

**Elix Rental Housing SOCIMI II, S.A.
and its subsidiaries**

Auditor's report
Consolidated annual accounts
and Consolidated management report
December 31, 2024.



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

Independent auditor's report on the consolidated annual accounts

To the shareholders of Elix Rental Housing SOCIMI II, S.A.

Opinion

We have audited the consolidated annual accounts of Elix Rental Housing SOCIMI II, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 3 of the notes to the consolidated annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Most relevant aspects of the audit

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



Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
<p>Valuation of Investments properties</p> <p>Investments properties accounted in non-current assets as of December 31, 2024, amounted to 59,769,839, representing approximately 94% of the Group's total assets.</p> <p>As indicated in note 5.1 of the accompanying consolidated annual accounts, the Group measures its investments properties at their acquisition price or production cost, less accumulated amortization and impairment losses, if any.</p> <p>The Group analyzes investments properties to determine whether their recoverable amount is less than their net book value. To determine the recoverable amount of investments properties, the Group relies on a valuation performed by an independent expert. The valuation was carried out in accordance with international standards, the methodology of which is described in note 5.1 of the consolidated annual accounts. In 2024, the Group did not accounted any impairment losses on its investments properties.</p> <p>We consider the valuation of investments properties to be the most relevant aspect of the audit, primarily due to its significance in relation to the consolidated annual accounts as a whole, as there is a risk associated with the valuation of such investments properties.</p>	<p>We have conducted an understanding and evaluation of the Group's accounting policies.</p> <p>For a sample of the additions recognized during the year, we have reviewed the supporting documentation.</p> <p>Regarding potential impairment losses, we obtained the valuation of the investments properties performed by the independent expert hired by the Group, on which we performed, among others, the following procedures:</p> <ul style="list-style-type: none"> • Verification of the competence, capacity, and independence of the valuator by confirming and verifying their recognized reputation in the market. • Verification that the valuation was performed in accordance with a generally accepted methodology. • Performance of substantive tests to verify the accuracy of the most relevant data provided by the Group to the valuator and used in the valuation. <p>Additionally, we have evaluated the sufficiency of the information disclosed in the consolidated annual accounts on this matter.</p> <p>The results of the procedures performed have reasonably achieved the audit objectives for which they were designed.</p>

Other matters

The figures corresponding to the previous financial year, 2023, which are included for comparative purposes in each of the statements of the consolidated annual accounts for the 2024 financial year, have not been audited.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2024 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.



Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described in the previous paragraph, the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the Parent company's directors for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with the financial reporting framework applicable to the Group in Spain, as identified in note 3 of the attached notes to the consolidated annual accounts, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.
- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

From the significant risks communicated with the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, considered to be the most significant risks.

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

PricewaterhouseCoopers Auditores, S.L. (S0242)

Ignacio Rodríguez Fernández de Navarrete (24529)

6 May 2025

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated Annual Accounts and Consolidated Management Report
for the financial year ended 31 December 2024

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated balance sheet at year-end 2024 (Expressed in euros)

ASSETS	Notes to the accounts	31/12/2024	31/12/2023 (*)	EQUITY AND LIABILITIES	Notes to the accounts	31/12/2024	31/12/2023 (*)
NON-CURRENT ASSETS:				EQUITY:			
Investment property	Note 6	59,769,839	9,233,116	SHAREHOLDERS' FUNDS	Note 11.1	5,350,460	378,803
Land		44,864,156	5,777,520	Capital		5,350,460	378,803
Buildings		14,905,683	1,643,774	Authorised capital		9,025,901	6,057,242
Prepayments		-	1,811,822	Share premium		(600,000)	(60,000)
Long-term financial investments		356,939	255,178	Treasury shares	Note 11.4	22,844,626	-
Other financial assets	Notes 8, 16	356,939	255,178	Other shareholder contributions		(834,049)	(16,731)
Total non-current assets		60,126,778	9,488,294	Prior-year profit/(loss)		(2,547,480)	(817,318)
				Profit/(loss) for the year		33,239,458	5,541,996
				Total equity			
				NON-CURRENT LIABILITIES:			
				Long-term payables	Note 10	28,618,847	3,953,537
				Long-term bank borrowings		28,484,241	3,950,597
				Other long-term financial liabilities		134,606	2,940
				Total non-current liabilities		28,618,847	3,953,537
				CURRENT LIABILITIES:			
CURRENT ASSETS:				Short-term payables		333,339	1,134,669
Trade and other receivables		577,801	21,025	Bank borrowings	Note 10	266,075	453,883
Trade receivables for sales and provision of services	Note 8	98,199	-	Other short-term financial liabilities	Notes 10, 16	67,264	680,786
Sundry receivables	Note 8	427,466	9,305	Trade and other payables		1,263,694	130,037
Other amounts receivable from Public Administrations	Note 14	52,136	11,720	Sundry payables	Note 10	1,233,732	126,884
Cash and cash equivalents	Note 9	2,750,759	1,250,920	Other amounts payable to Public Administrations	Note 14	29,962	3,153
Cash		2,750,759	1,250,920	Total current liabilities		1,597,033	1,264,706
Total current assets		3,328,560	1,271,945	TOTAL EQUITY AND LIABILITIES		63,455,338	10,760,239
TOTAL ASSETS		63,455,338	10,760,239				

(*) Unaudited.

