

At 31 December 2023 the Company has negative reserves amounting to 18,796.30 corresponding to notary and registration fees for the incorporation of the Company and the capital increase carried out (same amount as at year-end 2022).

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### c) Other partner contributions

During the financial year 2023 the shareholders have made the following contributions to the Company's equity:

- Monetary contribution formalised in a deed dated 30 May 2023 in the amount of 5,000,000.00 euros.
- Monetary contribution formalised in a deed dated 20 October 2023 in the amount of 6,000,000.00 euros.

At year-end 2023, as a result of the cash contributions of the shareholders, the company has an accumulated balance of 11,000,000.00 euros (0.00 euros at year -end 2022).

## 6. TAX SITUATION

The detail of balances with Tax Authorities is as follows:

	2023	2022
	Credit balances	Credit balances
Withholding taxes		8,335.92
<b>Total balances with Tax Authorities</b>		<b>8,335.92</b>

Under current legislation, taxes cannot be considered definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has elapsed. At 31 December 2023, the Company has all years of the main taxes applicable to it pending inspection by the tax authorities for the following years:

	Exercise
Corporate income tax	2020-2023
Non-resident income tax	2020-2023
Withholdings and payments on account	2020-2023

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

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

### 6.1 CORPORATE TAX

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

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

2023	Profit and loss accounts	
Balance of income and expenditure for the year	8,733,253.75	
	Increases	Decreases
Corporate income tax	-	-
Temporary differences	254,759.15	-
Permanent differences	-	(8,988,012.90)
Tax base (taxable income)	-	-
Tax rate:	0.00%	0.00%
Total tax due	-	-
Total tax due minus applicable deductions:	-	-
Total tax due minus tax credits:	-	-
<b>Amount payable/(to be refunded)</b>	-	-

2022	Profit and loss account	
Balance of income and expenditure for the year	7,372,494.71	
	Increases	Decreases
Corporate income tax	-	-
Temporary differences	202,725.92	(4,741,453.81)
Permanent differences	-	(2,833,766.82)
Tax base (taxable income)	-	-
Tax rate:	<b>0.00%</b>	<b>0.00%</b>
Total tax due		
Total tax due minus applicable deductions:	-	-
Total tax due minus tax credits:	-	-
<b>Amount payable/(to be refunded)</b>	-	-

On 25 September 2020, the Company notified the tax office of the State Tax Administration Agency of its tax domicile of the option adopted by the Company's shareholders at the General Shareholders' Meeting to apply for the SOCIMI regime.

In application of the SOCIMI regime, and in accordance with article 9 of Law 11/2009 regulating the aforementioned regime, it is established that the entities that opt for the application of the special tax regime will be taxed at a rate of zero per cent (0%) in corporate income tax, governed by the general provisions established in Royal Legislative Decree 4/2004, of 5 March, which approves the revised text of the Corporate Income Tax Law, in all matters not provided for in Law 11/2009. On 27 November 2014, Law 27/2014 was passed, introducing certain new developments in relation to corporate income tax. The most relevant aspects for the Company were as follows:

- The limitations on the deductibility of financial expenses are maintained in similar terms to the current regulations, i.e. financial expenses equivalent to 30% of the operating result are considered deductible, with a minimum of one million euros. However, the time limitation for deducting non-deductible net financial expenses in the period is eliminated.
- The Company may be subject to inspection by the tax authorities for the last 4 years for the main taxes applicable to it, except for corporate income tax, for which the period subject to inspection is up to 10 years.
- As a result, inter alia, of the different possible interpretations of current tax legislation, additional liabilities could arise as a result of an inspection. In any case, the Board of Directors considers that such liabilities, should they arise, will not materially affect the annual accounts.



## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros)

### 7. INCOME AND EXPENDITURE

#### 7.1 NET TURNOVER

Description	2023	2022
Net turnover	<b>8,988,012.90</b>	<b>2,833,766.82</b>
a) Dividend income	8,988,012.90	2,833,766.82
<b>Total</b>	<b>8,988,012.90</b>	<b>2,833,766.82</b>

This heading includes the amount of income obtained from the distribution of dividends from subsidiaries, which is specific to holding companies.

