



**INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries**  
CONSOLIDATED FINANCIAL STATEMENTS AND DIRECTORS' REPORT  
FOR THE FINANCIAL ENDED 31 MARCH 2022 TOGETHER WITH THE  
AUDIT REPORT OF FINANCIAL STATEMENTS EMITTED BY AN  
INDEPENDENT AUDITOR

*This version of the financial statements is a free translation of the original, that was prepared in Spanish and signed off by the directors. 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 the financial statements takes precedence over this translation.*

**INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) AND  
SUBSIDIARIES**

Consolidated Financial Statements and Directors' Report for the  
financial year ended 31 March 2022 together with the Audit Report  
of Financial Statements emitted by an Independent Auditor

**AUDIT REPORT ON THE FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022:**

Consolidated Balance Sheets at 31 March 2022 and 31 March 2021

Consolidated Profit and Loss Account corresponding to financial year ended 31 March 2022  
and 31 March 2021

Consolidated Statement of Changes in Equity corresponding to financial year ended 31 March  
2022 and 31 March 2021

Consolidated Cash Flow Statements corresponding to financial year ended 31 March 2022  
and 31 March 2021

Consolidated Annual report corresponding to financial year ended 31 March 2022

**CONSOLIDATED DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2022**

**INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) AND  
SUBSIDIARIES**

Audit Report of Financial Statements emitted by an Independent  
Auditor

## Audit report on the consolidation financial statements issued by an independent auditor

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails*

To the Sole Shareholder of Inmark Prime Socimi, S.A.:

### *Opinion*

We have audited the consolidated financial statements of **Inmark Prime Socimi, S.A. (Sole Shareholder Company)** (the Parent Company) and subsidiary companies (the Group), which comprise the balance sheet as at March 31, 2022, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report, all of them consolidated, for the financial year ended on that date.

In our opinion, the accompanying consolidated financial statements give, in all material respects, a true and fair view of the Group's equity and financial position as at March 31, 2022, as well as its results and cash flows, all of them consolidated, for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information that results from (identified in note 3.1 of the consolidated report) and, in particular, with the accounting principles and criteria contained therein.

### *Basis for opinion*

We have performed our audit in accordance with the current regulations governing the auditing of accounts in Spain. Our responsibilities in accordance with these regulations are described later in the section *Auditor's Responsibilities relating to the audit of the consolidated financial statements* of our report.

We are independent of the Group in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the consolidated financial statements in Spain as required by the regulations governing the activity of auditing accounts. Accordingly, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned governing regulations, have compromised the necessary independence.

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

### *Key audit matters*

The key audit matters are matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole, and in the formation of our opinion on these and we do not express a separate opinion on those matters.

<u>Key audit matters</u>	<u>Audit response</u>
<p><i>Valuation of Investment properties</i></p> <p>The heading of “Investment properties” of the consolidated balance as at March 31, 2022 attached, includes the book value of the investment property acquired by the Group, according to the note 6 of the consolidated annual report.</p> <p>Note 5.3 of the consolidated annual report describes the valuation criteria for this asset, as well as the policies of impairment valuation. As describes in previous notes, for the estimation of the recoverable value, the Parent Company’s management has based on valuations carried out by an independent expert, which include elements of judgment with different degrees of subjectivity.</p> <p>The analysis of the reasonableness of the book value of this investment at the end of the year ended March 31, 2022 has been considered the key audit matter of our audit.</p>	<p>We have performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none"><li>- Understanding and analysis of the policies and procedures followed by the Parent Company’s management for the valuation of the real estate investment at year-end.</li><li>- Obtaining the valuation report at the year-end, performed by independent expert based on rent discounts.</li><li>- Evaluation of the competence and independence of the extern expert, as well as the reasonableness of the valuation and hypothesis used, involving valuation experts in the engagement team to help us in said analysis.</li><li>- Analysis of the reasonableness of the calculations made by the Parent Company’s Management for the determination of the recoverable value of this Investment as at March 31, 2022.</li><li>- Evaluation of the suitability and adequacy of the information included by the Parent Company’s Management in the consolidated annual report, in relation of this asset.</li></ul>

*Other information: Consolidated Management report*

The other information comprises exclusively the consolidated management report for financial year ended March 31, 2022, the formulation of which is the responsibility of the Parent Company's management and does not form an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility over the consolidated management report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained in performing the audit of the aforementioned accounts as well as in evaluating and informing the content and presentation of the consolidated report of management are in accordance with the regulations that result from the application. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report this.

Based on the work performed, as described in the previous paragraph, the information contained in the consolidated management report agrees with that in the consolidated financial statements for financial year ended March 31 2022 and its content and presentation are in accordance with the applicable regulations.

*The responsibility of the Parent Company management in respect of the consolidated financial statements*

The management of the Parent Company are responsible for formulating the accompanying consolidated financial statements, so that they give a true image of the assets, the financial situation and the results of the Group, in accordance with the regulatory framework on financial information applicable to the Group in Spain, and of the internal control that they consider necessary to allow the preparation of the consolidated financial statements free of material misstatement, due to fraud or error.

In the preparation of the consolidated financial statements, the management of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, revealing, as appropriate, the issues related to the Group in operation and using the accounting principle of a going concern except if the management intend to liquidate the Group or cease operations, or if there is no other realistic alternative.

*The auditor's responsibility for the audit of the consolidated financial statements*

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

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with the regulations governing the audit activity in force 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit, in accordance with the current regulations governing the account auditing activity in Spain, we exercise professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the consolidated financial statements, due to fraud or error, design and perform audit procedures to respond 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management of the Parent Company.
- We conclude whether the use, by management of the Parent Company, of the accounting principle of the Group as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to events or conditions that can generate significant doubts about the ability of the Group to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the consolidated financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Group to cease to be a going concern.


- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain enough and adequate evidence in relation with the financial information of the entities or activities into the Group to express and opinion on the consolidated financial statements. We are responsible of the direction, supervision and carrying of the audit of the Group. We are the only responsible of our audit opinion.

We are required to communicate with the Parent Company's management of regarding, amongst other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the course of the audit.

Amongst the matters that have been communicated to the Parent Company's management, we determine those that have been of the greatest significance in the audit of the consolidated financial statements of the current period and that are, consequently, the key matters of the audit.

We describe those matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

BDO Auditores, S.L.P. (ROAC S1273) (ROAC - Official Registry of Account Auditors)



Francisco J. Giménez Soler (ROAC 21667)  
Audit partner

September 28, 2022



**INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company)  
(previously named PEÑALARA DIRECTORSHIP, S.A.)  
and Subsidiaries**

Consolidated Financial Statements for the financial year ended 31 March 2022 and Management Report, together with the Independent Audit 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.*

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## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

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## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Balance Sheets at 31 March 2022  
(Stated in Euros)

ASSETS		NOTES	31/03/2022	31/03/2021
<b>A)</b>	<b>NON CURRENT ASSETS</b>		<b>169,530,742</b>	<b>172,982,082</b>
III.	Property investments	6	166,453,698	169,905,038
V.	Long-term financial investments	7.2	1,288,714	1,288,714
VI.	Deferred tax assets	11	1,788,330	1,788,330
<b>B)</b>	<b>CURRENT ASSETS</b>		<b>9,390,067</b>	<b>12,781,135</b>
III.	Trade debtors and other receivables	7.3	6,741,124	7,227,781
V.	Short-term financial investments	7.2	7,423	7,422
VI.	Current accruals	7.2	257,752	298,019
VII.	Cash and other equivalent liquid assets	7.4	2,383,768	5,247,913
<b>TOTAL ASSETS (A + B)</b>			<b>178,920,809</b>	<b>185,763,217</b>

*The Consolidated Financial Statements of the Company, which form a single unit, comprise these Consolidated Balance Sheets, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying Notes of the Consolidated Annual Report, attached, consisting of 21Notes.*

EQUITY AND LIABILITIES		NOTES	31/03/2022	31/03/2021
<b>A)</b>	<b>EQUITY</b>		<b>67,565,734</b>	<b>72.588.710</b>
A-1)	Own funds	8	67,565,734	72,588,710
I.	Share Capital	8.1	5,000,000	5,000,000
II.	Issue premium	8.2	32,841,838	38,909,414
III.	Reserves	8.3	(330,704)	(538,002)
VI.	Other shareholders' contributions	8.4	29,010,000	29,010,000
V.	Result for the year		1,044,600	207,298
<b>B)</b>	<b>NON CURRENT LIABILITIES</b>		<b>110,560,479</b>	<b>110,354,596</b>
II.	Long-term debt	9	110,560,479	110,354,596
2.	Debt with credit institutions		109,290,255	109,084,372
5.	Other financial liabilities		1,270,224	1,270,224
<b>C)</b>	<b>CURRENT LIABILITIES</b>		<b>794,596</b>	<b>2,819,911</b>
III.	Short-term debt	10	196,796	2,144,687
2.	Debt with credit institutions		172,667	2,120,558
5.	Other financial liabilities		24,129	24,129
V.	Trade creditors and other payables		597,800	675,224
<b>TOTAL EQUITY AND LIABILITIES (A + B + C)</b>			<b>178,920,809</b>	<b>185,763,217</b>

*The Consolidated Financial Statements of the Company, which form a single unit, comprise these Consolidated Balance Sheets, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying Notes of the Consolidated Annual Report, attached, consisting of 21Notes.*

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## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Profit and Loss Account and Statement of changes in Consolidated Equity  
corresponding to financial year ended 31 March 2022  
(Stated in Euros)

		NOTES	31/03/2022	31/03/2021
1.	Net turnover	12.1	8,416,760	8,301,820
7.	Other operating expenses	12.2	(1,812,453)	(1,697,456)
8.	Depreciation of PP&E	6	(3,451,340)	(3,451,340)
<b>A) OPERATING RESULT</b>			<b>3,152,967</b>	<b>3,153,024</b>
12.	Financial revenue	12.3	-	28,011
13.	Financial expenses	12.3	(2,108,367)	(2,973,737)
<b>B) FINANCIAL RESULT</b>			<b>(2,108,367)</b>	<b>(2,945,726)</b>
<b>C) RESULT BEFORE TAX</b>			<b>1,044,600</b>	<b>207,298</b>
17.	Corporate income tax	11	-	-
<b>D) RESULT FOR THE YEAR</b>			<b>1,044,600</b>	<b>207,298</b>

*The Consolidated Financial Statements of the Company, which form a single unit, comprise this Consolidated Profit and Loss Account, Consolidated Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying Notes to the Consolidated Annual Report, attached, consisting of 21 Notes*

### A) CONSOLIDATED STATEMENT OF RECOGNIZED REVENUE AND EXPENSES

		31/03/2022	31/03/2021
<b>A)</b>	<b>RESULT FROM THE PROFIT AND LOSS ACCOUNT</b>	<b>1,044,600</b>	<b>207,298</b>
	Revenue and expenses charged directly to equity	-	
<b>B)</b>	<b>TOTAL REVENUE AND EXPENSES CHARGED DIRECTLY TO EQUITY</b>	<b>-</b>	
	Transfers to the profit and loss account	-	
<b>C)</b>	<b>TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT</b>	<b>-</b>	
<b>TOTAL RECOGNIZED REVENUE AND EXPENSES</b>		<b>1,044,600</b>	<b>207,298</b>

*The Consolidated Financial Statements of the Company, which form a single unit, comprise the Consolidated Statement of Changes in Equity, the Consolidated Balance Sheets, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement and the accompanying Notes to the Consolidated Annual Report, attached, consisting of 21 Notes*

## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Statement of Changes in Equity corresponding to financial year ended 31 March 2022 (Stated in Euros)

### B) CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY

	Subscribed Share Capital	Issue premium	Reserves	Other shareholders' contributions	Result	TOTAL
<b>A) INITIAL ADJUSTED BALANCE 2020</b>	510,000	43,642,446	(538,002)	33,500,000	-	77,114,444
I. Total recognized revenue and expenses	-	-	-	-	207,298	207,298
II. Operations with owners and shareholders	4,490,000	(4,733,032)	-	(4,490,000)	-	(4,733,032)
- Capital increase	4,490,000	-	-	(4,490,000)	-	-
- Distribution of dividends	-	(4,733,032)	-	-	-	(4,733,032)
III. Other changes in equity	-	-	-	-	-	-
<b>B) FINAL BALANCE AT 31 MARCH 2021</b>	5,000,000	38,909,414	(538,002)	29,010,000	207,298	72,588,710
I. Total recognized revenue and expenses	-	-	-	-	1,044,600	1,044,600
II. Operations with owners and shareholders	-	(6,067,576)	-	-	-	(6,067,576)
- Capital increase	-	-	-	-	-	-
- Distribution of dividends	-	(6,067,576)	-	-	-	(6,067,576)
III. Other changes in equity	-	-	207,298	-	(207,298)	-
<b>B) FINAL BALANCE AT 31 MARCH 2022</b>	5,000,000	32,841,838	(330,704)	29,010,000	1,044,600	67,565,734

The Consolidated Financial Statements of the Company, which form a single unit, comprise the Consolidated Statement of Changes in Equity, the Consolidated Balance Sheets, the Consolidated Profit and Loss Account, the Consolidated Cash Flow Statement and the accompanying Notes to the Consolidated Annual Report, attached, consisting of 21 Notes.

# INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Cash Flow Statement for financial year ended 31 March 2022

(Stated in Euros)

	31/03/2022	31/03/2021
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
1. Result for the year before tax	1,044,600	207,298
2. Adjustment to the result	3,709,331	5,206,041
a) Depreciation of property, plant and equipment	3,451,340	3,451,340
b) Value corrections for impairment	-	-
h) Financial expenses	257,991	1,754,701
i) Translation differences	-	-
3. Changes in current capital	449,501	(1,147,362)
b) Debtors and other receivables	486,657	(171,156)
c) Other current assets	40,267	(115,810)
d) Creditors and other payables	(77,423)	(860,396)
e) Other current liabilities		-
f) Other non-current assets and liabilities		-
5. Cash flows from operating activities	5,203,432	4,265,977
<b>B) CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
7. Collections/Payments for investments (+/-)	(1)	21,818
d) Property investments	-	18,062
e) Other financial assets	(1)	3,756
8. Cash flows from investing activities	(1)	21,818
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
10. Collections and payments for financial liability instruments	(2,000,000)	2,000,000
b) Issuance/Refund (+/-)	(2,000,000)	2,000,000
2. Debt with credit institutions	(2,000,000)	2,000,000
11. Dividend payments and remuneration from other equity instruments	(6,067,576)	(4,733,032)
a) Dividends	(6,067,576)	(4,733,032)
12. Cash flows from financing activities	(8,067,576)	(2,733,032)
<b>E) NET INCREASE/DECREASE OF CASH AND EQUIVALENTS</b>	<b>(2,864,145)</b>	<b>1,554,763</b>
Cash and equivalents at the start of the period	5,247,913	3,693,150
Cash and equivalents at the end of the period	2,383,768	5,247,913

*The Consolidated Financial Statements of the Company, which form a single unit, comprise this Consolidated Cash Flow Statement, the attached Consolidated Balance Sheets, the Consolidated Profit and Loss Account, and the Consolidated Statement of Changes in Equity and the accompanying Notes to the Consolidated Annual Report, consisting of 21 Notes*

# INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Annual Report for financial year ended 31 March 2022

## 1. GENERAL INFORMATION ON THE COMPANY

INMARK PRIME SOCIMI, S.A. (hereinafter the "Company" or the "Parent Company") was incorporated for an indefinite period on 11 December 2019 and has its registered office in Madrid, Calle Monte Esquinza, 30, Bajo izquierda, C.P.: 28010.

Previously, the Company name was PEÑALARA DIRECTORSHIP, S.A., which was changed to the current one on 3 December 2020.

The Company's corporate purpose is:

- The acquisition and promotion of property of urban nature for its lease.
- The holding of shares in the capital of other SOCIMIs or in others subject to a similar regime.
- The holding of shares in the capital of other entities whose main corporate purpose is the acquisition of urban properties for lease.
- The maintaining shares or holdings in Collective Property Investment Institutions.

On 19 February 2020 the investment fund Inmark Spain Wholesale Property Master Fund N°. 26 acquired all the shares of the Company.

On 19 February 2020 the new Sole Shareholder decides to change the registered office of the Company in Madrid, to Calle Génova, 17, 6ª Planta, C.P: 28004.

The financial year that ended on 31 December 2019 comprised the operations carried out by the Company from its incorporation date on 11 December to 31 December 2019.

On 19 February 2020 the Sole Shareholder decided to modify the financial year of the Company, which starts on 1 April and ends on 31 March of each year. In accordance with the above, to ensure the correct processing of the change of financial year, a temporary transitional financial year was established that ranged from 1 January 2020 to 31 March 2020.

The financial year that ended on 31 March 2020, comprised the operations carried out by the Company during this 3-month period indicated from 1 January 2020 to 31 March 2020.

On 19 February 2020 the Company acquired 100% of the shares of the Company Hanover Investments, S.L.U.

At 31 March 2021 and 31 March 2020, the Company is controlled by Inmark Spain Wholesale Property Master Fund N°. 26, an investment company duly established and existing in accordance with the laws of South Korea.

The Parent Company deposits its individual accounts in the Madrid Commercial Registry and together with its subsidiaries form the Inmark group (hereinafter the "Group").

The INMARK PRIME SOCIMI, S.A. Group and Subsidiaries were incorporated on 26 February 2020 as a result of the incorporation and acquisition on that date, by the Parent Company, of the subsidiaries indicated in note 2.

Additionally, on 3 December 2020 the Sole Shareholder approved the application of the Special Tax Regime for Listed Investment Companies in the Property Market, with effects on the tax periods beginning on 1 April 2020.

On 30 December 2020, the Company's Sole Shareholder agrees to request the admission to trading of the shares issued (or issued by the Company) in Euronext Access. Additionally, the competent bodies are requested in advance to include the shares in the accounting records of "Euroclear France, S.A.", a French public limited company, registered in the Paris Registry of Commerce et des Sociétés under number B 542 058 086, with registered office at rue de Victoire, 66, 75009 Paris, France. On 31 March 2021, Euronext approved the admission to trading of the issued shares of the Parent Company.

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

## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Annual Report for financial year ended 31 March 2022

The Group's businesses are mainly concentrated in the property sector, specifically in the acquisition and promotion of urban property for lease, the promotion activity includes the rehabilitation of buildings under the terms established in Law 37/1992, of 28 December, Value Added Tax. The businesses of the Company and its subsidiaries extend only within Spanish territory.

Given the activity in which the Group Companies are engaged, it has no responsibilities, expenses, assets, provisions and contingencies of an environmental nature that could be significant in relation to equity, financial situation and the results thereof. For this reason, no specific disclosures are included in these notes regarding information on environmental matters.

### **SOCIMI regime (REIT, real estate investment trust)**

From financial year beginning 1 April 2020, the Parent Company and the Subsidiary are subject to the tax regime regulated by Law 11/2009, of 26 October that regulates the Public Limited Companies of Investment in the Property Market ("SOCIMI"), having chosen to apply this special tax regime on 3 December 2020 by decision of the Sole Shareholder of the Parent Company.

Consequently, and in accordance with the provisions of article 3 of the aforementioned SOCIMI Law, the Parent Company and the Sub-SOCIMI form a SOCIMI group. The requirements are established for companies that opt for the special regime of SOCIMIs, namely:

1. Obligation of the corporate purpose (for SOCIMI). Their main corporate purpose must be the holding of urban property for lease, holding shares in other SOCIMIs or companies with a similar corporate purpose and with the same dividend distribution regime, as well as in Collective Investment Institutions.
2. Investment obligation.
  - They must invest 80% of the assets in property of urban nature intended for leasing, in land for the promotion of property that will be used for this purpose provided that the development begins within three years of its acquisition and in holdings in the capital of other entities with a corporate purpose similar to that of SOCIMIs.

This percentage will be calculated on the consolidated balance sheet in the event that the Company is the parent of a group according to the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated financial statements. Said group will be made up exclusively of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Law.

There is the option of substituting the carrying value of assets at their market value. The treasury/credit rights from the transfer of said assets will not be computed as long as the maximum established reinvestment periods are not exceeded.

- Likewise, 80% of their revenue must come from revenue corresponding to: (i) leasing of property; and (ii) of the dividends from the shares in the entities described in article 2.1.c) related to their main corporate purpose. This percentage will be calculated on the consolidated balance sheet in the event that the Company is the parent of a group according to the criteria established in article 42 of the Commercial Code, regardless of residence and the obligation to prepare consolidated financial statements. Said group will be made up exclusively of SOCIMIs and the rest of the entities referred to in section 1 of article 2 of the SOCIMI Law.
- The property must remain leased for at least three years (for the calculation, up to one year of the period that they have been offered for lease may be added). The shares must remain in assets for at least three years.





## INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries

Consolidated Annual Report for financial year ended 31 March 2022

3. Obligation to negotiate on the regulated market. SOCIMIs must be admitted to trading in a Spanish regulated market or in a Spanish multilateral trading system or in that of any other member state of the European Union or the European Economic Area, or in a regulated market of any country or territory with the fact that there is effective exchange of tax information, uninterrupted throughout the tax period. The shares must be nominative.
4. Obligation to distribute the result. The companies must distribute as dividends, once the trade obligations have been fulfilled, the profit obtained in the year, and its distribution must be agreed within six months after the end of each financial year, as follows:
  - 100% of the profits from dividends or shares in profits distributed by the entities referred to in section 1 of article 2 of the SOCIMI Law.
  - At least 50% of the profit derived from the transfer of property and shares or holdings referred to in section 1 of article 2 of the SOCIMI Law, made once the minimum holding periods have elapsed, subject to the fulfilment of its principle corporate purpose. The rest of the profit must be reinvested in other properties or shares related to the fulfilment of said corporate purpose, within three years from the date of transmission.
  - At least 80% of the remaining profit obtained. When the distribution of dividends is made with a charge to reserves from the profit of a year in which the special tax regime has been applied, the distribution will be obligatorily adopted in the manner described above.
5. Information obligation. The SOCIMI and Sub-SOCIMI must include in the report of their financial statements the information required by the tax regulations that regulate the special regime of the SOCIMI.
6. Minimum capital. The minimum share capital of SOCIMIs (in this case the Parent Company) is set at 5 million euros.

As established in the first transitory provision of the SOCIMI Law, the application of the special tax regime may be chosen under the terms established in article 8 of said Law, even when the requirements therein are not met, provided that such requirements are met within two years from the date of the option to apply said regime.

Failure to comply with any of the above conditions will mean that the Inmark Group will be taxed under the general Corporation Tax regime from the tax period in which said non-compliance is manifested, unless, for any of said requirements, it is remedied in the following period. In addition, the Inmark Group will be obliged to enter, together with the tax charge of said tax period, the difference between the tax charge for said tax results from applying the general regime and the entered tax charge that resulted from applying the special tax regime in the previous tax periods, without prejudice to late interest, surcharges and penalties that, that may be appropriate.

The tax rate for SOCIMIs in Corporation Tax is set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with a percentage holding equal to or greater than 5% are exempt or taxed at an effective rate of less than 10%, the SOCIMI will be subject to a special tax of 19%, which It will be considered a share of Corporation Tax, on the amount of the dividend distributed to said shareholders. If applicable, this special tax must be paid by the SOCIMI within two months from the day of the profit distribution agreement by the general meeting of shareholders or equivalent body.

At the close of financial year ended 31 March 2022, the Parent Company's Directors declare that the Inmark Group complies with all the requirements of the SOCIMI regime.

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### 2. SUBSIDIARY COMPANIES AND VARIATION IN THE CONSOLIDATION PERIMETER

Subsidiary companies are all the entities over which the Group holds or may hold, directly or indirectly, control, understanding this as the power to direct the financial and operating policies of a business in order to obtain economic benefits from its activities. When evaluating whether the Group controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are consolidated from the date control is transferred to the Group and are excluded from consolidation on the date that control ceases.

At 31 March 2022 and 31 March 2021, the subsidiaries included in the consolidation perimeter, consolidated by the full integration method, and audited, are the following:

31 March 2022

Euros								
Company	Registered office	Investment cost and pending disbursement	Impairment	% Holding	Corporate purpose	Share Capital	Other components of Equity	Result for the period
Hanover Investments, S.L.U.	Calle Génova, 17, 6ª planta, 28004 Madrid	65,157,484	-	100%	Property activities	883,000	63,374,484	1,168,779

31 March 2021

Euros								
Company	Registered office	Investment cost and pending disbursement	Impairment	% Holding	Corporate purpose	Share Capital	Other components of Equity	Result for the period
Hanover Investments, S.L.U.	Calle Génova, 17, 6ª planta, 28004 Madrid	71,225,060	-	100%	Property activities	883,000	69,972,601	1,488,345

On 11 May 2020, the Sole Shareholder of the subsidiary company Hanover Investments, S.L.U. approved the merger through the absorption by Hanover Investments, S.L.U. of the company Mangareva Development, S.L.U. Prior to the merger, the company Hanover Investments, S.L.U. was the direct owner of 100% of the shares corresponding to the share capital of Mangareva Development, S.L.