The accompanying Notes 1 to 19 are an integral part of the consolidated annual accounts as at 31 December 2024.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated income statement for the year ended 31 December 2024 (Expressed in euros)

	Notes to the accounts	31/12/2024	31/12/2023 (*)
CONTINUING OPERATIONS:			
Revenue	Note 15.1	568,637	29,580
Other operating income		18,507	-
Staff costs	Note 15.2	(87,247)	-
Wages, salaries and similar remuneration		(65,728)	-
Staff welfare expenses		(21,519)	-
Other operating expenses	Note 15.3	(2,116,758)	(797,597)
External services		(1,447,650)	(676,748)
Taxes		(669,108)	(106,899)
Losses, impairment and change in trade provisions		-	(13,950)
Fixed asset depreciation		(7,877)	-
Other profit/(loss)		(121,222)	-
Operating profit/(loss)		(1,745,960)	(768,017)
Financial income		11,292	5,178
From marketable securities and other financial instruments		11,292	5,178
From third parties		11,292	5,178
Financial expenses	Note 15.4	(812,812)	(54,479)
On payables to third parties		(812,812)	(54,479)
Net financial income/(expense)		(801,520)	(49,301)
Profit/(loss) before tax		(2,547,480)	(817,318)
Income tax		-	-
Profit/(loss) for the year from continuing operations		(2,547,480)	(817,318)
Profit/(loss) for the year		(2,547,480)	(817,318)

(*) Unaudited.

The accompanying Notes 1 to 19 are an integral part of the consolidated annual accounts as at 31 December 2024.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2024

(Expressed in euros)

A) Consolidated statement of recognised income and expense for the year ended 31 December 2024

(Expressed in euros)

	Notes to the accounts	FY 2024	FY 2023 (*)
RESULTS RECOGNISED IN THE INCOME STATEMENT			
		(2,547,480)	(817,318)
Income and expense attributed directly to equity: On cash flow hedges (Note 10.2)			
TOTAL INCOME AND EXPENSE ATTRIBUTED DIRECTLY TO EQUITY		-	-
Transfers to the income statement: On cash flow hedges (Note 10.2)			
TRANSFERS TO THE INCOME STATEMENT		-	-
TOTAL RECOGNISED INCOME AND EXPENSES		(2,547,480)	(817,318)

(*) Unaudited.

The accompanying Notes 1 to 19 are an integral part of the consolidated annual accounts as at 31 December 2024.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2024 (Expressed in euros)

B) Consolidated total statement of changes in equity for the year ended 31 December 2024 (Expressed in euros)

	Capital	Uncalled capital	Share premium	Other shareholder contributions	Treasury shares	Prior-year losses	Profit/(loss) for the year	TOTAL
BALANCE AT 31 DECEMBER 2022 (*)	60,000	(45,000)	-	-	-	-	(16,731)	(1,731)
Total recognised income and expense	-	-	-	-	-	-	(817,318)	(817,318)
Distribution of prior-year profit/(loss)	-	-	-	-	-	(16,731)	16,731	-
Transactions with shareholders or owners:								
Capital increase	318,803	45,000	6,057,242	-	-	-	-	6,421,045
Dealings in treasury shares (net)	-	-	-	-	(60,000)	-	-	(60,000)
BALANCE AT 31 DECEMBER 2023 (*)	378,803	-	6,057,242	-	(60,000)	(16,731)	(817,318)	5,541,996
Total recognised income and expense	-	-	-	-	-	-	(2,547,480)	(2,547,480)
Distribution of prior-year profit/(loss)	-	-	-	-	-	(817,318)	817,318	-
Transactions with shareholders or owners:								
Capital increase	4,971,657	-	2,968,659	22,844,626	-	-	-	30,784,942
Dealings in treasury shares (net)	-	-	-	-	(540,000)	-	-	(540,000)
BALANCE AT 31 DECEMBER 2024	5,350,460	-	9,025,901	22,844,626	(600,000)	(834,049)	(2,547,480)	33,239,458

(*) Unaudited.

The accompanying Notes 1 to 19 are an integral part of the consolidated annual accounts as at 31 December 2024.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated cash flow statement for the year ended 31 December 2024 (Expressed in euros)

	Notes to the accounts	FY 2024	FY 2023 (*)
CASH FLOWS FROM OPERATING ACTIVITIES		(2,452,455)	(39,865)
Profit/(loss) for the year before tax		(2,547,480)	(817,318)
Adjustments to results		-	-
Changes in working capital		95,025	777,453
- Debtors and other receivables		(556,776)	(20,064)
- Creditors and other payables		1,133,657	113,791
- Other current assets and liabilities		(481,856)	683,726
Other cash flows from operating activities		-	-
- Interest paid		-	-
CASH FLOWS FROM INVESTING ACTIVITIES		(50,638,484)	(9,488,294)
Amounts paid on investments		(50,638,484)	(9,488,294)
- Investment property		(50,536,723)	(9,233,116)
- Other financial assets		(101,761)	(255,178)
Amounts collected from divestments		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		54,590,778	10,765,525
Collections and payments, equity instruments		30,244,942	6,361,045
- Share capital increases		4,971,657	363,803
- Share premium		2,968,659	6,057,242
- Other shareholder contributions		22,844,626	-
- Treasury shares		(540,000)	(60,000)
Collections and payments, financial liability instruments		24,345,836	4,404,480
- Bank borrowings		24,345,836	4,404,480
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS		1,499,839	1,237,366
Cash and cash equivalents at beginning of the year		1,250,920	13,554
Cash and cash equivalents at year-end		2,750,759	1,250,920

(*) Unaudited.