During the financial year 2023, the net turnover of 8,988,012.90 euros (2,833,766.82 euros during 2022) corresponds to the distributions of the result by the subsidiary Asturias Propco Número Uno, S.L.U.

#### 7.2 OTHER OPERATING EXPENSES

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

Description	2023	2022
<b>External services</b>	<b>177,338.44</b>	<b>175,912.26</b>
Independent professional services	175,155.66	122,840.84
Banking and similar services	1,648.67	19,204.97
Other services	534.51	33,866.45
<b>Taxes</b>	<b>84,050.31</b>	<b>26,813.66</b>
Other taxes	65,248.16	
Negative adjustments in indirect taxation	18,802.15	26,812.66
<b>Total</b>	<b>261,389.15</b>	<b>202,725.92</b>

### 8. ENVIRONMENTAL INFORMATION

At 31 December 2023 and 2022 there are no significant assets dedicated to the protection and improvement of the environment, and no significant expenses of this nature have been incurred during the year.

The Board of Directors of the Company considers that there are no significant contingencies related to the protection and improvement of the environment and does not consider it necessary to record any provision for environmental risks and expenses at 31 December 2023 and 2022.

During the year ended 31 December 2023 and 2022 no grants of an environmental nature have been received.

### 9. SUBSEQUENT EVENTS

On 13 March 2024, the General Meeting of Shareholders approved the distribution of an interim dividend of 1,433,000.00 euros out of the profits obtained at the end of the financial year 2023. The payment was executed on 22 March 2024.

In the opinion of the Board of Directors, no significant events have come to light since the end of the financial year other than those mentioned in this section.

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023(Expressed in euros)

### 10. RELATED PARTY TRANSACTIONS

#### 10.1 RELATED PARTY BALANCES

The breakdown of the year-end balances for 2023 and 2022 by category is as follows:

Company name	Type of relationship	Concept	Closing balance for 2023
Asturias Propco Número Uno, S.L.U.	Group company	Current account	(183,918.79)
<b>Total</b>			<b>(183,818.79)</b>

Company name	Type of relationship	Concept	Closing balance for 2022
Fas Prop Co. A S.à r.l.	Shareholder	Current account	(767.65)
Fas Prop Co. B S.à r.l.	Shareholder	Current account	(4,406.45)
Fas Prop Co. C S.à r.l.	Shareholder	Current account	(1,455.90)
Asturias Propco Número Uno, S.L.U.	Group company	Current account	(233,918.79)
Asturias Propco Número Uno, S.L.U.	Group company	Current account	50,000.00
<b>Total</b>			<b>(190,548.79)</b>

#### **Information concerning the Board of Directors and senior management of the Company**

During the years ended 31 December 2023 and 2022, the Board of Directors has not received any remuneration, nor has it been granted any advances or loans, and no obligations have been assumed on their behalf by way of guarantee. As of 31 December 2023 and 2022, there are no accrued pension or similar liabilities to the members of the Board of Directors of the Company, nor are there any receivables or payables from or payables to them.

The company has no employees of its own, so senior management functions are carried out by the Board of Directors.

#### 10.2 COMPANY TRANSACTIONS WITH RELATED PARTIES

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

2023 Concept	Type of relationship	Amount by transaction type
Current account with Socio Fas Prop Co. A S.à r.l.	Shareholder	767.65
Current account with Socio Fas Prop Co. B S.à r.l.	Shareholder	4,406.45
Current account with Socio Fas Prop Co. C S.à r.l.	Shareholder	1,455.90
<b>Total</b>		<b>6,630.08</b>

2022 Concept	Type of relationship	Amount by Transaction type
Current Account with Partner Fas Prop Co. B S.à r.l.	Shareholder	(3,630.00)
<b>Total</b>		<b>(3,630.00)</b>

### 11. AUDIT FEES

The fees accrued during the year for services rendered by PricewaterhouseCoopers Auditores S.L. are as follows:

	2023	2022
For auditing services of the accounts	8,000.00	6,955.00
<b>Total</b>	<b>8,000.00</b>	<b>6,955.00</b>

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros) year 2023

### 12. INFORMATION ON GREENHOUSE GAS EMISSION ALLOWANCES

On 27 August 2004, Royal Decree Law 5/2004 was approved, regulating the greenhouse gas emission rights trading scheme, which aims to help comply with the obligations deriving from the Kyoto Convention and Protocol. The Company's activities do not give rise to any greenhouse gas emission rights.

