Independent Auditor's Report on the
Abridged Annual Accounts

OK PROPERTIES I SOCIMI, S.A.U.
Abridged Annual Accounts and Management Report
for the year ended December 31, 2024

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

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INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED ANNUAL ACCOUNTS

To the Shareholder of OK PROPERTIES I SOCIMI, S.A.U.

Opinion

We have audited the abridged annual accounts of OK PROPERTIES I SOCIMI, S.A.U., formerly OK BUSINESS PROPERTIES SOCIMI, S.A.U., (the Company) which comprise the abridged balance sheet as at December 31, 2024, the abridged income statement, and the abridged notes thereto for the year then ended.

In our opinion, the accompanying abridged annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at December 31, 2024, and of its financial performance for the year then ended, in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying abridged annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the abridged annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the annual accounts in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the abridged annual accounts of the current period. These risks were addressed in the context of our audit of the abridged annual accounts, as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

Valuation of the Investment Properties

Description	The Company's main activity is the acquisition and promotion of urban properties for lease. The Company's property assets, which, at December 31, 2024, have a carrying value of 63,446 thousand euros, represent a significant percentage of the Company's total assets. At December 31, 2024, the external independent experts have performed updated appraisals of the property assets in order to evaluate whether there is evidence that said assets are impaired according to the criteria mentioned in the accompanying abridged Notes to the annual accounts. When the carrying value of the property assets is greater than its recoverable value, impairment is recognised. Due to the aforementioned factors, we consider this to be a relevant audit matter in 2024.
Our response	Our audit procedures have mainly consisted in: ▶ The evaluation of whether the property assets received have been correctly valued in accordance with the financial information framework applicable. ▶ The understanding of the analysis of the internal and external factors considered by the Company in order to conclude whether there is evidence of impairment, performing procedures to conclude on the recoverable amount of those investment properties for which, where applicable, there is evidence of impairment following said analysis. ▶ Obtaining valuation reports prepared by the independent expert, and the evaluation of their competence and independence. ▶ The review of the breakdowns prepared by the Company with regard to the abridged Notes to the annual accounts.

Other information: Management report

Other information solely includes the 2024 management report. The Company's directors are responsible for preparing said report and it is not an integral part of the abridged annual accounts.

Our audit report on the annual accounts does not cover the information in the management report. In accordance with prevailing audit regulations in Spain, our responsibility regarding the management report is to evaluate and inform whether the information included therewithin agrees with the annual accounts, using our knowledge of the Company obtained from the audit of said accounts and to evaluate and inform of 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 obliged to inform of this fact.

Based on the work performed, according to the information in the paragraph above, the information contained in the management report agrees with the 2024 annual accounts and its contents and presentation comply with the applicable regulations.

Responsibilities of the directors for the abridged annual accounts

The Company's directors are responsible for the preparation of the accompanying abridged annual accounts, in such a way that they express the Company's equity, financial position and results, in accordance with the regulatory financial information framework applicable to the Company in Spain, as identified in Note 2 of the accompanying Notes to the abridged annual accounts, and for such internal control as they determine is necessary to enable the preparation of abridged annual accounts that are free from material misstatement, whether due to fraud or error.

On preparing the abridged annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the abridged annual accounts

Our objectives are to obtain reasonable assurance about whether the abridged 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 prevailing regulations governing the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the prevailing regulations governing the audit of accounts in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the abridged 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 Company's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the significant risks communicated with the members of the Foundation's Trust, we determine those that were of most significance in the audit of the abridged annual accounts of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.

Juan Manuel Martín de Vidales Bennásar

June 27, 2025

**ABRIDGED FINANCIAL STATEMENTS OF
OK PROPERTIES I SOCIMI, S.A.U.**

for the year ended 31 December 2024

OK PROPERTIES I SOCIMI, S.A.U.
NIF: A10711307
ABRIDGED BALANCE SHEET FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023
(Expressed in euro)

ASSETS	Notes	2024	2023
NON-CURRENT ASSETS		**63,712,523**	**61,402,876**
Intangible assets		4,725	5,276
Tangible fixed assets	5	20,563	452,017
Real estate investment	6	63,446,067	60,671,136
Long-term investments in group and affiliated companies	7	60,000	60,000
Long-term financial investments	8	9,611	9,611
Deferred tax assets	12	0	14,386
Long-term accruals	11	171,557	190,449
CURRENT ASSETS		**4,649,580**	**13,844,409**
Inventory		0	35,788
Trade debts and other accounts receivable		1,437,320	575,587
Customers per sales and service provisions	8	798,131	118,902
Other debtors		0	89,260
Staff	8	5,172	4,762
Current tax assets	12	230,981	103,195
Other receivables from Public Ad.	12	403,035	259,468
Short-term investments in subsidiary and affiliated companies	8	0	3,025
Short-term financial investments	8	3,072,420	1,067
Accruals	11	12,548	13,600
Cash and other cash equivalents	9	127,292	13,215,343
TOTAL ASSETS		**68,362,102**	**75,247,285**

OK PROPERTIES I SOCIMI, S.A.U.
NIF: A10711307
ABRIDGED BALANCE SHEET FOR THE YEARS ENDED 31 DECEMBER 2024 and 2023
(Expressed in euro)

NET EQUITY AND LIABILITIES	Notes	31/12/2024	31/12/2023
NET WORTH		**26,282,133**	**28,327,951**
Equity		26,282,133	28,327,951
Capital	10	5,000,000	5,000,000
Reservations		21,251,654	22,763,067
Result for the year	3	30,479	564,884
NON-CURRENT LIABILITIES		**40,152,355**	**44,625,504**
Long-term debts	8	**40,151,078**	**44,624,228**
Amounts owed to credit institutions		37,284,378	37,073,430
Other debts		2,866,700	7,550,798
Deferred tax liabilities		**1,277**	**1,277**
CURRENT LIABILITY		**1,927,614**	**2,293,830**
Short-term liabilities	8	**1,143,086**	**1,465,047**
Amounts owed to credit institutions		1,160,025	1,068,773
Other debts		(16,939)	396,274
Trade creditors and other accounts payable		**784,528**	**828,783**
Suppliers	8	80,000	(1,293)
Oher creditors	8	285,153	819,380
Staff	8	3,455	893
Current tax liabilities	12	5,983	-
Other debts with public authorities	12	409,937	9,803
TOTAL NET EQUITY AND LIABILITIES		**68,362,102**	**75,247,285**

OK PROPERTIES I SOCIMI, S.A.U.
NIF: A10711307
ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024 AND 2023
(Expressed in Euro)

	Notes	2024	2023
CONTINUING OPERATIONS			
Net turnover	13.1	4,043,169	3,764,625
Other operating revenues		65,402	31,818
Staff costs	13.2	(135,218)	(82,619)
Other operating expenses	13.3	(717,270)	(1,287,683)
Depreciation of fixed assets	5 and 6	(1,069,997)	(913,750)
Impairment and gains/losses on disposal of fixed assets		100,070	830
Other results		2,894	3,371
OPERATING RESULT		**2,289,050**	**1,516,592**
Financial revenues		73,781	34,639
Financial expenses	8.3 and 8.4.	(2,311,986)	(986,347)
Exchange rate differences		4	-
FINANCIAL RESULT		**(2,238,201)**	**(951,708)**
PROFIT BEFORE TAX		**50,849**	**564,884**
Profit tax	12	(20,369)	-
PROFIT FOR THE YEAR FROM ONGOING OPERATIONS		**30,480**	**564,884**

OK PROPERTIES I SOCIMI, S.A.U.
ABRIDGED REPORT FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Euro)

1. ACTIVITY OF THE COMPANY

OK PROPERTIES I SOCIMI, S.A.U. (formerly OK Business Properties Socimi S.A.U), hereinafter, the Company, is a Spanish single-member company with tax identification number (N.I.F.) A10711307, incorporated for an indefinite period of time by deed granted before the Notary of Palma on 19/05/2022, record number 2272, registered in the Register of Companies of Palma de Mallorca, page PM-94.556, Volume 3037, Folio 144. Its registered office is located at Calle Costa Can Santacilia, 9, PL. 2°, 07001 Palma (Balearic Islands).