The accompanying Notes 1 to 19 are an integral part of the consolidated annual accounts as at 31 December 2024.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Notes to the 2024 consolidated annual accounts.

(Expressed in euros)

1. Activities

Elix Rental Housing SOCIMI II, S.A. (the “parent company”) is a Spanish company incorporated for an open-ended period on 30 May 2022 under the name Prilzana Investments, S.A.U., with tax code A10751857. Subsequently, on 2 December 2022, its name was changed to Prilzana Investments SOCIMI, S.A.U., the current name having been taken on 28 December 2022. Its registered office is at Calle Serrano 51, piso 4º, puerta derecha, 28006 Madrid.

The parent company has availed itself of the special scheme for listed property investment companies (“SOCIMIs”) provided by Law 11/2009 of 26 October. The Company began to apply the scheme on 22 June 2023, when the relevant notification was submitted to the tax authorities.

The parent company's corporate purpose covers the following activities:

- a) Acquisition and development of municipal properties for leasing. The development activity includes the renovation of buildings in the terms of Law 37/1992 of 28 December on Value Added Tax, as amended from time to time.
- b) Holding of shares in other listed property investment companies (“SOCIMI”) or in other entities not resident in Spain having the same corporate purpose as a SOCIMI and subject to a scheme similar to the SOCIMI scheme as regards the mandatory profit distribution policy, whether by law or under bylaws.
- c) Holding of shares in other resident or non-resident entities the main corporate purpose of which is to acquire municipal property for rent, which are subject to the same regime as SOCIMIs as regards mandatory profit distribution, whether by law or under their bylaws, and which fulfil the investment requirements stipulated in Article 3 of Law 11/2009 of 26 October on listed property investment companies (the “SOCIMI Law”).
- d) Holding of shares or interests in collective property investment undertakings regulated by Law 35/2003 of 4 November on collective investment undertakings or any legislation that may supersede it in the future.
- e) In addition, together with the economic activity derived from the primary corporate object, the Company may carry out other incidental activities, which are understood to be those the income from which represents, in total, less than 20 percent of the Company's income for each tax period, or those that may be regarded as incidental in conformity with legislation applicable from time to time.

Given the parent company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be material with respect to its equity, financial situation and results. For this reason, no specific disclosures are provided in these notes to the consolidated annual accounts regarding environmental matters.

The parent company acquired two subsidiaries in 2024:

- On 26 February 2024, the parent company acquired all the share capital of Prinor Atlantic, S.L., consisting of 3,000 shares with a par value of €1 each. On the same date, 26 February 2024, the Company decided to change the subsidiary's name to Elix RHS Properties, S.L. The transaction price was €3,000.
- On 27 September 2024, the parent company acquired all the share capital of Miloski Investments, S.L., consisting of 3,000 shares with a par value of €1 each. The transaction price was €3,000.

Framework Investment Agreement and Management Agreement

The parent company is the vehicle for an investment project initially regulated by a framework investment agreement (the “Framework Investment Agreement”) entered into on 28 December 2022 between the Company, its shareholders, the management company and the executive team so as to define the project, approach, investment strategy and regulations, shareholder relations and SOCIMI management. The main purpose is to build a real estate portfolio by acquiring buildings that will be renovated or refurbished and subsequent let, thereby increasing the supply in the housing market.

On 28 December 2022, the parent company entered into a management agreement with Elix Advice, S.L.U. (the “Management Company”) to delegate the parent company's ordinary, administrative and financial management, as well as the implementation and development of real estate transactions.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Notes to the 2024 consolidated annual accounts.

(Expressed in euros)

On 28 December 2022, the parent company entered into a management agreement with Altamar Real Estate, S.L.U. ("Altamar") for programme development and implementation, investment regulation, management of shareholders and investment commitments, and coordination of the relationship between the Company, Elix Advice, the programme promoters and the shareholders.

Both management agreements will expire on completion of the investment project defined previously, although early termination clauses were included, relating mainly to possible breaches of contract. The Company's directors state that there have been no breaches of contract at 31 December 2024.

Transactions completed during the financial year ended 31 December 2024

Significant milestones under the investment programme launch plan in 2024 are described below:

- The capital-raising period ended in July 2024, total shareholder investment commitments amounting to €88,156,062.
- Four capital increases were executed in public deeds:
 - On 23 February 2024, a capital increase for a total nominal amount of €881,889.12 was carried out through the issuance and circulation of 44,093 new ordinary shares with a par value of €1 each and a share issue premium of €19.0006604 per share, as reflected in the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 681 of his protocol. The capital call was made in the previous year, specifically in December 2023.
 - On 2 August 2024, a capital increase for a total nominal amount of €16,685 was carried out through the issuance and circulation of 16,685 new ordinary shares with a par value of €1 each and a share issue premium of €19.001020 per share, as reflected in the certificate of 1 August 2024 by delegation of the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 1,642 of his protocol.
 - On 4 October 2024, a capital increase for a total nominal amount of €95,465 was carried out through the issuance and circulation of 95,465 new ordinary shares with a par value of €1 each and a share issue premium of €19.9999876 per share, as reflected in the certificate and deed of 26 September 2024 authorised by Manuel Richi Alberti, number 4,108 of his protocol.
 - On 8 November 2024, a capital increase for a total amount of €4,815,414 was carried out through the issuance and circulation of 4,815,414 new ordinary shares with a par value of €1 each and without a share issue premium, as reflected in the certificate and deed of 28 June 2024 authorised by Juan José De Palacio Rodríguez, number 4,481 of his protocol.
- Additionally, capital increases were charged to the "Shareholder contributions" account in 2024 for a total amount of €23,166,498, the latest in December 2024, which was pending payment in the amount of €321,872 at 31 December 2024, the payment having been made early in 2025.
- Accordingly, capital calls up until 31 December 2024 amount to €36,942,859, representing 41.91% of committed capital totalling €88,156,062.