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As a result of the merger, the absorbed company has been dissolved without liquidation and the transfer of its assets en bloc to the absorbing company, the latter acquiring the rights and obligations of the former by universal succession. On 27 July 2020, the merger deed was registered in the Commercial Registry.

From an accounting point of view, the effect of the merger has been considered from 1 April 2020. The operations carried out by the absorbed company from 1 April 2020 are considered to be carried out by the absorbing company.

The Parent Company acquired control of 100% of the subsidiary companies through a private contract for the sale of shares on 26 February 2020 and made public the same day before the Madrid Notary Public. These consolidated financial statements have been prepared taking into account the impact of the business combination in relation to the taking of control over the holdings of the subsidiaries.

As in the case of the Parent Company, the close of the financial statements of the subsidiaries is on 31 March 2022.

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

1. When the Parent Company is, in relation to another company (subsidiary), in any of the following situations:
  - a) That the Parent Company owns the majority of the voting rights.
  - b) That the Parent Company has the power to appoint or remove the majority of the members of the management body.
  - c) That the Parent Company may have, by virtue of agreements entered into with other shareholders, the majority of the voting rights.
  - d) That the Parent Company has appointed, with its votes, the majority of the members of the management body, who will perform their duties at the time when the consolidated financial statements are to be drawn up and during the two immediately preceding financial years. This circumstance is presumed when the majority of the members of the management body of the controlled company are members of the management body or senior managers of the Parent Company or of another controlled by it.
- 2) When a parent company owns half or less of the voting rights, even when it barely owns or does not have a holding in another company, or when the management power has not been made explicit (special purpose entities) but participates in the risks and benefits of the entity or has the capacity to participate in its operating and financial decisions.

### **3. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **3.1. REGULATORY FRAMEWORK OF APPLICABLE FINANCIAL INFORMATION**

The consolidated financial statements for financial year ended 31 March 2022 have been prepared by the Parent Company's Directors in accordance with the applicable financial information regulatory framework, which is established in:

- The Commercial Code and the remainder of the commercial legislation.
- The General Accounting Plan approved by R.D. 1514/2007 and the modifications included for the R.D. 602/2016 and R.D. 1/2021 and Sectorial Adaptations, in particular, the Sectorial Adaptation of General Accounting Plan for Real Estate Companies, and the Rules for the Formulation of Consolidated Financial approved by R.D. 1159/2010, R.D. 602/2016 and R.D. 1/2021.
- The mandatory standards approved by the Institute of Accounting and Account Audits in development of the General Accounting Plan and its complementary standards.

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- Law 11/2009, of 26 October, modified by Law 16/2012, of 27 December that regulates the Listed Stock Companies of Investment in the Property Market (SOCIMI).
- The remainder of the Spanish accounting regulations that may be applicable.

The figures included in these consolidated financial statements for financial year ended 31 March 2022 are expressed in euros unless otherwise indicated.

## 3.2. TRUE AND FAIR IMAGE

The consolidated financial statements have been obtained from the accounting records of the companies included in the consolidation and are presented in accordance with the applicable financial information regulatory framework, in such a way that they show a true and fair image of the consolidated equity, of the consolidated financial situation and the consolidated results of the Group and of the Group's cash flows during the corresponding financial year ended 31 March 2022..

## 3.3. NON-COMPULSORY ACCOUNTING PRINCIPLES APPLIED

There is no accounting principle that, being mandatory, has ceased to be applied.

## 3.4. CRITICAL ASPECTS OF VALUATION AND ESTIMATION OF UNCERTAINTY

The preparation of the consolidated financial statements requires the application of relevant accounting estimates and the making of judgments, estimates and hypotheses in the process of applying the Group's accounting policies. In this regard, a detail of the aspects that have implied a greater degree of judgment, complexity or in which the hypotheses and estimates are significant for the preparation of the consolidated financial statements is included below:

- Evaluation of the going concern principle (Note 3.6).
- The useful life of property investments (Note 5.3).
- The evaluation of possible impairment losses on certain assets (Note 5.3)
- Valuation of some liabilities, expenses and commitments derived from litigation, commitments and contingent assets and liabilities (Note 5.7).
- Estimation of the effect of the COVID-19 pandemic (Note 3.6)

Despite the fact that these estimates have been made on the basis of the best information available at the close of the financial year on 31 March 2022, it is possible that events that may take place in the future force these to be modified (up or down) in the coming years, which would be done prospectively.

At the date of preparation of these consolidated financial statements, the Parent Company's Directors are not aware of the existence of uncertainties related to events or conditions that may raise significant doubts about the possibility of the Group continuing to operate normally.

The key assumptions about the future, as well as other relevant data on the estimation of uncertainty at 31 March 2022, which are associated with a significant risk of assuming material changes in the value of assets or liabilities in the coming years are as follows:

### Impairment of non-current assets

The valuation of non-current assets, other than financial ones, requires estimations to be made in order to determine their fair value, in order to assess a possible impairment, especially of property investments. In order to determine this fair value, the Group at the close of financial year ended 31 March 2022 a valuation of the investment property based on an estimate of the expected future cash flows of said assets and using an appropriate discount rate to calculate its present value.

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## Impairment of financial assets

The Group annually analyses whether there are impairment indicators for financial assets by carrying out impairment tests when circumstances so indicate. To do this, the recoverable value of the aforementioned assets is determined. The calculation of fair values may involve the determination of future cash flows and the assumption of hypotheses related to the future values of the aforementioned flows, as well as the discount rates applicable to these. The estimates and related assumptions are based on historical experience and on other factors understood as reasonable in accordance with the circumstances surrounding the activity carried out by the Group.

## Leasing incentives

The Group has entered into a lease agreement with the lessee in which certain incentives are granted in the form of a grace period and staggered rents. The Group calculates the revenue pending billing (grace periods) according to the duration of each lease, proceeding to re-estimate the situation at each close.

## 3.5. COMPARISON OF INFORMATION

Given that these consolidated annual accounts are related to the year ended March 31, 2022, the figures of the consolidated balance sheet are presented in comparison with the consolidated balance sheet as of March 31, 2021 and the figures corresponding to the Consolidated profit and loss account, The consolidated statement of changes in equity and the consolidated statement of cash flows show comparisons with the closing of the previous year (March 31, 2021).

## 3.6. PRINCIPLE OF A BUSINESS AS A GOING CONCERN

At 31 March 2022, the Group has a positive working capital amounting to 8,595,471 euros (positive working capital amounting to 9,961,224 euros as at 31 March 2021) and a positive equity of 67,565,734 euros (positive equity of 72,588,710 euros as at 31 March 2021).

The Parent Company's Directors have decided to prepare and approve these consolidated financial statements under the going concern principle that involves the recovery of assets and the settlement of liabilities for the amounts and according to the classification with which they are recorded in the attached consolidated balance sheet.

The global pandemic situation due to COVID-19 significantly affects economic activity worldwide and, as a result, could affect the operations and financial results of the Group given the current situation of uncertainty. During financial year ended 31 March, in the Inmark Group, this fact has not had a significant impact on the consolidated financial statements, as there have been no changes in the contract signed with the lessee for this fact.

This fact has been evaluated by the Parent Company's Directors and they consider that no scenario is foreseen in which the financial capacity and continuity of the Group's activity is compromised.

## 3.7 GROUPING ITEMS

Certain items in the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement are presented in a grouped manner to facilitate their understanding, although, to the extent that it is significant, the disaggregated information has been included in the corresponding notes to the consolidated financial statements.

## 3.8 CHANGES ACCOUNTING CRITERIA

As of January 1, 2021, the new classification and valuation criteria for financial instruments provided for in RD 1/2021 are applicable, which are included in Note 5.5, and represent a modification with respect to those applied in previous years.

Following the rules contained in section 6 of the second transitory provision, the Company has decided to apply the new criteria prospectively, considering for the purposes of classifying financial assets the facts and circumstances that exist as of January 1, 2021, the date of initial application.

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The comparative information has not been adapted to the new valuation criteria, however the book values have been adjusted to the new presentation criteria.

The following table includes a reconciliation as of January 1, 2021 for each class of financial assets and liabilities between the initial valuation category with the corresponding carrying amount determined in accordance with the previous regulations and the new valuation category with its carrying amount, determined according to the new criteria:

Portfolio	Euros				
	Book Value Financial Statements 31/03/2021	Classification according to new criteria 01/01/2021			
		Amortized cost	FV with changes in equity	FV with changes in P&L	Cost
Loans and receivables					
- Commercial loans	7,224,369	7,224,369	-	-	-
- Non-trade loans	1,296,136	1,296,136	-	-	-
<b>Total classification and valuation s/ EF 31/03/2021</b>	<b>8,520,505</b>				
Total classification s/ new criteria 31/03/2021		<b>8,520,505</b>	-	-	-
Valuation adjustments recorded in Equity due to new criteria 1.1.21		-	-	-	-
Opening balances according to new classification and valuation al 1.1.21		8,520,505	-	-	-

With regard to financial liabilities, the Group had debts with credit institutions amounting to €111,204,930, other financial liabilities amounting to €1,294,353 and sundry creditors amounting to €518,413 as of March 31, 2021, which have been reclassified to liabilities at amortized cost.

On the other hand, no impacts on the financial situation or on the results of the Company are revealed as a result of the application of the modifications of the General Accounting Plan in terms of recognition of income from sales and provision of services included in RD 1/2021.

### 3.9 FUNCTIONAL CURRENCY

These consolidated financial statements are presented in euros, as this is the functional currency of the main economic environment in which the Group operates.

### 3.10 FAIR VALUE

Is the price that would be received to sell an asset or paid to transfer or settle a liability through an orderly transaction between market participants at the valuation date. The fair value will be determined without making any deduction for transaction costs that could be incurred due to sale or disposal by other means. In no case will the value that is the result of a forced or urgent transaction or as a consequence of an involuntary liquidation situation have the character of fair value.

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The fair value is estimated for a given date and, since market conditions may vary over time, that value may be inappropriate for another date. In addition, when estimating the fair value, the Group must take into account the conditions of the asset or liability that market participants would take into account when setting the price of the asset or liability on the valuation date. Said specific conditions include, amongst others, in the case of assets, the following:

- a) The condition and the location, and
- b) The restrictions, if any, on the sale or use of the asset.

The estimate of the fair value of a non-financial asset will take into account the capacity of a market participant for the asset to generate economic benefits in its highest and best use or, alternatively, through its sale to another market participant that would use the asset in its highest and best use.

In estimating fair value, it will be assumed as a hypothesis that the transaction to sell the asset or transfer the liability is carried out:

- a) Between interested and duly informed parties, in a transaction under conditions of mutual independence,
- b) In the main market of the asset or liability, understanding as such the market with the highest volume and level of activity, or
- c) In the absence of a main market, in the most advantageous market to which the Group has access for the asset or liability, understood as the one that maximizes the amount that would be received for the sale of the asset or minimizes the amount that would be paid for the transfer of the liability, after taking into account transaction costs and transportation charges.

Unless proven otherwise, the market in which the Group would normally carry out a transaction for the sale of the asset or the transfer of the liability is presumed to be the principal market or, in the absence of a principal market, the most advantageous market.

In general, the fair value will be calculated by reference to a reliable market value. In this regard, the price quoted in an active market will be the best reference of the fair value, an active market being understood as that in which the following conditions exist:

- a) The goods or services negotiated are homogeneous;
- b) Buyers and sellers willing to exchange goods or services can be found, practically at any time; and,
- c) The prices are public and accessible regularly, reflecting transactions with sufficient frequency and volume.

For those items for which there is no active market, the fair value will be obtained, where appropriate, through the application of valuation models and techniques. Valuation models and techniques include the use of references to recent arm's length transactions between duly informed and interested parties, if available, as well as references to the fair value of other assets that are substantially the same, discount methods of estimated future cash flows and models generally used to value options.

However, the valuation techniques used must be consistent with the methodologies accepted and used by the market for setting prices, using, if any, the one that has been shown to obtain the most realistic estimates of prices. And these must take into account the use of observable market data and other factors that their participants would consider when setting the price, limiting as much as possible the use of subjective considerations and non-observable or verifiable data.