OK PROPERTIES I SOCIMI, S.A.U. is a listed real estate investment trust (REIT, SOCIMI in Spanish), subject to the tax regime regulated by Law 11/2009 of 26 October regulating Listed Real Estate Investment Trusts, with effect for the tax period beginning on or after 1 January 2022.

The Company's shares have been listed on Euronext (Paris) since 30 March 2023.

On 1 September 2022, the sole shareholders of OTHMAN KTIRI GROUP, S.L.U. and OK PROPERTIES I SOCIMI, S.A.U. approved the partial division of the former by transfer en bloc by universal succession of part of its assets to the latter, consisting of the shares representing 100% of the share capital of the companies OK PROPERTIES, S.L.U, OK VILLAGE PROPERTY, S.L.U. and AUTREMENT, S.L.U. The shares transferred represent businesses engaged in the ownership and operation of real estate under leases. Said division was registered in the Register of Companies on 1 February 2023.

On 3 August 2023, the sole shareholders of the companies: OK PROPERTIES I SOCIMI, S.A.U. (parent company), OK PROPERTIES, S.L.U, OK VILLAGE PROPERTY, S.L.U. and AUTREMENT, S.L.U. (subsidiaries) approved the formalisation of the merger by absorption of the three subsidiaries into OK PROPERTIES I SOCIMI, S.A.U. (absorbing company) with effect from 1 January 2023. The abridged annual accounts for 2023 and 2022 report the assets and liabilities transferred and merged.

According to its articles of association, the Company's corporate purpose includes, among other economic activities:

a) The acquisition and development of urban real estate for leasing -CNAE (National Classification of Economic Activities) 6820. The development activity includes the refurbishment of buildings under the terms established in Act 37/1992 of 28 December on Value Added Tax and any regulations that may replace it in the future.

b) The holding of shares in the capital of other REITs or in the capital of other entities not resident in Spain which have the same corporate purpose as the former and which are subject to a regime similar to that established for REITs in terms of the mandatory profit distribution policy, whether by law or under their articles of association -CNAE 6420.

c) The holding of shares in the capital of other entities, whether resident or not in Spain, whose main corporate purpose is the acquisition of urban real estate for leasing and which are subject to the same regime established for REITs in terms of the mandatory profit distribution policy, whether by law or under their articles of association, and which meet the investment requirements referred to in Article 3 of the REIT Act - CNAE 6420. The entities referred to in this point (c) may not hold shares in the capital of other entities. The shares representing the capital of these entities must be registered and the entire capital must be owned by other REITs or non-resident entities referred to in point (b) above. In the case of entities resident in Spain, they may opt for the application of the special tax regime under the conditions established in Article 8 of Act 11/2009 of 26 October.

d) The holding of shares or interests in Collective Real Estate Investment Institutions regulated in Act 35/2003 of 4 November on Collective Investment Institutions, or any regulations that may replace it in the future -CNAE 6420. With the main economic activity being CNAE 6420.

The economic activities included in the corporate purpose may be carried out wholly or partially indirectly through shareholdings in other companies with an identical or similar corporate purpose.

In its Articles of Association, the Company set the start and end of the financial year, which as a general rule matches the calendar year and ends on 31 December each year.

REIT regime

On 12 September 2022, the Company applied to the Spanish Tax Agency to be included in the special tax regime for Listed Real Estate Investment Trusts, regulated by Act 11/2009 of 26 October, amended by Act 16/2012 of 27 December regulating Listed Real Estate Investment Trusts.

Act 11/2009 sets out the following investment requirements in Article 3:

1. REITs must have at least 80 per cent of the value of their assets invested in urban real estate intended for leasing, in land for the development of real estate to be used for such purpose, provided that the development is started within three years of acquisition, and in shares in the capital of, or equity interests in, other entities referred to in Article 2.1 of said Act. This percentage will be calculated on the consolidated balance sheet if the company is the parent of a group in line with the criteria set out in Article 42 of the Commercial Code, irrespective of residence and irrespective of the obligation to file consolidated annual accounts. Said group will exclusively comprise the REITs and other entities referred to in Article 2(1) of this Act.

   The value of the assets will be determined on the basis of the average of the quarterly consolidated balance sheets for the year. The Company may choose to substitute the book value for the market value of the items included in such balance sheets in order to calculate said value, which would be applied to all the balance sheets for the year. For these purposes, money or credit rights arising from the transfer of such property or shares in the same or previous financial years will not be taken into account, provided that, in the latter case, the reinvestment period referred to in Article 6 of the aforementioned Act has not passed.

2. Furthermore, at least 80% of the income for the tax period corresponding to each financial year, excluding income arising from the transfer of shares and real estate assets, both of which are related to the fulfilment of its main corporate purpose, once the holding period referred to in the following paragraph has passed, must come from the leasing of real estate and from dividends or profit distributions arising from such holdings.

   This percentage will be calculated on the consolidated results if the company is the parent of a group in line with the criteria set out in Article 42 of the Commercial Code, irrespective of residence and irrespective of the obligation to file consolidated annual accounts. Said group will exclusively comprise the REITs and other entities referred to in Article 2(1) of the Act in question.

3. The real estate comprising the Company's assets must be leased for at least three years. For the purposes of the calculation, the time that the properties have been offered for lease will be added, up to a maximum of one year. The period of time will be calculated:

   a) In the case of real estate that was part of the Company's assets prior to the time when the regime was applied, from the start date of the first tax period in which the special tax regime established in this Act was applied, provided that at said date the property was leased or offered for lease. Otherwise, the provisions of the following point will apply.

   b) In the case of real estate acquired or developed by the Company at a later time, from the date on which it was first leased or offered for lease.

   c) In the case of shares or interests in entities referred to in Section 1 of this Act, they must be held in the Company's assets for at least three years from their acquisition or, where relevant, from the start of the first tax period in which the special tax regime established in this Act is applied.

Likewise, Act 11/2009 sets out the following requirements in Articles 4 and 5:

4. REITs are required to be listed on a regulated market or multilateral trading facility, whether in Spain or in any EU Member State.

5. The minimum capital requirement is EUR 5 million. There may only be one class of shares.

In addition, the Company must distribute the profit obtained during the financial year to its shareholders in the form of dividends, once the corresponding mercantile obligations have been met. Said distribution must be agreed within six months following the end of each financial year and paid within the month following the date of the distribution agreement.