In 2024, seven new building acquisitions were completed, six in Madrid and one in Barcelona, for a total acquisition price of €49,052 thousand (see Note 6).

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Notes to the 2024 consolidated annual accounts.

(Expressed in euros)

SOCIMI scheme

The parent company is regulated by Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December and Law 11/2021 of 9 July on Listed Property Investment Companies. SOCIMIs come under a special tax scheme and must fulfil the following obligations, among others:

1. Corporate purpose obligation. A SOCIMI's main corporate purpose must be the holding of municipal real property for lease or the holding of shares in other SOCIMIs or companies having similar objects and subject to the same dividend distribution scheme, or in collective investment undertakings.
2. Investment obligation.

- A SOCIMI must invest at least 80% of its assets in municipal property for leasing, in land to develop such property, provided the development commences within three years as from the acquisition of the land, or in equity interests in other entities having similar objects to those of a SOCIMI.

This percentage will be calculated based on the consolidated balance sheet if the company is the parent of a group as defined in Article 42 of the Code of Commerce, irrespective of residence and of the obligation to issue consolidated annual accounts. The group will consist solely of the SOCIMI and the other entities referred to in Article 2.1 of Law 11/2009.

There is an option to replace the carrying amount of the assets with the market value. Cash/receivables arising from the transfer of those assets will not be included in the calculation, provided the stipulated maximum reinvestment periods are not exceeded.

- Eighty percent of its income must derive from: (i) property leases; and (ii) dividends from shareholdings. This percentage will be calculated based on the consolidated balance sheet if the company is the parent of a group as defined in Article 42 of the Code of Commerce, irrespective of residence and of the obligation to issue consolidated annual accounts. The group will consist solely of the SOCIMI and the other entities referred to in Article 2.1 of Law 11/2009.
 - The real property must remain leased for at least three years (for calculation purposes, up to one year of the period in which the property was available for leasing may be added). Shareholdings must remain in assets for at least three years.
3. Regulated market trading obligation. SOCIMIs must be listed on a regulated market in Spain or in any other country with which Spain has a tax information exchange arrangement. The shares must be nominative.
 4. Profit distribution obligation. The Company must pay out the following profits as dividends after meeting legal requirements:
 - 100% of profits from dividends or shares of profits distributed by the entities referred to in Article 2.1 of Law 11/2009.
 - At least 50% of profits from the transfer of real property, shares or ownership interests referred to in Article 2.1 of Law 11/2009 and held to fulfil the core corporate purpose, completed once the minimum holding period has elapsed. The remainder of these profits must be reinvested in other property or interests held in order to fulfil the said purpose, within three years as from the transfer date.
 - At least 80% of all other profits obtained. Where dividends are paid out of reserves deriving from profits for a period in which the special tax scheme has been applied, the distribution must be made as described above.
 - The legal reserve of companies that have opted to apply the special scheme provided by this law must not exceed 20% of share capital. The bylaws of these companies may not stipulate any other restricted reserve.
 5. Information obligation (Notes 2 and 14). SOCIMIs must disclose in the notes to their annual accounts the information required by tax legislation governing the special scheme for SOCIMIs.
 6. Minimum capital. A SOCIMI's minimum share capital is €5 million.

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Notes to the 2024 consolidated annual accounts.

(Expressed in euros)

The special tax scheme may be applied in the terms stipulated in Article 8 of the Law even if the requirements are not fulfilled, on the condition that the requirements are met within two years as from the date on which the decision is taken to apply the scheme.

The failure to fulfil any of the above-mentioned conditions would mean a change to the general corporate income tax scheme as from the tax period in which the infringement takes place, unless it were corrected in the following year. The Company would also be required to pay in, together with the tax for that period, the difference between the income tax payable under the general regime and the amount paid under special scheme in the previous tax periods, notwithstanding any default interest, surcharges and penalties that may be applicable.

The corporate income tax rate for SOCIMIs is 0%. However, when the dividends distributed by the SOCIMI to its shareholders holding interests of over 5% are exempt or are taxed at a rate of below 10%, the SOCIMI will pay a special 19% tax on the amount of the dividend paid out to those shareholders, which will be treated as an income tax payment. If applicable, this special tax must be paid by the SOCIMI within two months as from the dividend distribution date.

The following should be noted in relation to compliance with the above-mentioned SOCIMI scheme requirements:

Ninety percent of rental income for 2024 was obtained from home leases, in accordance with the applicable administrative rules.

As regards the annual period ended 31 December 2024, the two-year period as from which all the above-mentioned SOCIMI scheme requirements must be met had not yet elapsed, as the parent company availed itself of the scheme on 22 June 2023. All the Company's shares have been listed on Euronext Access Paris since 28 November 2023.

2. Subsidiaries

The full consolidation method has been applied to all the subsidiaries, in which the Group exercises or is able to exercise control, i.e. the power to direct a company's financial and operating policies so as to obtain economic benefits from its activities. Control is generally, though not exclusively, considered to exist when 50% or more of the investee's voting rights are held directly or indirectly.