The Group must evaluate the effectiveness of the valuation techniques used on a regular basis, using as a reference the observable prices of recent transactions in the same asset being valued or using prices based on data or observable market indices that are available and result applicable.

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In this way, a hierarchy is deduced in the variables used in determining the fair value and a fair value hierarchy is established that allows the estimates to be classified into three levels:

- a) Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities, which the Group can access on the valuation date.
- b) Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methodologies in which all significant variables are based on directly or indirectly observable market data.
- c) Level 3: estimates in which some significant variable is not based on observable market data.

An estimate of fair value is classified at the same level of the fair value hierarchy as the lowest level input that is significant to the valuation result. For these purposes, a significant variable is one that has a decisive influence on the result of the estimation. In assessing the importance of a specific variable for the estimate, the specific conditions of the asset or liability being valued will be taken into account.

The fair value of a financial instrument must include, amongst others, the credit risk and, in the specific case of a financial liability, the risk of non-compliance of the Group will be considered, that includes, amongst other components, its own credit risk. However, to estimate fair value, no adjustments should be made for volume or market capacity.

When it is appropriate to apply the valuation at fair value, the assets that cannot be valued reliably, either by reference to a market value or through the application of the aforementioned valuation models and techniques, will be valued, as appropriate, at its amortized cost or at its acquisition price or production cost, reduced, where appropriate, by the corresponding corrective items of value, mentioning this fact and the circumstances that motivate it in the annual report.

The fair value of an asset or liability, for which there is no unadjusted quoted price of an identical asset or liability in an active market, can be measured reliably if variability in the range of estimates of the fair value of the asset or liability is not significant or the probabilities of the different estimates, within that range, can be reasonably assessed and used in the fair value measurement.

## 4. DISTRIBUTION OF THE PARENT COMPANY'S RESULT

The proposal for the distribution of the Parent Company's results for financial year ended 31 March 2022, formulated by the Parent Company's Directors pending the approval of the Sole Shareholder, is as follows:

	Euros
<b>Basis of distribution:</b>	
Result (Losses) for the year	947,429
<b>Application:</b>	
Legal Reserve	94,743
Prior years' negative results	852,686
	<b>947,429</b>

### *Limitations for the distribution of dividends*

The SOCIMI and the Sub-SOCIMI are obliged to distribute in the form of dividends to their Shareholders, once the corresponding trade obligations have been fulfilled, the profit obtained in the year, and its distribution must be agreed within six months after the end of each financial year, in the following manner:

- 100% of the profits from dividends or shares in profits distributed by the entities referred to in section 1 of article 2 of Law 11/2009.



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- At least 50 per cent of the profits derived from the transfer of properties and shares or holdings referred to in section 1 of article 2 of Law 11/2009, made after the periods referred to in section 3 of article 3 of Law 11/2009, for the purposes of fulfilling its main corporate purpose. The rest of these profits must be reinvested in other properties or holdings related to the fulfilment of said object, within three years after the date of transmission. Failing that, said profit must be distributed in its entirety together with the profit, where appropriate, that come from the year in which the reinvestment period ends. If the items to be reinvested are transferred before the maintenance period, this profit must be distributed in its entirety together with the profit, where appropriate, that come from the year in which they were transferred. The obligation to distribute does not reach, where appropriate, the part of these profits attributable to years in which the Company was not taxed under the special tax regime established in Law 11/2009.
- At least 80 percent of the rest of the profits obtained.
- When the distribution of dividends is made with a charge to reserves from profits of a year in which the special tax regime has been applied, their distribution will be obligatorily adopted in the manner described above.

The legal reserve of the companies that have opted for the application of the special tax regime established in Law 11/2009 may not exceed 20 percent of the share capital. The statutes of these companies may not establish any other unavailable reserve other than the previous one.

Given its inclusion in the SOCIMI tax regime and, as stated in article 29 of its statutes, the Company will be obliged to distribute in the form of dividends to its Sole Shareholder, once the corresponding trade obligations have been fulfilled, the profit obtained in the year in accordance with the provisions of article 6 of the SOCIMI Law.

Once the services provided for by the Law or statutes have been covered, dividends may only be distributed against the profit for the year, or freely available reserves, if the value of the equity is not or, as a result of the distribution, does not become less than the share capital.

For these purposes, the profits attributed directly to equity may not be distributed, directly or indirectly. If there are losses from prior years that make the value of the Company's equity lower than the figure for the share capital, the profit will be used to offset these losses.

### 5. ACCOUNTING AND VALUATION STANDARDS

The main accounting and valuation standards used by the Group in the preparation of its consolidated financial statements for the financial year ended 31 March 2022, in accordance with the provisions of the applicable financial reporting framework, have been the following:

#### 5.1 Subsidiary companies

Subsidiary companies are considered to be those over which the Company, directly or indirectly through subsidiary companies, exercises control, as provided in art. 42 of the Commercial Code.

For the sole purposes of presentation and breakdown in these consolidated financial statements, Group and associate companies are considered to be those that are controlled by any means by one or more natural or legal persons that act jointly or are under sole management by agreements or statutory clauses.

Note 3 includes certain information on the subsidiaries included in the consolidation of the Group, as well as the variations in the scope of consolidation that occurred during the year.

The acquisition by the Parent Company (or another company of the Group) of control of a subsidiary company constitutes a business combination that is accounted for according to the acquisition method. This method requires the acquiring company to record, on the acquisition date, the identifiable assets acquired and the liabilities assumed in a business combination, as well as, where appropriate, the corresponding goodwill or negative difference. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which it ceases.

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The acquisition cost is determined as the sum of the fair values, on the acquisition date, of the assets delivered, the liabilities incurred or assumed and the equity instruments issued by the acquirer and the fair value of any contingent consideration that depends on future events or the fulfilment of certain conditions, which must be recorded as an asset, a liability or as equity according to their nature.

The expenses related to the issuance of the equity instruments or the financial liabilities delivered are not part of the cost of the business combination and are recorded in accordance with the rules applicable to financial instruments. The fees paid to legal advisors or other professionals involved in the business combination are recognized as expenses as they are incurred. Neither are the expenses generated internally for these items included in the cost of the combination, nor those that, where appropriate, would have been incurred by the acquired entity.

The excess, on the acquisition date, of the cost of the business combination, over the proportional part of the value of the identifiable assets acquired less the assumed liability representing the holding in the capital of the acquired company is recognized as goodwill. In the exceptional event that this amount exceeds the cost of the business combination, the excess would be recorded in the consolidated profit and loss account as revenue.

### 5.2 Consolidation method

Assets, liabilities, revenue, expenses, cash flows and other items in the individual financial statements of the Group's companies are incorporated into the consolidated financial statements using the full integration method. This method has been applied according to the following criteria:

#### *a) Temporary homogenization*

The consolidated financial statements are established on the same date as the individual financial statements of the Parent Company.

Subsidiaries have the same closing date and period as the Parent Company, so a temporary homogenization is not necessary.

#### *b) Valuation homogenization*

Assets and liabilities, revenue and expenses, and other items in the individual financial statements of the subsidiaries have been valued following uniform methods. Those elements of assets or liabilities, or those items of revenue or expenses that have been valued according to non-uniform criteria with respect to those applied in consolidation have been valued again, making the necessary adjustments, for the sole purpose of the consolidation.

#### *c) Aggregation*

The different items of the previously homogenized individual financial statements are aggregated according to their nature.

#### *d) Elimination of investment-equity*

The accounting values representing the equity instruments of the subsidiary company owned, directly or indirectly, by the Parent Company, are offset by the proportional part of the equity items of the aforementioned subsidiary company attributable to said interests, generally on the basis of the values resulting from applying the acquisition method described above.

In consolidations subsequent to the year in which control was acquired, the excess or shortfall of the equity generated by the subsidiary from the acquisition date that is attributable to the Parent Company is presented in the consolidated balance sheet within the reserves or adjustments for changes in value, depending on their nature. The part attributable to external shareholders is entered under the heading "Minority interests".

The detail of the first consolidation difference, which is attributed as the higher value of the property investment,

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supported by the valuation at the time of the purchase of the property asset, is as follows:

Net carrying value of assets	1,844,528
Value of holding	87,840,950
<b>TOTAL</b>	<b>85,996,423</b>

### e) *Holdings of minority interests*

The Group has no external shareholders as the subsidiary companies are held 100% by the Parent Company.

### f) *Eliminations of intra-group items*

Loans and debt, revenue and expenses and cash flows between Group companies are completely eliminated. Likewise, all the results produced by internal operations are eliminated and deferred until they are carried out with third parties outside the Group.

### 5.3 Property investments

The heading of the consolidated balance sheet relating to "Property Investments" includes the values of land, buildings and other constructions that are leased to third parties (Note 6).

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

The acquisition price includes, in addition to the amount billed by the seller after deducting any discount or reduction in the price and all additional and directly related expenses that occur until it is put into an operating condition.

Subsequently, the aforementioned elements of property investments are valued at their acquisition price less the accumulated depreciation and, where appropriate, the accumulated amount of the recognized value corrections for impairment.

The financial expenses of the financing related to the construction of property investments with a term of more than one year are capitalized as part of the cost until the asset's start-up.

Repairs that do not represent an extension of the useful life and maintenance costs are charged to the profit and loss account in the year in which they occur. The costs of expansion or improvement that give rise to an increase in the productive capacity or an extension of the useful life of the assets, are incorporated into the asset as a higher value of the asset, and the carrying value of the replaced item is withdrawn, where appropriate.

The depreciation of property investments is carried out on the cost values and is calculated by the straight-line method based on the estimated useful life of the different assets, which is as follows.

Item	Years of useful life
Buildings	33

At each financial year-end, the Parent Company reviews the residual values, the useful lives and the depreciation methods of property investments and, if applicable, these are adjusted prospectively.

The Inmark Group sets aside the appropriate provisions for depreciation of property investments when the net realizable value is less than the recorded cost. The Parent Company's Directors as representatives of the Shareholders, have considered, based on the valuation of a third party independent expert, that there are no indications of impairment in the assets at 31 March 2022 (see Note 6).

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## *Impairment of property investments*

The Group periodically assesses whether there are indications that any non-current asset or, where appropriate, a cash-generating unit may be impaired. If there are indications, their recoverable amounts are estimated.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. When the carrying value is greater than the recoverable amount, there is an impairment loss. Value in use is the present value of expected future cash flows, using risk-free market interest rates, adjusted for the specific risks associated with the asset.

Valuation adjustments for impairment and their reversal are recorded in the consolidated profit and loss account. Valuation corrections for impairment are reversed when the circumstances that gave rise to them cease to exist, except for those corresponding to goodwill. The reversal of impairment is limited to the carrying value of the asset that would appear if the corresponding impairment had not been previously recognized.

The Inmark Group allocates the appropriate provisions for depreciation of property investments when the recoverable value is lower than the depreciated cost. The Parent Company's Directors, as representatives of the Sole Shareholder, have considered, in order to determine the recoverable value, the valuations made by a third party independent expert in accordance with the Professional Valuation Standards of the Royal Institution of Chartered Surveyors. The valuation base used in the estimates being the discount of expected future cash flows of said assets and using an appropriate discount rate to calculate their present value. These valuations have been performed with a level 2 estimate, using valuation methodologies in which all significant variables are based on directly or indirectly observable market information.

## 5.4 Leases

### *Financial leases*

Contracts are classified as financial leases when it is deduced from their economic conditions that substantially all the risks and benefits inherent to the ownership of the asset object of the contract are transferred to the lessee. Otherwise, the contracts are classified as operating leases. The Inmark Group does not have any financial lease at 31 March 2022.

### *Operating leases*

Property investments are leased to third parties. These leases are classified as operating leases.

Revenue derived from operating leases is recorded in the consolidated profit and loss account when accrued linearly over the estimated term of the lease. Direct costs attributable to the contract are included as a higher value of the leased asset and are recognized as an expense during the term of the contract, applying the same criteria used for the recognition of lease revenue.

## 5.5 Financial assets

### Classification and valuation

The financial assets held by the Group are classified into the following categories:

- a. Financial assets at amortized cost: includes financial assets, including those admitted to trading on an organized market, for which the Group holds the investment with the objective of receiving cash flows from the execution of the contract, and the contractual conditions of the asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

In general, this category includes:

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- i) Credit for trade operations: financial assets originating from the sale of goods and the provision of services for traffic operations, and
- ii) Credit for non-trade operations: arise from loans or credits granted by the Company for which collections are determined or determinable.

### Initial valuation

Financial assets are recorded, in general terms, initially at the fair value of the consideration given plus directly attributable transaction costs. However, transaction costs directly attributable to assets recorded at fair value through profit or loss are recognized in the income statement for the year.