As established in the First Transitional Provision of Act 11/2009 of 26 October, amended by Act 16/2012 of 27 December regulating Listed Real Estate Investment Trusts, it is possible to opt for the application of the special tax regime under the terms established in Article 8 of said Act, even if the requirements established therein are not met, provided that such requirements are met within the two years following the date of the option taken to apply said regime.

Failure to meet any of the conditions described above will result in the Company being taxed under the general corporate tax regime from the tax period in which such non-compliance occurs, unless it is remedied in the following financial year. In addition, the Company will be required to pay, together with the tax liability for said tax period, the difference between the tax liability resulting from applying the general regime and the tax liability paid that resulted from applying the special tax regime in previous tax periods, without prejudice to any late payment interest, surcharges or penalties that may apply, where relevant.

2. BASIS OF PRESENTATION

a) True and fair view

These abridged annual accounts have been prepared in accordance with the standards set out in the General Accounting Plan approved by Royal Decree 1514/2007, which has been amended several times since its publication, most recently by Royal Decree 1/2021 of 12 January, and other current mercantile legislation, including the provisions of Act 11/2009 of 26 October, as amended by Act 16/2012 of 27 December, regulating Listed Real Estate Investment Trusts (REITs), and based on the Company's accounting records in order to give a true and fair view of the Company's assets, financial position and results.

These abridged annual accounts have been prepared on the basis of the Company's auxiliary accounting records and in line with current accounting legislation in order to give a true and fair view of the Company's assets, financial position and results.

As detailed in note 7, the Company holds shares in a subsidiary, which was incorporated by the Company in 2023. Given the fact that the only subsidiary is inactive and its assets and liabilities are immaterial, the company does not prepare consolidated annual accounts in accordance with the exemption regulated under Article 7.1.c of Royal Decree 1159/2010 approving the rules for preparing consolidated annual accounts.

The amounts shown in the documents comprising these abridged annual accounts, the abridged balance sheet, the abridged profit and loss account and the abridged notes to the financial statements are expressed in euros, which is the Company's functional and presentation currency.

These abridged annual accounts have been prepared by the board of directors for the approval of the sole shareholder; it is considered that they will be approved without any changes.

b) Comparison of information

In accordance with commercial legislation, in addition to the figures for 2023, the figures for the previous year are presented for comparison with each of the items in the abridged balance sheet and the abridged profit and loss account. Quantitative information for the previous year is also included in the notes to the financial statements, except where an accounting standard specifically states that this is not required.

c) Critical aspects regarding measurement and estimation of uncertainty

The preparation of the abridged annual accounts requires the Company to use certain estimates and judgements in relation to the future that are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates have been made on the basis of the best information available at year-end. However, due to the inherent uncertainty involved, future events could occur that would require these to be adjusted in future periods, which would be carried out prospectively, as applicable.

The resulting accounting estimates will, by definition, rarely match the corresponding actual results.

Impairment of investment property

The measurement of Investment Property requires estimates to be made in order to determine the recoverable amount for the purpose of assessing possible impairment. To determine this recoverable amount at each year-end, the Directors of the Parent Company request valuations from independent experts.

3. DISTRIBUTION OF THE RESULT

The proposed distribution of profit for 2024, drawn up by the Board of Directors and expected to be approved by the Sole Shareholder, is as follows:

Euros	2024
Distribution basis	
Profit and loss account balance	30,479
Distribution:	
To 'Legal Reserve'	3,048
To 'Voluntary Reserves'	27,431
	30,479

3.1. Limitation on the distribution of dividends

As a REIT for tax purposes, the Company is required to distribute the profit obtained in the financial year to its shareholders in the form of dividends, once the corresponding mercantile obligations have been met, as follows:

a) 100 per cent of the profits from dividends or profit distributions from the entities referred to in Article 2 (1) of Act 11/2009.

b) At least 50 per cent of the profits arising from the transfer of real estate and shares or interests referred to in Article 2(1) of Act 11/2009, made after the periods referred to in Article 3(3) of said Act have passed, used for the fulfilment of its main corporate purpose. The remainder of these profits must be reinvested in other real estate or holdings used for the fulfilment of such corporate purpose, within three years from the date of transfer. Failing this, such profits must be distributed in full together with any profits arising from the financial year in which the reinvestment period ends. If the elements reinvested are transferred before the holding period set out in Article 3(3) of this Act, said profits must be distributed in full together with any profits arising in the year in which the transfer took place.

   The obligation to distribute profits does not extend, where applicable, to the part of these profits attributable to years in which the company was not taxed under the special tax regime established under this Act.

c) At least 80 per cent of the remainder of the profits obtained.

The dividend must be paid within the month following the date of the distribution agreement.

Where the distribution of dividends is made out of reserves from profits for a financial year in which the special tax regime was applied, such distribution must be approved by the agreement referred to in the preceding paragraph.

The company is obliged to allocate 10 % of the profit for the year to the legal reserve until it reaches at least 20 % of the capital stock. This reserve may not exceed 20% of the share capital. The articles of association of such companies may not provide for any non-distributable reserves other than the foregoing.

4. RECOGNITION AND MEASUREMENT REGULATIONS

a) Intangible assets

Intangible assets are initially measured at cost, either the acquisition price or the production cost. The cost of intangible assets acquired through business combinations is their fair value at the acquisition date.

After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses recognised.

Intangible assets are amortised systematically on a straight-line basis over their estimated useful lives and taking into account their residual value. The amortisation methods and periods applied are reviewed at each year-end and, where appropriate, adjusted prospectively. At least at year-end, the existence of impairment indicators is assessed, in which case the recoverable amounts are estimated and the appropriate impairment losses are recognised.

b) Tangible fixed assets

Tangible fixed assets are initially measured at cost, either the acquisition price or the production cost. The cost of tangible fixed assets acquired through business combinations is their fair value at the acquisition date.

After initial recognition, tangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses recognised.

Repairs that do not represent an extension of useful life and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The costs of renovation, expansion or improvement leading to an increase in production capacity or a lengthening of the useful life of assets are capitalised as an increase in their value, with the carrying amount of any replaced elements being derecognised, as applicable.

Amortisation of tangible fixed assets is calculated on a straight-line basis over their estimated useful lives from the time they are available for use.

The years of estimated useful life for the various items of tangible fixed assets are as follows:

	Years of useful life
Installations, Machinery and Furniture	10 years
Information processing equipment and tools	4 years
Transport elements	7 years

At each year-end, the Company reviews the residual values, useful lives and amortisation methods for tangible fixed assets and, where appropriate, adjusts them prospectively.

c) Real estate investment

Land and buildings which the company uses to obtain rental income or which it owns with the intention of obtaining capital gains through their sale are included under "Investment property".

These assets have been measured at acquisition price or production cost.

Investment property includes the financial costs related to the financing of projects with a construction period of more than one year until they are put into operation.

Periodic maintenance, upkeep and repair costs are recognised in the profit and loss account on an accrual basis as a cost in the year in which they are incurred.

These assets are measured in accordance with the criteria indicated for tangible fixed assets. Residential, hotel and office buildings are amortised over a period of 33 to 50 years, and industrial buildings over a period of 33 years.

d) Financial assets

Classification and measurement

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

- Financial assets at fair value through profit or loss
- Financial assets at depreciated cost
- Financial assets at fair value with changes in net worth
- Financial assets at cost

Financial assets at depreciated cost

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

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

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

- 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 outstanding. That is, the cash flows are inherent to an agreement that has the nature of an ordinary or common loan, notwithstanding the fact that the transaction is arranged at a zero or below-market interest rate.