These companies are consolidated since they come under Article 2 of the Spanish standards on the preparation of consolidated annual accounts ("NOFCAC"), as follows:

1. When the parent company is in any of the following situations with respect to another company (subsidiary):

a) The parent company holds the majority of voting rights.

b) The parent company is empowered to appoint or dismiss the majority of the administrative body's members.

c) The parent company may cast, by virtue of agreements concluded with other shareholders, the majority of voting rights.

d) The parent company has appointed, with its votes, the majority of the administrative body's members, who hold their positions at the time the consolidated accounts are drawn up and for the two immediately preceding years. This is assumed to be the case when the majority of the members of the subsidiary's administrative body are members of the administrative body or senior managers of the parent company, or any other company controlled by the parent company.

Any minority interests in the equity and results of the consolidated subsidiary are presented under "non-controlling interests" in "Equity" in the consolidated balance sheet and in "Profit/(loss) attributed to non-controlling interests" in the consolidated income statement, respectively.

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Changes in the scope of consolidation

In 2024, the companies Elix RHS Properties, S.L. (originally named Prinor Atlantic, S.L.) and Miloski Investments, S.L. joined the Group when 100% of their shares were purchased for €3,000 in each case:

- On 26 February 2024, the parent company acquired all the share capital of Prinor Atlantic, S.L., consisting of 3,000 shares with a par value of €1 each. On the same date, 26 February 2024, the Company decided to change the subsidiary's name to Elix RHS Properties, S.L. The transaction price was €3,000.
- On 27 September 2024, the parent company acquired all the share capital of Miloski Investments, S.L., consisting of 3,000 shares with a par value of €1 each. The transaction price was €3,000.

These are the Group's first consolidated annual accounts, since it was formed as a result of the above-mentioned acquisitions.

The main data on the Group's subsidiaries are as follows:

	Euro	
	Elix RHS Properties, S.L.	Miloski Investments, S.L.
Name		
Address	Calle Serrano, 51, 4º derecha, Madrid	Calle Nanclares de Oca, 1-B, Madrid
Activity	Acquisition and development of municipal properties for leasing	Acquisition and development of municipal properties for leasing
Shareholding:		
Direct	100%	100%
Capital	3,000	3,000
Share premium	-	-
Reserves	-	-
Other contributions	15,951,229	13,750,000
Net profit/(loss) for the year	(632,865)	(457,847)

3. Basis of presentation of the consolidated annual accounts

3.1. Financial reporting regulatory framework applicable to the Company

These consolidated annual accounts have been issued by the Company's directors in accordance with the financial reporting regulatory framework applicable to the Company, which is laid down in:

- Spanish Code of Commerce, Law on Structural Changes and other commercial legislation.
- Chart of Accounts introduced under Royal Decree 1514/2007 and Royal Decree 1159/2010 of 17 September, approving the standards on the preparation of consolidated annual accounts, and subsequent amendments, the latest under Royal Decree 1/2021, as well as related industry adaptations, particularly the Industry Adaptation of the Chart of Accounts for Real Estate Companies introduced under the Order of 28 December 1994.
- Mandatory rules approved by the Spanish Institute of Accounting and Auditing.
- Other applicable Spanish accounting legislation.

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3.2. True and fair view

The accompanying consolidated annual accounts have been obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and methods contained therein, so as to present fairly the parent company's equity, financial position, results and cash flows generated during the year. These consolidated annual accounts, which have been drawn up by the Company's directors, will be submitted to the General Shareholders' Meeting for approval and are expected to be approved without changes.

In these consolidated annual accounts, information or disclosures that do not need to be broken down in view of their qualitative significance, are deemed to be immaterial or are not material in accordance with the materiality principle, as defined in the conceptual framework of the 2007 Chart of Accounts, have been omitted.

3.3. Non-mandatory accounting principles applied.

No non-mandatory accounting principles have been applied. The directors have issued these consolidated annual accounts taking into account all applicable mandatory accounting principles and standards that have a material effect. All mandatory accounting principles were applied.

3.4. Critical measurement issues and estimates of uncertainty.

When preparing the accompanying consolidated annual accounts, the directors have made certain estimates based on past experience and other factors which are deemed reasonable in the circumstances and are the basis for determining the carrying amounts of certain assets, liabilities, income, expenses and commitments the value of which is not easily obtainable using other sources. The Company continuously reviews its estimates.

Although these estimates have been prepared using the best information available at the 2023 year end, future events may give rise to the need to adjust them up or down in coming years, which would in any event be carried out prospectively.

The main forward-looking assumptions used and other relevant sources of uncertainty in the year-end estimates which could have a significant effect on the consolidated annual accounts in the coming year refer to:

- Useful life of investment property.
- Recoverable amount of investment property based on independent third-party expert valuations.
- Estimation of compliance with the requirements of the SOCIMI scheme and of corporate income tax expense under legislation applicable to SOCIMI scheme companies (Note 15).

3.5. Comparability

The accounting policies were applied consistently in 2024 and 2023, there being no operations or transactions recorded under different accounting principles that could result in discrepancies in the interpretation of the comparative figures for both periods.

The figures for the previous year, 2023, which are included for comparative purposes, have not been audited, as this is the first financial year in which the Company issues consolidated annual accounts (Note 2).

3.6. Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and cash flow statement are grouped together for clarity although, insofar as it is significant, a breakdown has been included in the relevant notes to the consolidated accounts.