### Subsequent valuation

Financial assets at amortized cost will be recorded applying said valuation criterion, allocating accrued interest to the profit and loss account applying the effective interest rate method.

At least at year-end, the necessary value adjustments for impairment are made if there is objective evidence that not all amounts due will be collected.

The amount of the impairment loss is the difference between the book value of the asset and the current value of the estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. Value adjustments, as well as their reversal, if applicable, are recognized in the profit and loss account.

Investments classified in the previous category (b) are valued at their cost, reduced, where appropriate, by the accumulated amount of valuation corrections for impairment. Said corrections are calculated as the difference between their book value and the recoverable amount, understood as the greater amount between their fair value less the costs of sale and the present value of the future cash flows derived from the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, the equity of the investee is taken into consideration, corrected by the tacit capital gains existing at the valuation date, net of the tax effect.

In subsequent years or periods, the reversals of the impairment in value are recognized, to the extent that there is an increase in the recoverable value, with the limit of the book value that the investment would have had if the impairment in value had not been recognised. The loss or reversal of the impairment is recognized in the profit and loss account, except in those cases, in which it must be charged to equity.

The Group writes off financial assets when the rights to the cash flows of the corresponding financial asset expire or have been transferred and the risks and rewards inherent to their ownership have been substantially transferred, such as in firm sales of assets, transfers of commercial credits in "factoring" operations in which the company does not retain any credit or interest risk or the securitizations of financial assets in which the assigning company does not retain subordinated financing or grant any type of guarantee or assume any other type of risk.

On the other hand, the Group does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which it substantially retains the risks and rewards of ownership, such as bill discounting, factoring with recourse, sales of financial assets with repurchase agreements at a fixed price or at the sale price plus interest, and securitizations of financial assets in which the transferor retains subordinated financing or other types of guarantees that absorb substantially all the expected losses.

### Deposits delivered

In the case of guarantees provided under operating leases, the difference between their fair value and the amount paid will be considered as an advance payment or collection for the lease or provision of the service, which is charged to the income statement during the period of the lease. The same criterion will be applied to guarantees received. The directors consider that the effect of discounting the deposits delivered and received is not significant.

### Financial Liabilities

Financial liabilities assumed or incurred by the Group are classified in the following valuation categories:

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- a. Financial liabilities at amortized cost: are those debits and payables of the Company arising from the purchase of goods and services in the Company's business operations, or those which, without having a commercial origin and not being derivative instruments, arise from loans or credit operations received by the Company.

These liabilities are initially measured at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, these liabilities are measured at amortized cost.

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

Liability derivative financial instruments are measured at fair value, following the same criteria as those for financial assets at fair value through profit or loss described in the previous section.

Assets and liabilities are presented separately in the balance sheet and are only presented at their net amount when the Group has the enforceable right to set off the recognized amounts and, in addition, intends to settle the amounts on a net basis or to realize the asset and settle the liability simultaneously.

The Group derecognizes financial liabilities when the obligations giving rise to them are extinguished.

### 5.6 Cash and other equivalent liquid assets

This heading includes cash on hand, bank current accounts, and time deposits and acquisitions of assets that meet all of the following requirements:

- They are convertible into cash.
- At the time of its acquisition, its maturity was not more than three months.
- They are not subject to a significant risk of change in value.
- They are part of the Company's normal treasury management policy.

### 5.7 Provisions and contingencies

Provisions are recognized on the consolidated balance sheet as provisions when the Group has a current obligation (either due to a legal, contractual provision or an implicit or tacit obligation), arising as a result of past events, which is deemed likely to represent an outflow of resources for settlement and that is quantifiable.

Provisions are valued at the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party, recording the adjustments that arise from updating the provision as a financial expense as they accrue. When it comes to provisions with a maturity of less than or equal to one year, and the financial effect is not significant, no type of discount is carried out. Provisions are reviewed at the closing date of each consolidated balance sheet and are adjusted in order to reflect the best current estimate of the corresponding liability at all times.

Conversely, contingent liabilities are considered to be those possible obligations, arising as a consequence of past events, the materialization of which is conditioned to the occurrence of future events that are not entirely under the control of the Group and those present obligations, arising as a consequence of past events, those that are not likely to have an outflow of resources for their liquidation or that cannot be valued with sufficient reliability. These liabilities are not subject to accounting records, detailing these in the Notes to the consolidated financial statements, if any, except when the outflow of resources is remote.

### 5.8 Corporate income tax

#### General regime

The corporate income tax expense or revenue comprises the part related to the current tax expense or revenue and the part corresponding to the deferred tax expense or revenue.

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The current tax is the amount that the Company pays as a result of the tax settlements of the Corporate Income Tax related to a tax year. The deductions and other tax benefits in the tax charge, excluding withholdings and payments on account, as well as compensable tax losses from prior years and effectively applied in this, give rise to a lower amount of current tax.

The deferred tax revenue or expense corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of assets and liabilities and their tax value, as well as negative tax bases pending compensation and credits for tax deductions not applied.

These amounts are recorded by applying the tax rate at which these are expected to be recovered or settled to the temporary difference or credits that would correspond.

Deferred tax liabilities are recognized for all taxable temporary differences, except if the temporary difference is derived from the initial recognition of goodwill or other assets and liabilities in an operation that is not a business combination.

Deferred tax assets are only recognized to the extent that it is considered probable that the group companies will have future taxable profits against which they can be made effective.

Deferred tax assets and liabilities originated from operations with direct charges or credits in equity accounts are also recorded against equity.

At each accounting close, the deferred tax assets recorded are reconsidered, making the appropriate corrections to the extent that there are doubts about their future recovery. Likewise, at each close, deferred tax assets not recorded in the consolidated balance sheet are evaluated and these are recognized to the extent that their recovery with future tax benefits becomes probable.

### ***SOCIMI regime***

On 3 December 2020, and with effect from 1 April 2020, the Parent Company has communicated to AETA (*Tax Authority*) of its tax residence the option, adopted by decision of its Sole Shareholder, to benefit from the special SOCIMI tax regime.

By virtue of the SOCIMI Law, the entities that meet the requirements defined in the regulations and choose to apply the special tax regime provided for in said Law will be taxed at a tax rate of 0% in Corporation Tax. In the case of generating negative tax bases, article 26 of Law 27/2014, 27 November on Corporation Tax will not apply. Likewise, the deductions and bonuses regime established in Chapters II, III and IV of Title VI of said regulation will not be applicable. In all other matters not provided for in the SOCIMI Law, the provisions of Law 27/2014 on Corporation Tax will be additionally applicable.

The Company will be subject to a special tax of 19% on the full amount of dividends or shares in profits distributed to shareholders whose holding in the share capital of the entity is equal to or greater than 5%, when said dividends, at the headquarters of its shareholders, are exempt or taxed at an effective tax rate of less than 10%.

At the close of financial year ended 31 March 2022, the Parent Company's Directors declare that the Company complies with all the requirements of the SOCIMI tax regime.

Notwithstanding the foregoing, by means of Law 11/2021, of July 9 and Order HFP/1430/2021, of December 20, a special tax is approved on undistributed profits by listed corporations for investment in the real estate market within of the Corporation Tax in its self-assessment modality, being obliged to present it the entities that opt for the application of the SOCIMI tax regime provided for in Law 11/2009 of October 26, being the profit to declare the undistributed profits in the year that come from income that has not been taxed at the general corporate tax rate, excluding income covered by the reinvestment period of art. 6.1.b) Law 11/2009. Said tax is considered a share of the Corporation Tax, this being 15% applicable to fiscal years that have begun on or after January 1, 2021. This tax is considered a share of the corporate tax for the year.

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### 5.9 Revenue and expenses

In accordance with the accrual principle, revenue and expenses are recorded when they occur, regardless of the date of their collection or payment.

#### Revenue from sales and provision of services

Revenue is recognized when it is probable that the Group will receive the benefits or economic returns derived from the transaction and the amount of revenue and costs incurred or to be incurred can be reliably measured. Revenue is valued at the fair value of the consideration received or to be received, deducting discounts, price reductions and other similar items that the Group may grant, as well as, where appropriate, the interest incorporated in the nominal value of the loans. Indirect taxes levied on operations and which are passed on to third parties are not part of revenue.

Rental revenue is recognized on a straight-line basis over the estimated duration of the contract.

### 5.10 Environmental matters

The costs incurred in the acquisition of systems, equipment and facilities whose purpose is to eliminate, limit or control the possible impacts that the normal development of the Group's activity may cause on the environment are considered investments.

The rest of the expenses related to the environment, other than those incurred for the acquisition of property, plant and equipment, are considered expenses for the year.

With regard to possible environmental contingencies that may arise, the Parent Company's Directors consider that, given the nature of the activity carried out by the Group, its impact is not significant, being in any case sufficiently covered with the insurance policies that have been underwritten.

### 5.11 Transactions with related parties

Transactions with related parties are recognized at the fair value of the consideration given or received. The difference between said value and the agreed amount is recorded according to the underlying economic substance.

### 5.12 Equity

The Parent Company share capital is represented by ordinary shares, all of the same class.

The costs of issuing new shares or options are presented directly against the equity, as lower reserves.

In the case of acquisition of own shares of the Parent Company, the consideration paid, including any directly attributable incremental cost, is deducted from the equity until its cancellation, re-issue or disposal. When these shares are subsequently sold or re-issued, any amount received, net of any directly attributable incremental transaction costs, is included in equity.

### 5.13 Transactions in foreign currency

The Group's consolidated financial statements are presented in euros, which is the Group's presentation and functional currency.

### 5.14 Segmented information

In these Notes to the consolidated financial statements, information is presented segmented by geographic market. The activity of all the Group companies is the leasing of office assets.



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## 5.15 Consolidated Cash Flow Statement

In the consolidated cash flow statement, the following expressions are used in the following senses:

- Cash flows: inflows and outflows of cash and equivalent financial assets, understood as current investments with high liquidity and low risk of changes in their value.
- Operating activities: typical operating activities, as well as other activities that cannot be classified as investment or financing.
- Investment activities: those of acquisition, disposal or withdrawal by other means of non-current assets and other investments not included in cash or equivalents.
- Financing activities: activities that produce changes in the size and composition of equity and liabilities that are not part of operating activities.

For the purposes of preparing the consolidated cash flow statement, "Cash and other equivalent liquid assets" have been considered as cash and on-demand bank deposits, as well as highly liquid current investments, which are easily convertible into specified amounts of cash, being subject to a negligible risk of value changes.

## 6. PROPERTY INVESTMENTS

The detail and movements of the different items that make up property investments in financial year ended 31 March 2022 and 31 March 2021 has been the following:

### 31 March 2022

	Euros				
	Balance at 31.03.2021	Additions	Withdrawals	Transfers	Balance at 31.03.2022
<b>At cost:</b>					
Land	61,187,840	-	-	-	61,187,840
Buildings	113,036,239	-	-	-	113,036,239
Property investments in progress	-	-	-	-	-
	<b>174,224,079</b>	<b>-</b>	<b>(18,062)</b>	<b>-</b>	<b>174,224,079</b>
<b>Depreciation</b>					
Buildings	(4,319,041)	(3,451,340)	-	-	(7,770,381)
	<b>(4,319,041)</b>	<b>(3,451,340)</b>	<b>-</b>	<b>-</b>	<b>(7,770,381)</b>
<b>Impairment</b>					
Buildings	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying value</b>	<b>169,905,038</b>	<b>(3,451,340)</b>	<b>-</b>	<b>-</b>	<b>166,453,698</b>

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31 March 2021

	Euros				
	Balance at 31.03.2020	Additions	Withdrawals	Transfers	Balance at 31.03.2021
<b>At cost:</b>					
Land	61,187,840	-	-	-	61,187,840
Buildings	113,054,301	-	(18,062)	-	113,036,239
Property investments in progress	-	-	-	-	-
	<b>174,242,141</b>	<b>-</b>	<b>(18,062)</b>	<b>-</b>	<b>174,224,079</b>
<b>Depreciation</b>					
Buildings	(867,701)	(3,451,340)	-	-	(4,319,041)
	<b>(867,701)</b>	<b>(3,451,340)</b>	<b>-</b>	<b>-</b>	<b>(4,319,041)</b>
<b>Impairment</b>					
Buildings	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying value</b>	<b>173,374,440</b>	<b>(3,451,340)</b>	<b>(18,062)</b>	<b>-</b>	<b>169,905,038</b>

On 20 October 2016, the subsidiary Mangareva Development, S.L.U. (subsequently absorbed by Hannover Investments, S.L.U.) acquired a plot located in Calle Via de los Poblados, 1 (Madrid). After said date, the Company has been activating the costs related to the studies of the building project planned for said plot, as well as the work to carry out the construction of the two office buildings.