  It is assumed that this condition is met in the case of a bond or a simple loan with a fixed maturity date for which the Company receives a variable market interest rate, which may be subject to a cap. Conversely, it is assumed that this condition is not met in the case of instruments convertible into equity instruments of the issuer, loans with inverse floating interest rates (i.e. rates inversely related to market interest rates), or those in which the issuer may defer interest payments, if such payment would affect its solvency, provided deferred interest does not accrue additional interest.

Generally, this category includes receivables from commercial transactions ("trade receivables") and receivables from non-commercial transactions ("other debtors").

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

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

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

Receivables with a maturity of not more than one year which, as described above, are initially measured at nominal value, continue to be measured at nominal value, unless they are impaired.

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

Financial assets at cost

The Company includes in this category, in any case:

a) Equity investments in group companies, jointly controlled entities and associates (in the individual financial statements).

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 that cannot be reliably estimated, and derivatives underlying such investments.

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

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

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

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

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

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

Derecognition of financial assets

The Company derecognises a financial asset when:

- The contractual rights to the asset's cash flows expire. In this regard, a financial asset is derecognised when it has matured and the corresponding amount has been received by the Company.
- The contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognised when the risks and rewards of ownership have been substantially transferred. In particular, in sale and repurchase agreements, factoring and securitisation transactions, the financial asset is derecognised once the Company's exposure, before and after the transfer, to variations in the amounts and timing of the net cash flows of the transferred asset has been compared and it is concluded that the risks and rewards have been transferred.

Impairment of financial assets

Debt instruments at amortised cost

At least at year-end, the Company analyses whether there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, has been impaired as a result of one or more events that occurred after initial recognition and that result in a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency.

If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows, including, where applicable, those from the execution of real security and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at initial recognition. For financial assets with a variable interest rate, the effective interest rate applicable at the reporting date is used, in accordance with the contractual terms. In calculating impairment losses for a group of financial assets, the Company uses models based on formulas or statistical methods.

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 profit and loss account. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the date of reversal had no impairment loss been recognised.

As a substitute for the present value of future cash flows, the Company uses the market value of the instrument, provided that it is sufficiently reliable to be considered representative of the value that the company could recover.

In the case of assets measured at fair value through equity, cumulative losses recognised in equity due to a decline in fair value, provided that there is objective evidence of impairment in the value of the asset, are recognised in the profit and loss account.

Financial assets at cost

In this case, the amount of the valuation adjustment is the difference between the carrying amount and the recoverable amount, the latter being the higher of the 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 economic activities and from the disposal or derecognition thereof. Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this class of assets is calculated on the basis of the investee's equity and any existing unrealised gains at the measurement date, net of tax effect.

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

Interest and dividends received on financial assets

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

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

e) Cash and other cash equivalents

Cash and other cash equivalents include cash on hand, demand deposits and financial instruments that are convertible into cash, maturing in three months or less at the time of acquisition, provided that there is no significant risk of changes in value and that they form part of the Company's normal cash management policy.

f) Net worth

The share capital is represented by ordinary shares.

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

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

g) Financial liabilities

Classification and measurement

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

- Financial liabilities at depreciated cost.
- Financial liabilities at fair value with changes in the profit and loss account.

Financial liabilities at depreciated cost

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

Generally, this category includes trade payables ("suppliers") and non-trade payables ("other creditors").

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

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

However, trade payables with a maturity of not more than one year and without a contractual interest rate, as well as called but unpaid amounts by third parties on shares, which are 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 material.

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

However, payables with a maturity of not more than one year which, in accordance with the above, are initially measured at their nominal value will continue to be measured at that amount.

Derecognition of financial liabilities

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

h) Tax on profits

General regime

The tax on profits expense or income comprises the part relating to current tax expense or income and the part relating to deferred tax expense or income.

Current tax is the amount payable by the Company as a result of settlements of tax on profits relating to a financial year. Deductions and other tax benefits, excluding withholdings and payments on account, as well as tax losses carried forward from previous years effectively applied in the current year, result in a lower amount of current tax.

Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences which are identified as 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 unused tax losses carried forward and unused tax credits. These amounts are recognised by applying to the relevant temporary difference or credit 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 the taxable profit nor the accounting profit and is not a business combination.

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

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity accounts are also recognised with a balancing entry in equity.

Deferred tax is determined by applying tax laws and rates approved or substantively approved at the balance sheet date and expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Recognised deferred tax assets are reviewed at each reporting date and adjusted if there are doubts as to their future recoverability. In addition, off-balance sheet deferred tax assets are assessed at each reporting date and recognised if it becomes probable that they will be recoverable against future taxable profits.

REIT regime

As from 1 January 2022, the Company has been subject to the special REIT tax regime regulated under Act 11/2009 of 26 October, which regulates listed real estate investment trusts. Entities that meet the requirements defined in the regulations and opt for the application of the special tax regime provided for in said Act will be taxed at a rate of 0% for corporate tax. In the event that tax losses are generated, Article 25 of Act 27/2014 of 27 November on Corporate Tax will not apply.

The entity will be subject to a special tax rate of 19% on the full amount of dividends or profit participations distributed to shareholders whose holding in the entity's share capital is 5% or more, when such dividends, in the hands of said shareholders, are exempt or taxed at a rate of less than 10%. This tax is treated as a corporate tax liability.

i) Provisions and contingent liabilities

Provisions for environmental restoration, restructuring costs and litigation are recognised when the Company has a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions include lease cancellation penalties and redundancy payments to employees. No provisions are recognised for future operating losses.

Provisions are measured at the present value of the expenditure 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. Adjustments to the provision on restatement are recognised as a financial expense as they accrue.

Provisions maturing in one year or less with an insignificant financial effect are not discounted.

When part of the expenditure 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 virtually certain.

Contingent liabilities are defined as possible obligations arising from past events, the realisation of which is conditional on the occurrence or non-occurrence of one or more future events beyond the Company's control. Contingent liabilities, if any, are not recognised and are disclosed in the abridged notes to the financial statements.

j) Revenue and expenditure

Income and expenses are recognised based on the accrual principle, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow occurs. Such income is measured at the fair value of the consideration received, net of discounts and tax. Indirect taxes levied on transactions and passed on to third parties do not form part of income.

k) Environment

There are no business activities with an impact on the environment.

l) Classification of assets and liabilities between current and non-current

Assets and liabilities are presented in the balance sheet classified between 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, realised or settled in the course of the same, are different from the above and their maturity, disposal or realisation is expected to take place within a maximum of one year, they are held for trading or are cash and cash equivalents whose use is not restricted for a period of more than one year. Otherwise they are classified as non-current assets and liabilities.

The normal operating cycle is less than one year for all economic activities.

(Expressed in Euro)

m) Related-party transactions

Related-party transactions are recognised in accordance with the measurement standards detailed above, except for the following transactions:

- Non-monetary contributions of a business to a group company are generally measured at the carrying amount of the assets and liabilities transferred in the consolidated annual accounts at the date of the transaction.
- In mergers and divisions of a business, the elements acquired are generally measured at the amount that corresponds to them in the consolidated annual accounts once the transaction has been completed. Differences that arise are recognised in reserves.