### 13. OTHER INFORMATION

#### 13.1 CONTINGENCIES

The Company has no contingencies as of 31 December 2023 and 2022.

#### 13.2 STAFF

The Company has no staff costs during the financial years 2023 and 2022.

#### 13.3 COMMITMENTS

As of 31 December 2023 and 2022, the Company has no commitment contracts signed.

### 14. INFORMATION ON DEFERRALS OF PAYMENTS DUE TO SUPPLIERS, THIRD ADDITIONAL PROVISION "DUTY OF INFORMATION" OF LAW 15/2010 OF JULY 5

The information required by the third additional provision of Law 15/2010, of 5 July, prepared in accordance with the Resolution of the ICAC of 29 January 2016, on the information to be included in the notes to the annual accounts in relation to the average period of payment to suppliers in commercial transactions, is detailed below. The information on the average supplier payment period is as follows:

	<b>2023</b>	<b>2022</b>
<b>Concept</b>	<b>Days</b>	<b>Days</b>
Average supplier payment period	37.79	67.12
Ratio of transactions paid	37.79	67.04
Ratio of transactions pending payment	-	91.00
	<b>Amount (EUR)</b>	<b>Amount (EUR)</b>
Total payments made	111,176.17	211,682.00
Total outstanding payments	0.00	667.00

In compliance with Law 18/2022, of 28 September, on the Creation and Growth of Companies, the monetary volume and number of invoices paid in a period lower than the maximum established in the regulations on late payment and the percentage that they represent of the total number of invoices and of the total monetary payments to its suppliers is as follows:

<b>Monetary volume and number of invoices paid before the maximum period established in late payment regulations.</b>	<b>2023</b>	
	Total amount paid within the legal period	91,723.74
Total invoices paid within the legal period	30	90.91%
Total amount paid	111,176.17	
Total invoices paid	33	

## FAIFEY INVEST SOCIMI, S.A.

Notes to the Annual Accounts for the year 2023 (in euros) year 2023

Monetary volume and number of invoices paid before the maximum period established in late payment regulations.	2022	
	Total amount paid within the legal period	116,867.09
Total invoices paid within the legal period	27	81.82%
Total amount paid	211,682.00	
Total invoices paid	33	

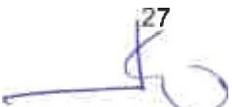
### 15. INFORMATION REQUIREMENTS ARISING FROM SOCIMI STATUS (ACT 11/2009)

In compliance with the provisions of Law 11/2009, which regulates Public Limited Companies for Investment in the Real Estate Market (SOCIMI), the following information is detailed below:

- 1) Reserves from years prior to the application of the tax regime established in Law 11/2009 mentioned above:
  - i) FAIFEY INVEST SOCIMI, S.A. has 663.57 euros of negative reserves as a result of the company's losses in 2019.
- 2) Reserves arising from years in which the tax regime established in Law 11/2009 mentioned above has been applied:
  - i) FAIFEY INVEST SOCIMI, S.A. 18,132.73 euros of negative reserves as a result of the losses obtained by the company in 2020.
- 3) Given the positive results of the Parent Company and its subsidiaries to date, dividends have been paid out of profits.
- 4) The distribution of dividends charged to reserves has not been agreed, so it is not necessary to designate the year from which the reserve was applied and whether they have been taxed at the 0% tax rate, or at the special rate of 19%, or at the general tax rate: Note 3.
- 5) No date has been set for the distribution of the dividends referred to in (3) and (4) above.
- 6) Dates of acquisition of holdings in the capital of entities referred to in Article 2(1) of the Law: Note.5.2
- 7) Reserves arising from years in which the tax regime established in this Law has been applicable, which have been drawn down in the tax period, other than for distribution or to offset losses, identifying the year in which such reserves arise: not applicable.