The depreciation of property investments is carried out on the cost values and is calculated by the straight-line method based on the estimated useful life of the different assets, which is as follows.

Item	Years of useful life
Buildings	33

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

The detail of the type of property investments available to the Inmark Group at 31 March 2022 and 31 March 2021 and their net carrying value and gross carrying value is the following:

31 March 2022

	Gross carrying value	Impairment and depreciation	Net carrying value
Office	174,224,079	(7,770,381)	166,453,698
<b>TOTAL</b>	<b>174,224,079</b>	<b>(7,770,381)</b>	<b>166,453,698</b>

31 March 2021

	Gross carrying value	Impairment and depreciation	Net carrying value
Office	174,224,079	(4,319,041)	169,905,038
<b>TOTAL</b>	<b>174,224,079</b>	<b>(4,319,041)</b>	<b>169,905,038</b>

The detail of the assets by geographic location, as well as their gross carrying value at 31 March 2022 and 31 March 2021 is as follows:

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	EUROS
Madrid	174,224,079
<b>TOTAL</b>	<b>174,224,079</b>

The Group sets aside the appropriate provisions for depreciation of property investments when the recoverable value is less than the recorded cost. At close of the financial year on 31 March 2022 and 31 March 2021 the Group has not recorded any impairment of its property assets. The Group performs asset valuations based on valuations carried out by independent experts at least once a year.

Property investment is used as a guarantee of the financing obtained, which is included in note 9 of the report.

## 6.1. OPERATING LEASES

Investment property is leased to third parties through operating leases. Lease contracts have a duration of between 1 and 15 years, with staggered rents and lease grace periods in some of these.

The revenue from the leases amounted to 8,416,760 euros in financial year ended 31 March 2022 (8,301,820 euros in financial year ended 31 March 2021) (see Note 12.1).

The minimum future collections of the lease contracts, non-cancellable at 31 March 2022 and 31 March 2021 are as follows, considering the first dates of termination of the contract agreed with each lessee. In these, the increases due to inflation that may occur in the future have not been taken into account:

(Euros)	31 March 2022	31 March 2021
Up to one year	7,861,416	7,611,264
Between one and five years	31,445,664	38,056,320
More than 5 years	58,960,620	57,084,480
<b>Total</b>	<b>98,267,700</b>	<b>102,752,064</b>

## 7. FINANCIAL ASSETS

### 7.1. ANALYSIS BY CATEGORIES

The carrying value of each of the categories of financial assets established in the standard for recording and valuation of "Financial Instruments" is as follows at 31 March 2022 and 31 March 2021:

#### Long-term financial assets:

	31/03/2022	31/03/2021
<b>Valued at amortized cost</b>	<b>Loans, Derivatives and others</b>	<b>Loans, Derivatives and others</b>
Guarantees and deposits constituted	1,288,714	1,288,714
<b>Total</b>	<b>1,288,714</b>	<b>1,288,714</b>

#### Short-term financial assets:

	31/03/2022	31/03/2021
<b>Valued at amortized cost</b>	<b>Loans, Derivatives and others</b>	<b>Loans, Derivatives and others</b>
Clients	6,695,659	7,220,714
Other debtors	21,885	3,655
Guarantees and deposits constituted	7,423	7,423
<b>Total</b>	<b>6,724,967</b>	<b>7,231,792</b>

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At 31 March 2022, there are short-term assets with the Public Administrations, amounting to 23,580 euros (3,412 euros as at 31 March 2021), which are not included in this detail (See Note 10).

## 7.2. DEPOSITS, CONSTITUTED GUARANTEES AND ACCRUALS

### a) DEPOSITS AND CONSTITUTED GUARANTEES

At 31 March 2022 and 31 March 2021, the amounts of the items that make up the heading of long and short-term financial investments:

	31/03/2022	31/03/2021
Deposits and guarantees, long-term	1,288,714	1,288,714
Deposits and guarantees, short-term	7,423	7,422
<b>Total</b>	<b>1,296,137</b>	<b>1,296,136</b>

Long-term deposits basically correspond to the guarantees deposited related to the rentals of property investments. In accordance with the provisions of article 36 of Law 29/1994, of 24 November, of the law on urban leases.

The bonds previously deposited will be refunded as the contracts expire.

### b) ACCRUALS

	31/03/2022	31/03/2021
Short-term asset accruals	257,752	298,019

## 7.3. CLIENTS AND SUNDRY DEBTORS

The Company presents the following detail of loans and receivables at 31 March 2022 and 31 March 2021:

	31/03/2022	31/03/2021
Clients for sales and provision of services	6,695,659	7,220,714
Sundry debtors	21,885	3,655
<b>TOTAL</b>	<b>6,717,544</b>	<b>7,224,369</b>

The fair values of the loans and receivables coincide with their carrying values.

These items are entirely denominated in euros. At 31 March 2022 and 31 March 2021, under the heading of "Clients for sales and provision of services", are mainly the balances pending collection of leases and the accounting effect of the linearization of revenue, in contracts with grace periods or incentives.

At 31 March 2022 and 31 March 2021, the figure for "Clients for sales and provision of services" has not recognized any impairment.

The maximum exposure to credit risk, on the date of presentation of the information, is the fair value of each of the categories of accounts receivable indicated above. The Group maintains certain guarantee instruments to cover any contingency in any possible non-payment of the rents.

## 7.4. CASH AND OTHER EQUIVALENT LIQUID ASSETS

The breakdown of this heading at 31 March 2022 and 31 March 2021 is as follows

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Euros	31/03/2022	31/03/2021
At sight current accounts	2,383,768	5,247,913
<b>TOTAL</b>	<b>2,383,768</b>	<b>5,247,931</b>

## 8. OWN FUNDS

### 8.1. SHARE CAPITAL

Close	Class	Number	Nominal value/Share	Total nominal value
31/03/2022	Nominative	5,000,000	1	5,000,000

At 31 December 2019, the Parent Company's share capital consisted in 60,000 shares with a nominal value of 1 euro each, of which 15,000 euros had been paid-up on that date, with the remaining 45,000 euros pending payment.

On 19 February 2020, the investment fund Inmark Spain Wholesale Property Master Fund N°. 26 acquires all the shares of the Parent Company from the former shareholders (Legal Management Advisory, S.L. and Directorship Cibeles, S.L.) for an amount total of 15,000 euros. After this acquisition, the Sole Shareholder status of the Company is certified by the Madrid Commercial Registry.

On 26 February 2020, the Sole Shareholder decides to disburse the outstanding dividends from the Parent Company indicated above in the amount of 45,000 euros.

On 26 February 2020, the Sole Shareholder of the Parent Company decides to increase the Company's share capital, currently set at 60,000 euros, in the amount of 450,000 euros, until reaching the figure of 510,000 euros.

The capital increase was carried out through the creation of 450,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each, with a global share premium of 44,042,446 euros, that is, 97.87210222 euros per share. All the newly created shares are fully paid-up and assumed, in this act and making use of their preferential assumption right, by the Sole Shareholder of the Company.

On 30 December 2020, the Parent Company's Sole Shareholder decides to increase the share capital in the amount of 4,490,000 euros, until reaching the figure of 5,000,000 euros.

The capital increase has been carried out through the creation of 4,490,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each. The capital increase is fully subscribed by the Sole Shareholder and fully paid-up under the heading "Shareholders' Contributions" under the heading "Equity" of the Company.

At 31 March 2022 and 31 March 2021, the share capital of the Parent Company amounts to 5,000,000 euros, represented by 5,000,000 shares of 1 euro par value each, fully subscribed and paid-up.

There are no contracts with the majority Shareholder other than those described in these consolidated financial statements.

### 8.2. SHARE ISSUE PREMIUM

This reserve is freely available.

On 26 February 2020, the Parent Company's Sole Shareholder carried out a capital increase by creating 450,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each, with a full share premium of 44,042,446 euros, that is, of 97.87210222 euros per share.

On 30 March 2020, the Sole Shareholder approved the repayment of the share premium by the Parent Company for the amount of 400,000 euros, paid-up on that same date. Following this operation, at 31 March 2020, the Company's share premium amounted to 43,442,446 euros.

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On 12 June 2020, the Sole Shareholder approves the distribution of a dividend for a total gross amount of 1,732,147 euros charged to the accounting item Share Premium.

On 14 December 2020, the Sole Shareholder approves the distribution of a dividend for the annual gross amount of 3,000,885 euros, charged to the Accounting item Share Premium.

On 10 June 2021, the Sole Shareholder approves the distribution of a dividend for the annual gross amount of 3,014,718 euros, charged to the Accounting item Share Premium.

On 7 December 2021, the Sole Shareholder approves the distribution of a dividend for the annual gross amount of 3,052,858 euros, charged to the Accounting item Share Premium.

At 31 March 2022 the share premium amounts to 32,841,838 euros (38,909,414 euros as at 31 March 2021).

### **8.3. LEGAL RESERVE**

In accordance with the revised text of the Capital Companies Act, a figure equal to 10% of the profit for the year must be allocated to the legal reserve until it reaches, at least, 20% of the share capital.

The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the purpose mentioned above, and as long as it does not exceed 20% of the share capital, this reserve may only be used to offset losses and provided that there are no other sufficient reserves available for this purpose.

At 31 March 2022 and 2021 the legal reserve has not been established.

### **8.4. OTHER CONTRIBUTIONS**

On 26 February 2020, the Sole Shareholder of the Parent Company made a monetary contribution of 33,500,000 euros.

On 30 December 2020, the Company's Sole Shareholder decides to increase the share capital in the amount of 4,490,000 euros, until reaching the figure of 5,000,000 euros.

The capital increase has been carried out through the creation of 4,490,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each. The capital increase is fully subscribed by the Sole Shareholder and fully paid-up under the heading "Shareholders' Contributions" under the heading "Equity" of the Company.

After this capital increase, the item "Shareholders' Contributions" amounts to 29,010,000 euros.

### **8.5 CAPITAL MANAGEMENT**

The Inmark Group is financed exclusively with funds received from financial institutions.

The Group Companies, being under the special tax regime of SOCIMI ("LSOCIMI"), have the commitment to distribute at least 80% of the profit in the form of dividends to their shareholders in accordance with the legal obligation existing in the Law. 16/2012 (See note 1)

The Group controls the capital structure based on the debt ratio with financial institutions. This ratio is calculated by the Group as the net debt divided by the total capital. The net indebtedness is determined by the sum of the financial debt with credit institutions, less cash and other equivalent liquid means. Total capital refers to equity.

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	31/03/2022	31/03/2021
Total indebtedness with credit institutions (short and long-term)	109,462,922	111,204,930
Cash and other equivalent	2,383,768	5,247,913
<b>Net debt</b>	<b>107,079,154</b>	<b>105,957,017</b>
Equity	67,565,734	72,588,710
<b>Total capital employed</b>	<b>174,644,888</b>	<b>178,545,727</b>
<b>Debt ratio with financial institutions</b>	<b>61,31%</b>	<b>59,33%</b>

### 8.6 RESULT BY COMPANIES

The contribution of each company included in the consolidation perimeter to the consolidated result in the period to 31 March 2022 and 31 March 2021, is as follows:

	31/03/2022	31/03/2021
Inmark Prime SOCIMI, S.A.	947,429	(1,281,048)
Hanover Investments, S.L.U.	1,168,779	1,488,346
<b>TOTAL prior</b>	<b>2,116,208</b>	<b>207,298</b>
Consolidation adjustments	(947,429)	-
<b>TOTAL</b>	<b>1,044,600</b>	<b>207,298</b>

### 8.7 EARNINGS PER SHARE

Earnings per share are determined by dividing the net earnings attributable to the Parent Company's shareholders (after taxes and minority interests) by the weighted average number of shares outstanding during that period.

	31/03/2022	31/03/2021
Result attributed to the Parent Company	1,044,600	207,298
Average number of shares outstanding (weighted in the year)	5,000,000	1,629,425
	0.21	(0.13)

Diluted earnings per share is determined in a similar manner to basic earnings per share, but the weighted average number of shares outstanding is adjusted to take into account the potential diluted effect of convertible bonds in force at financial year-end. At 31 March 2022 and 31 March 2021, there are no convertible bonds in force, therefore the basic and diluted results per share coincide.