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3.7. Changes in accounting policies

There were no material changes to the accounting policies applied in 2023 during the year ended 31 December 2024.

3.8. Financial situation

At 31 December 2024, the Group records positive working capital of €1,731,527 (as compared to positive working capital of €7,239 at 31 December 2023). In addition, the Group's equity is positive in the amount of €33,471,485, having been positive in the amount of €5,541,996 at 31 December 2023.

In this context, the parent company's directors decided to issue these consolidated annual accounts on a going concern basis, entailing the recovery of assets and settlement of liabilities at the amounts and according to the classification reflected in the accompanying consolidated balance sheet.

4. Application of results

The proposal for the distribution of profit/(loss) for the financial year ended 31 December 2024 prepared by the directors and pending approval by the General Shareholders' Meeting, and the distribution of the 2023 profit/(loss) approved by the General Shareholders' Meeting on 28 June 2024, are as follows:

	31/12/2024	31/12/2023 (*)
Available for distribution		
Profit/(loss) for the year	(1,456,770)	(817,318)
Total	(1,456,770)	(817,318)
Application		
To prior-year losses	(1,456,770)	(817,318)
Total	(1,456,770)	(817,318)

(*) Unaudited.

4.1. Restrictions on the payment of dividends

The Company is required to transfer 10% of profits for each year to the legal reserve until the balance in this reserve reaches at least 20% of share capital. This reserve may not be distributed to the shareholders until it exceeds 20% of share capital.

Once the conditions laid down in applicable legislation and the Company's Bylaws have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if equity is not less or is not reduced to less than share capital. To this effect, profits allocated directly to equity may not be distributed directly or indirectly. If there are prior-year losses reducing the Group's equity to less than share capital, profits are used to offset these losses.

The parent company did not distribute dividends at 31 December 2024 or 2023.

4.2. Mandatory distribution of dividends

As the Company is under the SOCIMI scheme, and pursuant to Article 29 of its bylaws, it will be required to distribute profits obtained for each period as dividends to its shareholders, once applicable provisions of company legislation are fulfilled, in accordance with Article 6 of Law 11/2009 (26 October) on listed property investment companies (SOCIMI).

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5. Accounting principles

5.1. Investment property

The balance sheet heading "Investment property" reflects the values of land, buildings and other constructions held for rent or to obtain a capital gain on their sale as a result of future increases in market prices.

Investment property is initially carried at acquisition price or production cost and subsequently reduced by accumulated depreciation and any impairment losses.

Extension, modernisation or improvement expenses that increase productivity, capacity or efficiency or lengthen the useful life of the assets are capitalised as an increase in the cost of the assets in question, while repair and maintenance expenses are charged to the income statement for the year they are incurred.

For investment properties requiring more than one year before they are ready for use, capitalised costs include any financial expense that accrues before the asset is operational and is charged by the supplier or relates to loans or other external funding, whether specific or general, directly attributable to the asset's acquisition, manufacture or construction. No such financial expenses were capitalised in 2024.

Investment property is depreciated on a straight-line basis over the estimated useful lives of the assets concerned as follows:

	Years of estimated useful life
Buildings	50
Furniture	10

Give the programme's investment strategy, which consists of buying assets that require urban development and renovation, depreciation begins when such activities are completed, and the buildings are ready to be let. Until then, any leased properties are classed as residual.

Gains or losses on the sale or retirement of an asset are the difference between their carrying amount and their selling price; they are recognised in the income statement item "Impairment and profit/(loss) on fixed asset disposals".

The Group records impairment provisions for investment property when the net realisable value is below the cost recognised in the accounts. The directors use independent expert valuations to determine net realisable value. The valuation was performed by Savills at year-end 2024.

The valuation base used by the independent expert valuer is market value, which is obtained from the RICS (Royal Institute of Chartered Surveyors) "Red Book on Professional Standards, incorporating the International Valuation Standards".

The valuation method applied by the independent third party was based on individual appraisals after inspecting the properties. The units were valued using the discounted cash flow method as the assets are used to obtain income. In this regard, the valuation entailed discounting cash flows using the rental income and the costs of maintaining the assets (taxes, maintenance), as well as estimating the cost of refurbishing the asset once the lease expires and prior to marketing the asset for sale, and a terminal value or exit price.

The properties were valued individually taking into account each of the leases in force at the year-end. Vacant areas in buildings were valued on the basis of estimated future rent, discounting a marketing period.

The key variables are net income, the period of time in which the income is discounted, the approximate value calculation carried out at the end of each period and the target internal rate of return used to discount the cash flows.

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At 31 December 2024, according to the valuation report issued by the independent expert, investment property showed no signs of impairment, the market value of the asset now acquired being €66,836 thousand. Accordingly, the Company recognises no impairment losses at 31 December 2024. A possible 10% decrease in values would not entail recognising any impairment losses at the year-end.

5.2. Leases

Leases are treated as finance leases when, on the basis of the lease terms, it may be inferred that all the risks and rewards of ownership of the leased assets are transferred to the lessee. All other leases are classified as operating leases.

All the Company's leases are operating leases at 31 December 2024.

Operating leases

Income and expenses deriving from operating leases are taken to the income statement in the year in which they accrue.

The acquisition cost of the leased asset is presented in the balance sheet on the basis of its nature, increased by the amount of directly attributable contract costs, which are recognised as an expense over the lease term using the same method applied to recognise lease income.

Any collection or payment that may be made when an operating lease is arranged is treated as an advance collection or payment and is taken to results over the lease period as the profits from the leased asset are assigned or received.