### MANDATORY DISTRIBUTION OF DIVIDENDS

Given its status as a SOCIMI, and as set out in article 27 of its articles of association, the Parent Company is obliged to distribute the profit obtained in the year in the form of dividends, once the corresponding commercial obligations have been fulfilled, in accordance with the provisions of article 6 of Law 11/2009, of 26 October, amended by Law 16/2012 and Law 11/2021, which regulates Listed Public Limited Companies for Investment in the Real Estate Market (SOCIMI).

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## **FAIFEY INVEST SOCIMI, S.A.**

Management report for the financial year 2023

### **Directors' report for the year ended 31 December 2023**

#### ***Business performance and situation of the Company***

In the year ended 31 December 2023, the Company's profit and loss account shows an operating profit for the year amounting to 8,733,253.75 euros (7,372,494.71 euros at year -end 2022), mainly generated by the distribution of the profit for previous years of the same company amounting to 8,988,012.90 euros (2,833,766.82 euros at year-end 2022).

#### ***Foreseeable evolution of the Company***

For the financial year 2024, operating results are expected to improve compared to the financial year 2023, although it is difficult to make a clear forecast given the current social and economic circumstances, inter alia, rising costs due to inflation and war and their possible effects on the economy in general and on the company in particular.

#### ***Financial risk management and use of financial instruments***

The Company faces the risks and uncertainties inherent to the sector in which it operates, as described in Note 5.3 of the Notes to the Financial Statements.

#### ***Research and development activities***

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

#### ***Acquisition of own shares***

At 31 December 2023 and 2022, the Company did not carry out any transactions with own shares during the year.

#### ***Significant developments after the closure***

There have been no significant events subsequent to year-end other than those mentioned in Note 9 of the Notes to the Financial Statements.

#### ***Use of financial instruments***

During 2023 and 2022 the Company has not contracted any interest rate hedging instruments.

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

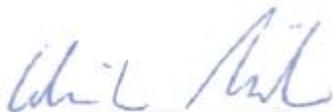
Given that the Company does not exceed the maximum legal payment period of 60 calendar days applicable under Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, the adoption of any measures to this effect does not apply.

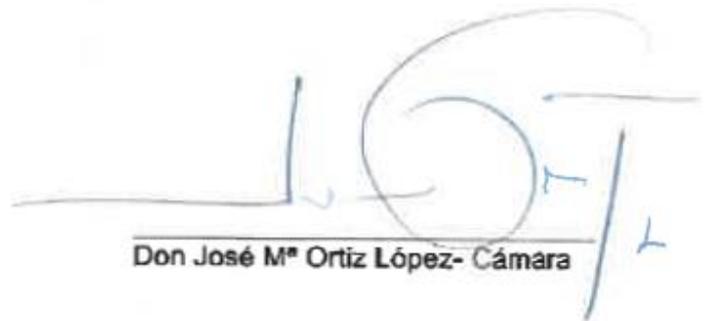
Formulation of the annual accounts for the financial year 2023

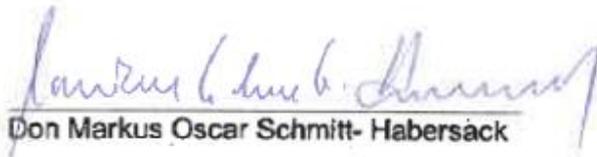
**RECORD OF APPROVAL OF ANNUAL ACCOUNTS:**

Dated 29 March 2024 and in compliance with the requirements set out in Article 253 of the Spanish Companies Act and article 37 of the Spanish Commercial Code, the Board of Directors has prepared the annual accounts and the Directors' Report for the financial year from 1 January 2023 to 31 December 2023. The annual accounts consist of the documents annexed hereto.

In Madrid, 29 March of 2024

  
Don Christian Müller

  
Don José Mª Ortiz López- Cámara

  
Don Markus Oscar Schmitt- Habersäck

  
Don Volker Kraft