## 9. FINANCIAL LIABILITIES

### 9.1. ANALYSIS BY CATEGORIES

The carrying value of each of the categories of financial liabilities established in the standard for recording and valuation of "Financial Instruments" is as follows at 31 March 2022 and 31 March 2021:

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### Long-term financial liabilities:

	31/03/2022	31/03/2021
Valued at amortized cost	Others	Others
Sureties and deposits received	1,270,224	1,270,224
Debt with credit institutions	109,290,255	109,084,372
<b>Total</b>	<b>110,560,479</b>	<b>110,354,596</b>

### Short-term financial liabilities:

	31/03/2022	31/03/2021
Valued at amortized cost	Others	Others
Other financial liabilities	24,129	24,129
Debt with credit institutions	172,667	2,120,558
Trade creditors and other payables	444,844	518,413
<b>Total</b>	<b>641,640</b>	<b>2,663,100</b>

Regarding **Long-term Sureties and Deposits received**, the amount included corresponds to the sureties and deposits received related to the rents of the premises of property investments amounting to 1,270,224 euros at 31 March 2022 and 31 March 2021.

**Debt with credit institutions** correspond to the financing contract granted by Banco Santander, S.A. and ING Bank, N.V. to the subsidiary Mangareva Development, S.L.U. (later absorbed by Hannover Investments, S.L.U.) for a maximum total amount of 111 million euros, of which the Company has drawn down the entire amount at 31 March 2022. The Group has recognized this financial debt in the attached consolidated balance sheet at amortized cost, that is, the principal of the loan drawn down for an amount of 111,000,000 euros is reduced by the transaction costs associated with it at 31 March 2022 this amounts to 1,709,745 euros, after having recognized an additional amount of 333,618 euros during the year (1,915,628 euros at March 31, 2021), which included under the heading "Financial expenses with third parties" in the profit and loss account for the year ended March 31, 2022 adds an amount of 539,501 euros corresponding to the amortization of the aforementioned transaction costs (468,419 euros at March 31, 2021). The expenses for the financing of this loan amounted to 1,527,329 euros in the year ended March 31, 2022 (1,246,078 euros in the year ended March 31, 2021).

Additionally, the Parent Company Inmark Prime SOCIMI S.A. (Sole Shareholder Company), was the holder of a loan with the same institution, for a total of 13,000,000 euros, cancelled in full at 31 March 2021. Said loan has accrued interest in financial year ended 31 March 2021 of 81,183 euros. Due to the cancellation of said loan, the Parent Company has recorded the amortization of all transaction costs, initially recorded as a lower amount of debt for a total of 1,322,508 euros.

The maturity of the current loan is 26 February 2025 with a single amortization of the entire principal thereof and accrues interest at an annual interest rate of 1.15%, being settled quarterly. The heading "Short-term debt with financial institutions" includes accrued and unpaid interest at 31 March 2022 for the amount of 172,667 euros (120,558 euros as at 31 March 2021).

Additionally, the subsidiary Hannover Investments, S.L.U. had a credit line for amount of 2,000,000 euros, also included under the heading "Short-term debts with financial entities" of the consolidated balance sheet as of March 31, 2021, which has been canceled during the year ending March 31, 2022.

As at 31 March 2022 and 2021, the Group has complied with all reporting obligations included in the aforementioned contract.

At 31 March 2022 there are short-term liabilities with Public Administrations, amounting to 152,956 euros (156,811 euros as at 31 March 2021), that are not included in this detail (see detail Note 10).



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### 10. TAX POSITION

The detail of the balances relating to tax assets and tax liabilities at 31 March 2022 and 31 March 2021 is as follows:

	Assets	Liabilities
	<b>31/03/2022</b>	
<b>Non-current</b>	<b>1,778,330</b>	<b>-</b>
Deferred tax assets	1,788,330	-
<b>Current</b>	<b>23,580</b>	<b>152,956</b>
Value Added Tax (VAT)	23,580	152,460
Withholdings and prepayments	-	496
<b>Total</b>	<b>1,811,910</b>	<b>156,811</b>

	Assets	Liabilities
	<b>31/03/2021</b>	
<b>Non-current</b>	<b>1,778,330</b>	<b>-</b>
Deferred tax assets	1,788,330	-
<b>Current</b>	<b>3,412</b>	<b>156,811</b>
Value Added Tax (VAT)	3,412	-
Withholdings and prepayments	-	156,811
<b>Total</b>	<b>1,781,742</b>	<b>156,811</b>

According to current legal provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations, currently set at four years, has elapsed. The Group has tax years 2019, 2020 and 2021 open for inspection for all applicable taxes.

In the opinion of the Parent Company's Directors, as well as of its tax advisers, there are no tax contingencies of significant amounts that could arise, in the event of an inspection, from possible different interpretations of the tax regulations applicable to the operations carried out by the Group.

### 11. CORPORATION TAX CALCULATION

At financial year ended 31 March 2022 and 31 March 2021, the detail of the individual negative tax bases under the general regime pending compensation is as follows:

(Euros)	31 March 2021
<b>Year of generation</b>	
2017	374,406
2018	9,651,566
2018	193,054
2020	1,240,657
	<b>11,459,683</b>

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The consolidated tax base results from the sum of the tax bases of the companies included in the consolidation perimeter, considering the adjustments and eliminations of consolidation.

The Group considers that future tax benefits would be obtained from the lease contract signed for the offices owned by the Group described in Note 6 above. Based on this analysis, the Group recognized deferred tax assets in previous years corresponding to the negative tax bases pending compensation for which it considered probable the generation of sufficient future tax benefits derived from the Group's activity based on the aforementioned lease agreement already signed.

As a consequence of the above, the Group maintains deferred tax assets on its consolidated balance sheet for a total amount of 1,788,330 euros, generated prior to entry into the SOCIMI Regime.

At 31 March 2022, the Group companies have the main taxes of the last four years open for inspection by the tax authorities or, where appropriate, from the date of incorporation. The Parent Company's Director consider that the settlements of the aforementioned taxes have been adequately practiced, therefore, even in the event that discrepancies arise in the current regulatory interpretation due to the tax treatment given to operations, the eventual resulting liabilities, if these occurred, would not significantly affect these consolidated financial statements.

### 12. REVENUE AND EXPENSES

#### 12.1. TURNOVER AND OTHER OPERATING REVENUE

The distribution of the Group's turnover corresponding to its continuing operations by categories of activities is as follows:

(Euros)	31/03/2022	31/03/2021
Revenue from leasing of premises	7,226,519	7,035,559
Revenue from expenses passed to lessees	1,188,791	1,266,260
<b>TOTAL</b>	<b>8,415,310</b>	<b>8,301,819</b>

The distribution of the turnover for the provision of services broken down by province in financial year ended 31 March 2022 and 31 March 2021, in the following order is as follows:

(Euros)	31/03/2022	31/03/2021
Madrid	8,415,310	8,301,819
<b>TOTAL</b>	<b>8,415,310</b>	<b>8,301,819</b>

#### 12.2. OTHER OPERATING EXPENSES

The detail of this heading at 31 March 2022 and 31 March 2021 is as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT (Euros)	31/03/2022	31/03/2021
<b>External Services and other taxes:</b>		
Independent professional services	592,158	450,666
Insurance premiums	89,442	88,362
Bank services	15,750	2,108
Taxes	1,115,103	1,156,320
<b>TOTAL</b>	<b>1,812,453</b>	<b>1,697,456</b>

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### 12.3. FINANCIAL RESULT

The detail of this heading for the period up to 31 March 2022 and 31 March 2021 is as follows:

CONSOLIDATED PROFIT AND LOSS AT 31/03/2022 (Euros)	
Financial revenue:	-
- Other financial revenue	-
<b>TOTAL</b>	<b>-</b>
Financial expenses:	
- Interest on loans with financial institutions (Note 9.1)	1,527,329
- Other financial expenses (amortization of debt formalization expenses) (Note 9.1)	580,927
- Other	111
<b>TOTAL</b>	<b>2,108,367</b>

CONSOLIDATED PROFIT AND LOSS AT 31/03/2021 (Euros)	
Financial revenue:	28,011
- Other financial revenue	28,011
<b>TOTAL</b>	<b>-</b>
Financial expenses:	
- Interest on loans with financial institutions (Note 9.1)	1,339,594
- Other financial expenses (amortization of debt formalization expenses) (Note 9.1)	1,634,143
<b>TOTAL</b>	<b>2,973,737</b>

### 13. RELATED PARTIES

The Group's related parties in financial year ended 31 March 2022 and 31 March 2021 is the following:

	Nature of relationship
Inmark Spain Wholesale Property Master Fund N° 26	Sole Shareholder of the Parent Company

At 31 March 2022 and 31 March 2021 the Group has no balances with the Sole Shareholder. Likewise, during financial year ended 31 March 2022 and 31 March 2021 the Group has not carried out transactions with the Sole Shareholder.

The transactions carried out with related parties correspond to normal business operations of the Parent Company and are carried out at market prices, which are similar to those applied to non-related parties.

### 14. DIRECTORS AND SENIOR MANAGEMENT

Neither the Parent Company nor its subsidiaries maintain balances with the Directors nor Senior Management, nor have they granted any remuneration to them during the financial year ended 31 March 2022 and 2021.

Neither the Parent Company nor its subsidiaries have any pension or life insurance commitment with the Directors of the Parent Company.

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In relation to articles 229 and 230 of the Capital Companies Act, the Parent Company's Directors have communicated that they have not held shares in the capital of companies with the same, analogous or complementary type of activity to the one that constitutes the corporate purpose of the Parent Company and subsidiaries.

### 15. INFORMATION REQUIREMENTS DERIVED FROM THE STATUS OF SOCIMI, LAW 11/2009

- a) Reserves from years prior to the application of the tax regime established in Law 11/2009.

Not applicable

- b) Reserves from tax years in which the tax regime established in Law 11/2009 has been applied, differentiating the part that comes from revenue subject to the zero percent tax rate, or 19 percent, with respect to those that , if applicable, have been taxed at the general tax rate.

No reserves have been generated in financial year ended 31 March 2022

- c) Dividends distributed with a charge to profits of each year in which the tax regime established in this Law has been applicable, differentiating the part that comes from revenue subject to the tax rate of zero percent or 19 percent, with respect to those that , if applicable, have been taxed at the general tax rate.

The Company has not distributed dividends since its incorporation

- d) In the event of distribution of dividends charged to reserves, designation of the year from which the applied reserve comes and if they have been taxed at the zero percent, the 19 percent or the general rate.

Not applicable

- e) Date of the agreement to distribute the dividends referred to in letters c) and d) above.

Not applicable

- f) Date of acquisition of the properties for the lease referred to in section 1 of article 2 of Law 11/2009.

See Note 6

- g) Date of acquisition of the shares in the capital of entities referred to in section 1 of article 2 of this SOCIMI Law

Hanover Investments, S.L.U – acquisition 11 February 2020.

- h) Identification of the asset that counts within the 80 percent referred to in section 1 of article 3 of Law 11/2009.

See Note 6

- i) Reserves from years in which the special tax regime established in Law 11/2009 has been applicable, which have been distributed in the tax period, other than for their distribution or to offset losses, identifying the year from which these reserves originate.

Not applicable

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## **16. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS**

The Group's risk management policies are established by the Parent Company's Directors. Based on these policies, the Group has established a series of procedures and controls that make it possible to identify, measure and manage the risks derived from the activity.

### **16.1 Qualitative information**

The management of the Group's financial risks is centralized in the Finance Department, which has established the necessary mechanisms to control exposure to variations in interest rates and exchange rates, as well as to credit and liquidity risks. The main financial risks that impact the Group are listed below:

#### **A) CREDIT RISK:**

In general, the Group maintains its cash and banks and equivalent liquid assets in financial institutions with a high credit rating. The lease contracts signed with the lessees are long-term.

#### **B) LIQUIDITY RISK:**

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

#### **C) MARKET RISK (INCLUDES INTEREST RATE, EXCHANGE RATE AND OTHER PRICE RISKS):**

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

#### **D) COVID-19 RISK**

The global pandemic situation due to Covid-19 significantly affects economic activity worldwide and, as a result, could affect the operations and financial results of the Group given the current situation of uncertainty. The analysis of this situation has been included in note 3.6 of these consolidated financial statements.

### **16.2 Quantitative information**

#### **A) CREDIT RISK:**

The Group does not maintain accounts receivable guaranteed by credit insurance.

#### **B) INTEREST RATE RISK**

All long-term financial debt with credit institutions is linked to a fixed interest rate.