The prices of transactions with related parties are adequately supported, consequently, the Company's Directors consider that there are no risks that could give rise to significant tax liabilities.

5. TANGIBLE FIXED ASSETS

The breakdown and movements of the various items comprising tangible fixed assets are as follows:

Euros	Initial balance	Additions and provisions	Removals	Transfers	Final balance
Financial year 2024					
Cost					
Technical facilities and other tangible fixed assets	179,103	0	0	-179,103	0
Construction in progress and advances	422,660	0	-322,279	-79,818	20,563
	601,763	**0**	**-322,279**	**-258,921**	**20,563**
Accumulated depreciation					
Technical facilities and other tangible fixed assets	-149,746	0	0	149,746	0
	-149,746	**0**	**0**	**149,746**	**0**
Net book value	**452,017**	**0**	**-322,279**	**-109,175**	**20,563**

(Expressed in Euro)

Euros	Initial balance	Additions and provisions	Merger	Transfers	Final balance
Financial year 2023					
Cost					
Technical facilities and other tangible fixed assets	-	-	815,830	(636,727)	179,103
Construction in progress	-	52,372	3,371,683	(3,001,395)	422,660
	-	**52,372**	**4,187,513**	**(3,638,122)**	**601,763**
Accumulated depreciation					
Technical facilities and other tangible fixed assets	-	(71,992)	(167,331)	89,577	(149,746)
	-	**(71,992)**	**(167,331)**	**89,577**	**(149,746)**
Net book value	-	**(19,620)**	**4,020,182**	**(3,548,545)**	**452,017**

The de-recognitions in the year correspond to investment credits.

6. REAL ESTATE INVESTMENT

The breakdown and movements of the various items comprising investment property are as follows:

Euros	Initial balance	Additions and provisions	De-recognitions and reversal of impairment losses	Transfers	Final balance
Financial year 2024					
Cost					
Land	28,286,889	3,516,877	(142,848)	-	31,660,918
Constructions	32,930,953	328,803	(180,126)	79,818	33,159,447
Technical facilities and other tangible fixed assets	2,179,864	183,271	1,247	179,103	2,543,485
	63,397,705	**4,028,951**	**(321,728)**	**258,921**	**67,363,850**
Accumulated depreciation					
Constructions	(2,379,423)	(904,238)	27,978	(149,746)	(3,405,429)
Technical facilities and other tangible fixed assets	(347,146)	(165,208)	-	-	(512,354)
	(2,726,569)	**(1,069,446)**	**27,978**	**(149,746)**	**(3,917,783)**
Net book value	**60,671,136**	**2,959,505**	**-293,750**	**109,175**	**63,446,067**

(Expressed in Euro)

Euros	Initial balance	Additions and provisions	Merger	Transfers	Final balance
Financial year 2023					
Cost					
Land	3,353,068	658,307	23,054,965	1,220,548	28,286,889
Constructions	846,932	5,525,597	24,971,167	1,587,257	32,930,953
Technical facilities and other tangible fixed assets	-	1,349,546	-	830,318	2,179,864
	4,200,000	**7,533,450**	**48,026,132**	**3,638,122**	**63,397,705**
Accumulated depreciation					
Constructions	(4,658)	(583,801)	(1,790,964)	-	(2,379,423)
Technical facilities and other tangible fixed assets	-	(257,569)	-	(89,577)	(347,146)
	(4,658)	**(841,370)**	**(1,790,964)**	**(89,577)**	**(2,726,569)**
Net book value	**4,195,342**	**6,692,080**	**46,235,168**	**3,548,545**	**60,671,136**

6.1 Description of the main movements

The main addition in 2024 corresponds to the acquisition of a plot of land for industrial use located in Palma. At year-end, its lease is being actively pursued. The main additions in 2023 mainly related to the acquisition of the office building in Calle Rita Levy in Palma under a long-term lease contract and the final works on the Belle Marivent hotel on Avda Joan Miro in Palma.

De-recognitions in 2024 mainly relate to the sale of an industrial asset in Palma amounting to EUR 345,000.

The merger column in the 2023 movement table corresponds to the net book value as at 1 January 2023 of the elements incorporated by the merger explained in Note 1.

6.2 Information on contracts

Lease contracts have a duration of between 1 and 21 years. All rents are fixed, except for the lease of a hotel property, where the rent is variable and linked to income.

The breakdown of future minimum payments under non-cancellable operating leases at 31 December is as follows:

(Thousands of euros)	2024	2023
Up to one year	5,725	2,358
Between one and five years	3,415	4,941
More than five years	456	662
	9,596	**7,961**

7. INVESTMENTS IN THE EQUITY OF GROUP COMPANIES

The breakdown of this heading at 31 December 2024 is as follows:

Euros	Initial balance	Additions	Removals	Final Balance
Financial year 2024				
Equity instruments L/T				
Cost	60,000			60,000
	60,000	**-**		**60,000**

Euros	Initial balance	Additions	De-recognitions due to Merger	Final Balance
Financial year 2023				
Equity instruments L/T				
Cost	26,065,637	60,000	(26,065,637)	60,000
	26,065,637	**60,000**	**(26,065,637)**	**60,000**

This is the shareholding in OK Hotels Socimi S.A.U. incorporated in June 2023. The company has been inactive since its incorporation.

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The information relating to this company as at 31 December 2024 is as follows:

(Euros)	Net book value	Direct shareholding percentage	Capital	Reservations	Benefits (losses) for the year	Total net equity	Operating result
Financial year 2024							
OK Hotels Socimi, S.A.U.	60,000	100%	60,000	-	1,548	55,934	1,548

(Euros)	Net book value	Direct shareholding percentage	Capital	Reservations	Benefits (losses) for the year	Total net equity	Operating result
Financial year 2023							
OK Hotels Socimi, S.A.U.	60,000	100%	60,000	-	(5,614)	54,386	(5,614)

8. ANALYSIS OF FINANCIAL INSTRUMENTS

8.1. Analysis by category

The carrying amounts of each of the categories of financial instruments established in the "Financial Instruments" recognition and measurement standard, except for investments in equity instruments of Group companies and associates, cash and balances with public authorities, are as follows (in euros):

Financial assets:

The composition of financial assets as at 31 December 2024 is as follows:

	Receivables and other		Total	
Euros	2024	2023	2024	2023
Long term financial assets				
Amortised cost	9,611	9,611	9,611	9,611
	9,611	9,611	9,611	9,611
Short term financial assets				
Amortised cost	3,875,723	217,015	3,875,723	217,015
	3,875,723	217,015	3,875,723	217,015
	3,885,334	**226,626**	**3,885,334**	**226,626**

These amounts are included in the following balance sheet items:

	Receivables and other		Total	
Euros	2024	2023	2024	2023
Non-current financial assets				
Long-term financial investments	9,611	9,611	9,611	9,611
	9,611	9,611	9,611	9,611
Current financial assets				
Customers for sales and service provisions	798,131	118,902	798,131	118,902
Other debtors	-	89,260	-	89,260
Staff	5,172	4,762	5,172	4,762
Short-term investments in group companies and associates (Note 14)	-	3,025	-	3,025
Short-term financial investments	3,072,420	1,067	3,072,420	1,067
	3,875,723	217,015	3,875,723	217,015
	3,885,334	**226,626**	**3,885,334**	**226,626**

The most significant movements relate to the constitution of a fixed-term deposit of EUR 3 million with annual renewal, included under short-term financial investments.