5.3. Financial instruments

5.3.1 Financial assets at amortised cost

This category includes financial assets, including those traded on an organised market, in which the Company invests in order to receive cash flows when the contract is performed and the contractual conditions of the financial asset give rise, on specific dates, to cash flows that consist only of receipts of principal and interest on the outstanding amount of principal.

Contractual cash flows that are only receipts of principal and interest on the outstanding principal are inherent in an arrangement that has the nature of an ordinary or common loan, regardless of whether or not the agreed interest rate is zero or below market.

The category includes trade and non-trade receivables:

- a) Trade receivables: financial assets arising from the sale of goods or provision of services in business transactions completed on deferred payment terms; and
- b) Non-trade receivables: financial assets that are not equity instruments or derivatives, do not arise from commercial transactions, give rise to receipts in determined or determinable amounts and derive from loans or credit granted by the entity.

Initial measurement

Financial assets in this category are initially measured at fair value which, unless otherwise evidenced, will be the transaction price, which will be equal to the fair value of the consideration paid plus directly attributable transaction costs.

Nonetheless, trade receivables maturing in one year or less, for which there is no explicit contractual interest rate, and loans to employees, dividends receivable and payments due on equity instruments, the amount of which is expected to be received in the short term, are measured at face value, provided the effect of not discounting cash flows is immaterial.

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Subsequent measurement

Financial assets included in this category are measured at amortised cost. Accrued interest will be recorded in the income statement using the effective interest method.

This notwithstanding, receivables maturing in one year or less and initially carried at face value as indicated above will continue to be carried at face value unless they become impaired.

When the contractual cash flows from a financial asset change due to the issuer's financial difficulties, the entity analyses whether or not to recognise an impairment loss.

Impairment

The necessary value adjustments are made at the year-end at least and provided that there is objective evidence that the value of a financial asset or group of financial assets with similar risk characteristics measured collectively has become impaired as a result of one or more events occurring after their initial recognition and that result in a reduction or delay in estimated future cash flows, which may be triggered by the debtor's insolvency.

In general, the impairment loss on these financial assets is the difference between their carrying amount and the present value of future cash flows including, if applicable, those deriving from the enforcement of security interests and personal guarantees, which it is estimated will be generated, discounted at the effective interest rate calculated at the time of their initial recognition. For financial assets at variable interest rates, the effective interest rate at the closing date of the consolidated annual accounts will be used in accordance with contractual conditions.

Impairment adjustments and related reversals, where the amount of the impairment loss decreases as a result of a subsequent event, are recognised as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognised at the reversal date had no impairment been recorded.

5.3.2 Financial liabilities at amortised cost

In general, this category includes trade and non-trade payables.

a) Trade payables: financial liabilities arising from the purchase of goods and services in business transactions completed on deferred payment terms; and

b) Non-trade payables: financial liabilities that are not derivatives and do not arise from commercial transactions but from loans or credit received by the entity.

Participating loans that have the features of an ordinary or common loan are also included in this category, regardless of the agreed interest rate (zero or below market).

Initial measurement.

Financial liabilities in this category are initially measured at fair value, which is the transaction price and is equal to the fair value of the consideration received, as adjusted for directly attributable transaction costs.

Nonetheless, trade payables maturing in one year or less for which there is no contractual interest rate, and amounts payable to third parties on shares, the amount of which is expected to be paid in the short term, are carried at face value, provided the effect of not discounting cash flows is not significant.

Subsequent measurement.

Financial liabilities included in this category are carried at amortised cost. Accrued interest is recorded in the income statement using the effective interest method.

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Nonetheless, payables falling due in less than one year and initially measured at face value will continue to be reflected in that amount.

5.4. Corporate income tax

General regime

Income tax expense or income comprises current tax expense or income and deferred tax expense or income.

Current tax is the amount paid by the Group as a result of corporate income tax assessments for the year. Deductions and other tax benefits applied to tax payable, without taking into consideration withholdings and interim payments, as well as tax-loss carry forwards actually applied in the current year, are recognised as a reduction in current tax.

Deferred tax expense or income relates to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax-loss and tax-credit carry forwards. These amounts are recognised by applying to the temporary difference or tax credit the tax rates that are expected to apply when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all temporary taxable differences, barring those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that does not affect either taxable income or the reported result and is not a business combination.

Deferred tax assets are only recognised to the extent that it is deemed likely that the Company will obtain future taxable income against which to apply them.

Deferred tax assets and liabilities, resulting from transactions charged or credited to equity accounts, are also accounted for with a balancing entry in equity.

At each accounting close, deferred tax assets recognised are reconsidered and the relevant adjustments are made where there are doubts as to their future recovery. Additionally, at each closing, deferred tax assets not reflected in the balance sheet are assessed and recognised to the extent that their recovery against future taxable income is deemed to be probable.

SOCIMI scheme

Under Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December and Law 11/2021 of 9 July on listed property investment companies, entities that meet legal requirements and opt to apply the special tax scheme provided by that law pay 0% corporate income tax. The amendment in Law 11/2021 imposes a tax of 15% on profits not distributed in the form of dividends, which does not apply to the Company in the year ended 31 December 2021. In the event of tax losses, Article 26 of Law 27/2014 of 27 November on Corporate Income Tax does not apply. The rules for deductions and allowances provided by Chapters II, III and IV of that law are not applicable either. All matters not envisaged in the SOCIMI Law are governed by Law 27/2014 on Corporate Income Tax.