## **17. OTHER INFORMATION**

### **17.1. PERSONNEL STRUCTURE**

The Group does not have employees so there are no personnel expenses.

The current Directors of the Parent Company are three men.

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## 17.2. AUDIT FEES

The fees accrued for the services provided for auditing or other verification services for the consolidated and individual financial statements of the Group have been the following:

	En euros	En euros
	Financial year 31/03/2022 (12 months)	Financial year 31/03/2021 (12 months)
Audit services	19,000,00	19,000,00
Other verification services	-	3,000,00
<b>Total</b>	<b>19,000,00</b>	<b>21,000,00</b>

The Consolidated Financial Statements for financial year ended 31 March 2022 and 31 March 2021, have been audited by BDO Auditores, S.L.P.

## 18. ENVIRONMENTAL INFORMATION

The systems, equipment, facilities and expenses incurred by the Group for the protection and improvement of the environment are not significant at 31 March 2022 and 31 March 2021.

With the procedures currently in place, the Group considers that environmental risks are adequately controlled.

The Group has not received grants of an environmental nature during financial year ended 31 March 2022 and 31 March 2021.

## 19. IN SEGMENTED INFORMATION

The Group does not present segmented information as it operates in a single business segment and only revenue generator.

## 20. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS

In relation to the information required by the third additional provision of Law 15/2010, of 5 July, at 31 March 2021, the balance pending payment to suppliers accumulates a slight deferral greater than the legally established term. The information on deferral of payment to suppliers for financial year ended 31 March 2021 is as follows:

	31/03/2021
	Days
Average payment period to suppliers	53
Ratio of paid operations	53
Ratio of operations pending payment	62
	(In euros) Amount
Total payments made	1,725,307
Total payments pending	17,920

In accordance with the ICAC (*Institute of Accounting and Account Audits*) Resolution, for the calculation of the average period of payment to suppliers in these consolidated financial statements, the trade operations corresponding to the delivery of goods or services accrued from the date of entry into force have been taken into account. Law 31/2014, of 3 December although exclusively with respect to companies based in Spain consolidated by global or proportional integration.

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Suppliers, for the exclusive purposes of providing the information provided in this Resolution, are considered to be trade creditors for debt with suppliers of goods or services, included in the items "suppliers" and "other payables" of the current liabilities of the consolidated balance sheet, referring only to the Spanish entities included in the consolidated group.

"Average period of payment to suppliers" is understood to be the period that elapses from the delivery of the goods or the provision of services by the supplier and the material payment of the operation.

### **21. POST BALANCE SHEET EVENTS**

In the opinion of the Parent Company's Directors, no relevant event has been revealed after 31 March 2022 that could have a significant impact on these consolidated financial statements.

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## Consolidated Management Report for financial year ended 31 March 2022

This Consolidated Management Report corresponding to financial year ended 31 March 2022 is presented by the Parent Company's Directors, in compliance with the provisions of articles 253 and 262 of the Consolidated Text of the Capital Companies Act, for its approval by shareholders.

### 1. Situation of the Group

#### 1.1 Market situation

The Spanish economy grew at a lower rate than expected, below 5%, in addition to inflation, after years of low levels, Spanish inflation rose in 2021, reaching a two-decade high in December (6.5%). This generalised upturn in most European countries is mainly due to two reasons:

- The intense increase in energy prices and in particular natural gas.
- Tensions in global supply chains due to mismatches between supply and a faster and stronger than expected recovery in demand .

In terms of real estate investment, after overcoming a weak Q1, 2021 went from strength to strength in terms of investment activity, finally closing with a volume of around €12.75 billion, 32% more than the previous year, 70% of which was international capital.

As the gap between Class A assets and the rest continues to widen, the scarcity of yield products that meet investors' criteria is one of the challenges facing the market and we will continue to see a rise in the prices of the most CORE assets. Office prime yields rose 25bp shortly after the start of the pandemic, but have returned to 2019 levels.

Regarding contracting in the office sector, in 2021 the forecasts at the beginning of the year were slightly exceeded, closing in Madrid 414 thousand m2 and Barcelona 300 thousand m2, 22% and 90% above 2020 respectively. However, the situation of the offices is now more complex and more factors are being taken into account by corporations when evaluating possible transfers or staying in their current locations, from the ideal balance between working in the office and telecommuting, to estimating the number of workers expected to be in the office at any given time, all of these factors are slowing down decision-making.

During 2021 rents have recovered their upward path, the crisis caused by COVID-19 resulted in slight downward adjustments in prime rents (-2% approx) in Madrid and Barcelona. The gap between class A or new-build assets and assets with shortcomings in satisfying more demanding demand will become increasingly wider.

#### 1.2 Organizational and functional structure

INMARK PRIME SOCIMI, S.A. (hereinafter the "Company" or the "Parent Company") was incorporated for an indefinite period on 11 December 2019 and has its registered office in Madrid, Calle Monte Esquinza, 30, Bajo izquierda, C.P.: 28010.

Previously, the company name of the Company was PEÑALARA DIRECTORSHIP, S.A., which was changed to the current one on 3 December 2020.

The Company's corporate purpose is:

- The acquisition and promotion of property of urban nature for its lease.
- The holding of shares in the capital of other SOCIMIs or in others subject to a similar regime.
- The holding of shares in the capital of other entities whose main corporate purpose is the acquisition of urban properties for lease.
- The maintaining shares or holdings in Collective Property Investment Institutions.



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On 19 February 2020 the investment fund Inmark Spain Wholesale Property Master Fund N°. 26 acquired all the shares of the Company.

On 19 February 2020 the new Sole Shareholder decides to change the registered office of the Company in Madrid, to Calle Génova, 17, 6ª Planta, C.P: 28004.

The financial year that ended on 31 December 2019 comprised the operations carried out by the Company from its incorporation date on 11 December to 31 December 2019.

On 19 February 2020 the Sole Shareholder decided to modify the financial year of the Company, which starts on 1 April and ends on 31 March of each year. In accordance with the above, to ensure the correct processing of the change of financial year, a temporary transitional financial year was established that ranged from 1 January 2020 to 31 March 2020.

The financial year that ended on 31 March 2020, comprised the operations carried out by the Company during this 3-month period indicated from 1 January 2020 to 31 March 2020.

On 19 February 2020 the Company acquired 100% of the shares of the Company Hanover Investments, S.L.U.

At 31 March 2022 and 31 March 2021, the Company is controlled by Inmark Spain Wholesale Property Master Fund N°. 26, an investment company duly established and existing in accordance with the laws of South Korea.

On 26 February 2020, the Sole Shareholder of the Company decides to increase the Company's share capital, currently set at 60,000 euros, in the amount of 450,000 euros, until reaching the figure of 510,000 euros.

The capital increase was carried out through the creation of 450,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each, with a global share premium of 44,042,446 euros, that is, 97.87210222 euros per share. All the newly created shares are paid-up and assumed, in this act and making use of their preferential assumption right, by the Sole Shareholder of the Company.

On 30 December 2020, the Sole Shareholder of the Company decides to increase the share capital in the amount of 4,490,000 euros, until reaching the figure of 5,000,000 euros.

The capital increase has been carried out through the creation of 4,490,000 new shares, equal, accumulative and indivisible with a nominal value of 1 euro each. The capital increase is fully subscribed by the Sole Shareholder and fully paid-up under the heading "Shareholders' Contributions" under the heading "Equity" of the Company.

At 31 March 2022 and 31 March 2021, the Company's share capital amounts to 5,000,000 euros, represented by 5,000,000 shares of 1 euro nominal value each, fully subscribed and paid-up.

The INMARK PRIME SOCIMI, S.A. Group and subsidiaries was incorporated on 26 February 2020 as a result of the incorporation and acquisition on that date, by the Parent Company, of the subsidiaries indicated in note 5.

Additionally, on 3 December 2020, it is decided to approve by the Sole Shareholder, the application of the Special Tax Regime, SOCIMI, for Listed Investment Companies in the Property Market, with effects on the tax periods beginning on 1 April 2020.

### **2. Evolution and results of the business**

During financial year ended 31 March 2022, the Group generated turnover of 8,416,760 euros, other operating expenses of 1,812,453 euros, depreciation expenses of 3,451,340 euros and in net financial expenses with third parties amounting to 2,108,367 euros.

### **3. Environmental matters**

Given the activity in which the Group is engaged, it has no responsibilities, expenses, assets, provisions and contingencies of an environmental nature that could be significant in relation to equity, financial situation and results

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thereof. For this reason, no specific breakdowns are included in this report of the consolidated financial statements regarding information on environmental matters.

## 4. Liquidity and capital resources

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

## 5. Post balance sheet events

After the close of financial year ended 31 March 2022, and until the date of formulation of these consolidated financial statements, no matter has been revealed that could modify these or be the subject of additional information that could be useful to the user of the same

## 6. R&D activity

The Group has not incurred any research and development expenses during financial year ended 31 March 2022.

## 7. Acquisition and disposal of own shares

The Group has not operated with own shares during financial year ended 31 March 2022.

## 8. Other relevant information

### 8.1 Dividend payment policy

SOCIMIs have been regulated by the special tax regime established in the SOCIMI Law. They will be obliged to distribute in the form of dividends to their Shareholders, once the corresponding trade obligations have been fulfilled, the profit obtained in the year, and its distribution must be agreed within six months after the end of each financial year, as follows:

- a) 100% of the profits from dividends or share in profits distributed by the entities referred to in section 1 of article 2 of this Law.
- b) At least 50 percent of the profits derived from the transfer of property and shares or holdings referred to in section 1 of article 2 of this Law, made after the periods referred to in section 3 of the Article 3 of this Law, related to the fulfilment of its main corporate purpose. The remaining profit must be reinvested in other properties or holdings related to the fulfilment of said object, within three years from the date of transmission. Failing that, said profit must be distributed in its entirety together with the profit, where appropriate, that comes from the year in which the reinvestment period ends. If the items to be reinvested are transferred before the maintenance period, the profit must be distributed in its entirety together with the profit, where appropriate, that comes from the year in which it was transferred. The obligation to distribute does not reach, where appropriate, the part of the profit attributable to years in which the Company will not pay under the special tax regime established in said Law.
- c) At least 80 percent of the remaining profit obtained.

When the distribution of dividends is made with a charge to reserves from profits of a year in which the special tax regime has been applied, their distribution will be obligatorily adopted with the agreement referred to in the previous section.

The legal reserve of the companies that have opted for the application of the special tax regime established in this Law may not exceed 20 percent of the share capital. The statutes of these companies may not establish any other unavailable reserve other than the previous one.

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### 8.2 Average payment period to suppliers

In relation to the information required by the third additional provision of Law 15/2010, of 5 July until 31 March 2021, the balance pending payment to suppliers accumulates a slight delay greater than the legally established term. The information on deferral of payment to suppliers for the year ended 31 March 2022 is as follows:

	31/03/2022	31/03/2021
	Days	Days
Average payment period to suppliers	52	53
Ratio of paid operations	46	53
Ratio of operations pending payment	122	62
	(In euros) Amount	(In euros) Amount
Total payments made	837,085	1,725,307
Total payments pending	80,918	17,920

# **INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries**

Consolidated Annual Report for financial year ended 31 March 2022

## **FORMULATION OF CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED**

**31 MARCH 2022**

On 30 June 2022, the Board of Directors of INMARK PRIME SOCIMI, S.A. proceeds to formulate the consolidated financial statements for financial year ended 31 March 2022, made up of the pages that precede this page.

(Page 1 of 3)



Sun Jung Paik

Director

# **INMARK PRIME SOCIMI, S.A. (Sole Shareholder Company) and Subsidiaries**

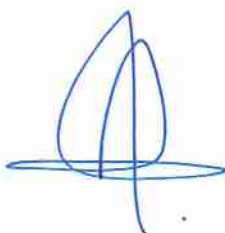
Consolidated Annual Report for financial year ended 31 March 2022

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(Page 2 of 3)



Rodrigo de Gonzalo Martinez

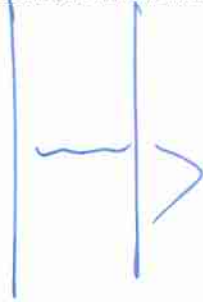
Director

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(Page 3 of 3)

A handwritten signature in blue ink, consisting of a stylized 'F' and 'G' followed by a right-pointing arrow.

Francisco Gómez Fructuoso

Director

BDO Auditores S.L.P., es una sociedad limitada española, y miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido, y forma parte de la red internacional BDO de empresas independientes asociadas.

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