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(Expressed in Euro)

Financial liabilities:

The composition of financial liabilities as at 31 December 2024 is as follows:

	Amounts owed to credit institutions		Derivatives and others		Total	
Euros	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Long term financial liabilities						
Liabilities at depreciated cost	**37,284,378**	**37,073,430**	2,866,700	7,550,798	40,151,078	44,624,228
	37,284,378	**37,073,430**	2,866,700	7,550,798	40,151,078	44,624,228
Short term financial assets						
Liabilities at depreciated cost	1,160,025	1,068,773	351,669	1,215,254	1,511,694	2,284,027
	1,160,025	1,068,773	351,669	1,215,254	1,511,694	2,284,027
	38,444,403	**38,142,203**	**3,218,369**	**8,766,052**	**41,662,772**	**46,908,255**

These amounts are included in the following balance sheet items:

	Amounts owed to credit institutions		Derivatives and others		Total	
Euros	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Non-current financial liabilities						
Long-term debts	**37,284,378**	**37,073,430**	2,866,700	7,550,798	40,151,078	44,624,228
	37,284,378	**37,073,430**	2,866,700	7,550,798	40,151,078	44,624,228
Current financial liabilities						
Short-term liabilities	1,160,025	1,068,773	(16,939)	396,274	1,143,086	1,465,047
Suppliers			80,000	-1,293	80,000	-1,293
Sundry creditors			285,153	819,380	285,153	819,380
Staff			3,455	893	3455.48	893
	1,160,025	1,068,773	351,669	1,215,254	1,511,694	2,284,027
	38,444,403	**38,142,203**	**3,218,369**	**8,766,052**	**41,662,772**	**46,908,255**

(Expressed in Euro)

8.2. Analysis of financial liabilities by maturity

	Financial liabilities						
Euros	**2025**	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Total**
Debts with credit institutions	1,160,025	1,111,253	1,157,798	1,206,299	1,256,838	32,552,190	38,444,403
Other financial liabilities	351,669	0	0	2,725,970	0	140,730	3,218,369
Total	**1,511,694**	**1,111,253**	**1,157,798**	**3,932,269**	**1,256,838**	**32,692,920**	**41,662,772**

8.3 Amounts owed to credit institutions

On 21 November 2023, the Company entered into a financing transaction with a financial institution amounting to EUR thirty-eight million, secured by a mortgage on 38 real estate assets owned by the Company, maturing in December 2038, with a variable interest rate of Euribor +1.65%. This loan is also secured by a personal guarantee from Othman Ktiri Group, S.L.U. (a subsidiary of the Company's sole shareholder). The amortisation of the debt is in increasing quarterly instalments until October 2038, with a final instalment of 18 million on 1 March 2039.

In addition, the Company must comply with a loan to value ratio of less than 50.95% and a debt service coverage ratio of at least 1.25%, and the consolidated annual accounts for the previous year of Othman Ktiri Group, S.L.U., as guarantor, must maintain consolidated equity of more than EUR 82 million. The first year in which these ratios must be met is on the basis of the financial year ending 31 December 2024. The Directors consider that the above ratios for 2024 have been met, with the exception of the debt service coverage ratio for which the Company has obtained a waiver for compliance for 2024. On the other hand, the redefinition of this ratio is pending formalisation with the financial institution in order to adapt it to the Company's economic activity.

Additionally, in 2024 an extension of the loan was formalised with this financial institution amounting to EUR 1.4 million, bearing the same interest rate and maturing quarterly, with the last instalment in February 2029 amounting to EUR 694,000 and mortgaging the land acquired in 2024 indicated in Note 6 above.

The financial expense accrued in 2024 at its effective rate for the bank debt amounts to EUR 2,227,986 (EUR 986,347).

(Expressed in Euro)

8.4 Other long and short term debts

The long-term balance includes an amount of EUR 2,726,000 corresponding to the balance drawn down on the credit line signed with Othman Ktiri Group S.L.U. linked to the sole shareholder, with a limit of EUR 15 million, maturing on 31/12/2028 and bearing interest at a fixed rate of 3.97%. The financial expense accrued in 2024 for this credit amounts to EUR 84,000. The remaining amount relates to deposits received in connection with certain lease contracts.

8.5 Average supplier payment period

During 2024 and 2023, in accordance with the requirements of the third additional provision of Act 18/2022 of 28 September on the creation and growth of companies and Act 15/2010 of 5 July (amended by the second final provision of Act 31/2014 of 3 December) and in accordance with the ICAC Resolution of 29 January 2016, the average supplier payment period was 28 and 15 days, respectively.

9. CASH AND OTHER CASH EQUIVALENTS

The composition of this heading at 31 December 2024 is as follows:

Euros	2024	2023
Demand Current Accounts	127,292	13,215,343
	127,292	**13,215,343**

Current accounts accrue the market interest rate corresponding to these types of accounts.

There are no availability restrictions for these balances.

10. SHARE CAPITAL AND LEGAL RESERVE

Capital

The Company was incorporated on 19/05/2022 with fully paid-up capital of 60,000 euros, consisting of 60,000 shares of 1 euro nominal value each.

(Expressed in Euro)

On 1 September 2022, the capital was increased by 4,960,000 fully subscribed shares through a partial division of Othma Ktiri Group, S.L.U. The information related to the division is detailed in the annual accounts for 2022.

As at 31 December 2024 and 2023, the share capital consists of 5,000,000 shares with a nominal value of 1 euro each. The Company's sole shareholder is a natural person.

The Company's shares have been listed on Euronext Access Paris since 30 March 2023.

Legal reserve

In accordance with Act 11/2009 regulating listed real estate investment trusts (REITs), the legal reserve of companies that have opted for the application of the special tax regime established in this law may not exceed 20% of the share capital. The articles of association of such companies may not provide for any non-distributable reserves other than the foregoing.

Except for the above-mentioned purpose, and as long as it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided that other sufficient reserves are not available for this purpose.

As at 31 December 2024, the legal reserve does not reach the required 20%, therefore, 10% of the result for 2024 will be allocated to the legal reserve. The balance as at 31 December 2024 amounts to EUR 307,947.

Other Reserves

The movement in 2022 corresponds entirely to the partial division explained in Note 1. The movement in 2023 corresponds to the distribution of profit for 2022 and the merger by absorption detailed in Note 1.

(Euros)	31/12/2023	Distribution of reserves	Distribution of results	31/12/2024
Financial year 2024				
Legal reserve	251,459		56,488	307,947
Voluntary reserves	22,511,608		(1,567,901)	20,943,707
	22,763,067			21,251,654
	22,763,067			**21,251,654**

During the year, a dividend distribution of EUR 1,568,000 was made from the profit for 2022 charged to reserves, and the legal reserves were increased by 10% of the profit for 2023 amounting to EUR 565,000.

(Expressed in Euro)

11. SHORT-TERM ACCRUALS AND DEFERRALS

The breakdown of asset accruals and deferrals is as follows:

Euros	Initial balance	Additions	Removals	Final Balance
Financial year 2024				
Long-term accruals	190.449		-18.892	171.557
Short-term accruals	13.600	37.789	-38.840	12.548
	204.049	**37.789**	**-57.732**	**184.106**

Euros	Initial balance	Additions	Removals	Final Balance
Financial year 2023				
Long-term accruals	-	190,449	-	190,449
Short-term accruals and deferrals	-	13,600	-	13,600
	-	**204,049**	**-**	**204,049**

Some lease contracts entered into in previous years by the merged companies (Note 1) establish rent grace periods or staggered rents. The accrual balance corresponds to the linearisation of this rental income.

(Expressed in Euro)

12. TAX SITUATION

The composition of current balances with public administrations is as follows:

Euros	2024	2023
Deferred tax assets	-	**14,386**
Current tax assets	**230,981**	**103,195**
Other public administrations receivables	**403,035**	**259,468**
VAT	390,944	126,647
IRPF	12,091	132,822

Deferred tax liabilities	1,277	1,277
Current tax liabilities	**5,983**	-
Other debts with public authorities	**409,937**	**9,803**
IRPF	406,268	7,818
Social Security	3,669	1,982
VAT	-	3

Set out below is the breakdown of the taxable base that the Company expects to report following approval of the annual accounts:

	Euros		
	2024		
	Increases	Decreases	Net
Balance of income and expenses for the year			**30,480**
Corporate tax			(20,369)
Profit before tax			**50,849**
Permanent differences			-
Temporary differences			-
Taxable Base			**50,849**

(Expressed in Euro)

	2023		
	Increases	Decreases	Net
Balance of income and expenses for the year			**564,884**
Corporate tax			-
Profit before tax			**564,884**
Permanent differences			-
Temporary differences			-
Taxable Base			**564,884**

The reconciliation of the corporate tax expense is as follows:

	2024	2024
Accounting profit before tax	**50,849**	**564,884**
Permanent differences	-	-
Temporary differences	-	-
Taxable base pre-settlement of NTBs	**50,849**	**564,884**
Taxable base REIT regime	**(30,628)**	**564,884**
Taxable base pre-general regime	**81,477**	-
Compensation of negative tax bases	(57,543)	-
Taxable base general regime	**23,934**	-
Tax liability REIT regime (0%)		-
Tax liability general regime (25%)	(5,983)	-
Derecognition deferred tax assets	(14,386)	-
Profit tax expense	**(20,369)**	-

Deferred tax assets for unused tax losses carried forward and advance taxes due to temporary differences are recognised to the extent that it is probable that the Company will have future taxable profits against which they can be applied.

Deferred taxes, if any, arise from the recognition of income and expenses in different periods for the purposes of current tax regulations and those relating to the preparation of the annual accounts, provided it is probable that they will be recovered through future taxable profits.

As indicated in Note 1, the company has opted for the REIT tax regime with effect from 1 January 2022. In relation to the reporting requirements arising from the condition of REIT, Act 11/2009, as amended by Act 16/2021, it should be noted that the Company has an amount within Reserves of EUR 21,040,000 generated by the partial division explained in the previous note, corresponding to the reserves generated by the companies whose shares the Company received as a result of said division, which were generated outside the REIT tax regime.

The tax rate of the REIT special tax regime is 0%, applicable to the taxable profits obtained from such economic activity provided that it meets the requirements of Act 11/2009, as amended by Act 16/2021. The Company meets all the requirements for the application of this regime, which is why the corporate tax expense for the year is zero. The balance receivable for withholdings and payments on account of EUR 243,072 at 31 December 2024 corresponds to corporate tax instalments pending recovery from the absorbed companies in 2023 and originating prior to applying the REIT special tax regime to them.

Financial years pending review:

Under current legislation, taxes cannot be considered to have been finally settled until the returns filed have been inspected by the tax authorities or the four-year limitation period has elapsed. As a result, inter alia, of different possible interpretations of current tax legislation, additional liabilities may arise as a result of an inspection. In any case, the Directors consider that such liabilities, should they arise, would not significantly affect these abridged annual accounts.

On 26 March 2024, the inspection of corporate tax and VAT for 2020 and 2021 of the absorbed company Autrement, S.L. was initiated. In any case, in the opinion of the Company's Directors and its tax advisors, there are no significant tax contingencies that could arise as a result of this inspection.

12.1 Reporting requirements arising from the status of REIT, Act 11/2009

In the year in which the REIT tax regime was applicable, dividends were distributed against profits and reserves as they corresponded to profits for 2022 under the REIT regime for the companies absorbed in 2023 (see Note 10). Consequently, the dividends distributed under the REIT special regime (0%) are as follows:

- On 27 June 2024, EUR 508,000 corresponding to the distribution of profit for 2023;
- On 27 June 2024, 1,568,000 euros corresponding to the distribution of profit for 2022 of the companies merged in 2023 (formerly subsidiaries).

It is not necessary to specify the breakdown between income taxed at the general or special rate as no dividends have been distributed against reserves generated under the general tax regime.

The Company's reserves have arisen from the division operation carried out in 2022 amounting to EUR 21,040,000, which are reserves prior to the REIT special regime (see Note 1). In addition, in accordance with the results for 2023 and 2022, a legal reserve of EUR 56,000 and EUR 155,000, respectively, has been provisioned, arising under the REIT special regime (0%).

There are no reserves originating from years in which the special tax regime established by this Act was applicable, that have been utilised during the tax period.

In relation to assets that count towards the 80% under Article 3(1): in 2024 the company continued the renovation and refurbishment of: C/ Sant Jaume 15 Palma. These renovation and refurbishment works have not yet been completed. Consequently, in 2024 it was still not available for leasing. The remaining properties owned by the company that are in operating conditions are leased or in the process of being leased/or sold.

(Expressed in Euro)

12.3 Information on the division operation in 2022

Relevant information on the division carried out in 2022 is included in the annual accounts for 2022.

12.4 Information on the merger operation in 2023

Relevant information on the merger carried out in 2023 is included in the annual accounts for 2023.

13. INCOME AND EXPENSES

13.1 Net turnover

Net turnover corresponds entirely to rental income from properties owned by the company.

Euros	2024	2023
Net turnover		
Property rental income	4,043,170	3,764,625

(Expressed in Euro)

13.2 Staff costs

The breakdown of staff costs is as follows:

Euros	2024	2023
Wages, salaries and assimilated		
Wages and salaries	107,737	72,084
Redundancy payment		
Employment Taxes		
Social Security	27,452	10,535
Other benefits		
	135,189	**82,619**

The Company has two employees.

13.3 Operating expenses

The breakdown of external services is as follows:

Euros	2024	2023
Repairs and maintenance	62,907	116,196
Independent professional services	506,156	703,438
Insurance premiums	27,701	52,196
Commissions and expenses	(28,315)	98,188
Advertising	1,623	-
Supplies	48,223	72,865
Other	40,290	99,231
Outsourced services	**658,585**	**1,142,114**
Taxes	**145,143**	**526**
Losses, impairment and changes in provisions for trading operations	**(86,458)**	**145,043**
Outsourced services	**717,270**	**1,287,683**

The Company relies for the majority of its management tasks on OK Consulting S.L. through a signed service provision contract.

(Expressed in Euro)

14 RELATED-PARTY TRANSACTIONS AND BALANCES

The breakdown of balances held with related parties at 31 December 2024 is as follows:

Euros	Other related companies	Total
Financial year 2024		
Long-term debt with group and associated companies (note 8)	2,725,960	2,725,960
Oher creditors	(105,108)	(105,108)
Financial year 2023		
Short-term investments in subsidiary and affiliated companies	3,025	3,025
Long-term debt with group and associated companies (note 8)	(7,375,068)	(7,375,068)
Short-term debt with group and associated companies (note 8)	(399,876)	(399,876)

The breakdown of transactions with related parties is as follows:

Euros	Other related companies	Total
Financial year 2024		
Expenses		
Financial expenses	84,000	84,000
Financial year 2023		
Expenses		
Financial expenses	347,441	347,441

Related-party transactions relate to financial expenses arising from the EUR 15 million credit line with Othman Ktiri Group, SLU.

(Expressed in Euro)

15 REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Article 217 of Royal Legislative Decree 1/2010 approving the Companies Act and Article 21 of the Company's Articles of Association, the office of director is free of charge. The Articles of Association provide for the remuneration of the CEO, who receives remuneration as previously agreed in the General Meeting. During 2024, the CEO received employee remuneration of EUR 72,000 gross per annum in wages and salaries.

Additionally, in compliance with the provisions of Organic Law 3/2007, the distribution by gender of the Company's Board of Directors at year-end 2024 is shown below:

	No. Men	No. Women
Chairman	1	-
Member	2	-
Total	**3**	**-**

As at 31 December 2024, the Company had no pension or life insurance obligations with respect to members of the Board of Directors.

As at 31 December 2024, there were no advances or loans granted to members of the Board of Directors, nor were there any obligations assumed on their behalf in the form of guarantees. The Company has no employees considered to be Senior Management as these tasks are carried out by the CEO.

No directors' civil liability insurance premiums were paid during 2024 for damages incurred in the financial year.

With regard to Article 229 of the Companies Act, the directors have reported that they have no conflicts of interest with the Company's interests.

16 INFORMATION ON THE ENVIRONMENT

No environmental investments have been made during 2024. Neither have expenses been incurred for environmental protection and improvement, nor have provisions had to be made for environmental risks and expenses.

The Company is not aware of any contingencies relating to environmental protection and improvement, consequently, it has not considered it necessary to recognise any provisions for environmental risks and expenses.

17 SUBSEQUENT EVENTS

No events have occurred since year-end that could have a material effect on the true and fair view of these abridged annual accounts.

18. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

Risk management policies are established by Management. Based on these policies, a number of procedures and controls are in place to identify, measure and manage the risks arising from activity involving financial instruments.

The Company's activities involving financial instruments expose it to credit, market and liquidity risks.

Credit risk

In general, the Company holds its cash and cash equivalents with financial institutions with high credit ratings. Ultimately, the Company has a significant credit risk with various companies related to a director of the Company based on transactions carried out in 2024 amounting to EUR 2,583,000 (EUR 2,633,000 in 2023). Customer balances are for lease contracts.

Liquidity risk

In order to ensure liquidity and to be able to meet all payment commitments arising from its economic activity, the Company has sufficient liquidity arising from the financing obtained and the cash flows generated by its activity, after taking into account the dividends to be distributed.

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

The company is only exposed to interest rate risk on bank loans bearing variable interest rates indexed to the Euribor.

OK PROPERTIES I SOCIMI, S.A.U.
ABRIDGED REPORT FOR THE YEAR ENDED 31 DECEMBER 2024
(Expressed in Euro)

PREPARATION OF THE ABRIDGED FINANCIAL STATEMENTS

The Board of Directors prepared these abridged financial statements for the 2024 financial year on 31 March 2025.

Othman Ktiri CEO	Lorenzo Bagur Munar Board Secretary	José Escandell Board Member

OK PROPERTIES I SOCIMI SA

INFORME DE GESTIÓN CORRESPONDIENTE AL EJERCICIO 2024

Evolución de los negocios

De la información obtenida en la cuenta de pérdidas y ganancias abreviada, se desprende que el importe neto de la cifra de negocios durante el ejercicio 2024 ha sido de 4.043.169 euros. Estos ingresos están dentro del orden de previsión que se hizo a inicios de año sin que se hayan producido cambios significativos.

Asimismo, la empresa ha obtenido unos beneficios antes de impuestos de 50.849 euros, lo que manifiesta la capacidad de la empresa de generación de valor en su negocio una vez iniciada su actividad al 100% en el ejercicio 2023, pese al incremento significativo de los tipos de interés.

Actividades en materia de investigación y desarrollo

No existen actividades significativas en materia de investigación y desarrollo.

Acciones propias

La Sociedad no posee ni ha poseído durante el ejercicio acciones propias.

Riesgos financieros

La Sociedad está expuesta a diversos riesgos financieros tal y como se describe en la nota 18 de la memoria adjunta.

Periodo medio de pago a proveedores

El periodo medio de pago a proveedores en el ejercicio 2024 ha sido de 28 días (15 días en el ejercicio anterior). Asimismo, la sociedad ha realizado la totalidad de las operaciones dentro del plazo legal. A estos efectos, la Sociedad sigue implantando las medidas necesarias para una gestión más eficiente de

OK PROPERTIES I SOCIMI SA

DIRECTORS' REPORT FOR THE 2024 FINANCIAL YEAR

Business Evolution

From the information obtained in the abbreviated profit and loss account, it can be seen that the net amount of turnover during the 2024 financial year was 4,043,169 euros. These revenues are within the order of forecast that was made at the beginning of the year without significant changes.

Likewise, the company has obtained pre-tax profits of 50,849 euros, which shows the company's ability to generate value in its business once it started its activity at 100% in the 2023 financial year, despite the significant increase in interest rates.

Research and development activities

There are no significant research and development activities.

Own actions

The Company does not own and has not owned any shares during the financial year.

Financial risks

The Company is exposed to various financial risks as described in note 18 of the accompanying report.

Average payment period to suppliers

The average payment period to suppliers in the 2024 financial year was 28 days (15 days in the previous year). Likewise, the company has carried out all the operations within the legal period. To this end, the Company continues to implement the necessary measures for a more efficient management of sus recursos financieros, que le permite obtener una mayor liquidez con la que afrontar los pagos a sus proveedores de acuerdo con la normativa aplicable.

its financial resources, which allows it to obtain greater liquidity with which to meet payments to its suppliers in accordance with the applicable regulations.

Acontecimientos importantes para la Sociedad después del cierre.

Tras el cierre del ejercicio no se han producido otros acontecimientos que puedan tener un efecto significativo en la imagen fiel de estas cuentas anuales abreviadas.

Important events for the Society after the closure.

Since the end of the financial year, there have been no other events that could have a significant effect on the true and fair view of these abbreviated financial statements.

FORMULACIÓN DEL INFORME DE GESTION

El Consejo de Administración ha formulado el informe de gestión adjunto correspondiente al ejercicio 2024 en su reunión del 31 de marzo de 2025. Todas las hojas de dicho informe de gestión, que se incluye en la página 1 ha sido visado por todos los miembros del Consejo de Administración, firmando a continuación la presente hoja de formulación.

FORMULATION OF THE MANAGEMENT REPORT

The Board of Directors has formulated the attached management report for the financial year 2024 at its meeting on 31 March 2025. All the pages of this management report, which is included on page 1, have been endorsed by all the members of the Board of Directors, who then sign this formulation sheet.

Presidente / Chairman of the Board

D. Othman Ktiri

Secretario y Vocal / Secretary and Member

D. Lorenzo R. Bagur Munar

Vocal / Member

D. José Escandell Escandell