The parent company is subject to a special 19% tax on the entire amount of dividends or shares in profits paid to shareholders owning at least 5% of share capital, where the dividends, for the shareholders, are tax exempt or subject to a tax below 10%. This tax is treated as corporate income tax payable.

The provisions of the preceding paragraph do not apply when the shareholder receiving the dividend is an entity that comes under the SOCIMI Law.

Furthermore, as explained in relation to the amendments to Law 11/2021 of 9 July, the Company will be subject to a special 15 % tax on the portion of retained earnings deriving from income not already taxed at the general income tax rate or in the reinvestment period regulated by Article 6.1.b) of this Law. This tax is treated as corporate income tax payable.

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At 31 December 2024, the directors state that there has been no infringement of the SOCIMI scheme, since the two-year period following notification of the application of the scheme has not elapsed. Once it has elapsed, compliance with the SOCIMI scheme will be enforceable. In any event, the parent company's directors periodically monitor fulfilment of the conditions laid down in the SOCIMI tax scheme.

5.5. Cash and cash equivalents.

This balance sheet caption includes cash, bank current accounts, deposits and asset repos that meet all of the following requirements:

- They are convertible into cash.
- On acquisition, they will mature in three months or less.
- They are not subject to significant value fluctuation risk.
- They form part of the Company's ordinary cash management policy.

5.6. Equity

Share capital consists of ordinary shares.

In the event that the parent company's treasury shares are acquired, the consideration paid, including any directly attributable incremental cost, is deducted from equity until the shares are redeemed, reissued or sold. When treasury shares are subsequently sold or reissued, any amount received is taken to equity net of any directly attributable incremental transaction costs.

5.7. Current and non-current items

Current assets are assets that relate to the ordinary operating cycle, which is generally a one-year cycle, as well as other assets the maturity, sale or realisation of which is expected in the short term as from the year-end, financial assets held for trading, except for derivatives with settlement periods exceeding one year, and cash and cash equivalents. Assets that do not meet these requirements are classed as non-current.

Similarly, current liabilities are liabilities that relate to the ordinary operating cycle, as well as financial liabilities held for trading, except for derivatives with settlement periods exceeding one year and, in general, all obligations that will fall due or be extinguished in the short term. Otherwise, they are presented as non-current.

5.8. Functional currency

The information disclosed in these notes to the consolidated annual accounts is presented in euros, the currency of the Group's primary economic environment.

5.9. Provisions and contingencies

When preparing the consolidated annual accounts, the Group's directors distinguish between the following items:

- a) Provisions: credit balances that cover present obligations deriving from past events, the settlement of which is likely to trigger an outflow of funds the amount or timing of which cannot be determined.
- b) Contingent liabilities: possible obligations resulting from past events, the future materialisation of which is contingent upon the occurrence or otherwise of one or more future events that are beyond the Company's control.

The consolidated annual accounts reflect all provisions in respect of which it is more likely than not that the obligation will have to be fulfilled. Unless they are deemed to be remote, contingent liabilities are not recognised in the consolidated annual accounts but are reported in the notes to the consolidated accounts.

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Provisions are carried at the present value of the best possible estimate of the amount necessary to settle or transfer the obligation, taking into account the information available on the event and its consequences. Any adjustments arising on the updating of such provisions are reflected as a financial expense on an accrual basis.

The consideration receivable from a third party when the obligation is settled is recognised as an asset, provided there are no doubts that the consideration will be received, except in the event that there is a legal relationship through which a part of the risk has been externalised and whereby the Company is not liable; in this situation, the consideration will be taken into account to estimate the amount of the relevant provision.

5.10. Related-party transactions.

The Company carries out all transactions with related parties at arm's length prices. Transfer prices are adequately supported and therefore the Company's directors consider that there are no significant risks in this respect that could give rise to material liabilities in the future.

5.11. Income and expenses

Revenues are stated at the fair value of the consideration to be received and represent the amounts to be collected for the services rendered during the ordinary course of the Company's activities, less returns, discounts, rebates and VAT.

Provision of lease services

The legislation is based on the principle that revenue is recognised when control over a good or service is transferred to the customer in the amount that reflects the consideration to which the entity expects to be entitled (so the concept of control, as a fundamental principle, replaces the risk and reward concept).

The following successive steps must be observed when applying this fundamental principle:

- Identify contracts with customers;
- Identify the performance obligations;
- Determine the price or consideration of the transaction contracted;
- Allocate the transaction price to the contract's performance obligations; and
- Recognise revenue when (or as) the entity fulfils each performance obligation.

The Company provides lease services. According to the findings of the Company's analysis, all revenue consists of rent for the properties carried under "Investment property", which are let out under operating leases. The revenue is recognised as it accrues and the right-of-use obligation is fulfilled, allocating the profits as incentives and the initial lease costs on a straight-line basis.

Costs associated with each rental payment, including impairment, are recognised as an expense.

5.12. Environmental assets and liabilities

Environmental assets are assets used on a long-term basis in the Group's activities, the main purpose of which is to minimise environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution.

Given the Group's current activities, it records no liabilities, expenses, assets, provisions or contingencies of an environmental nature that might be material to its equity, financial situation or results.

The Group's directors consider that there are no significant contingencies related to environmental protection and improvement and there is no need to record a provision for environmental liabilities and charges at 31 December 2024 or 2023.

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6. Investment property

Movements under this balance sheet heading during the financial years ended 31 December 2024 and 2023 and the most significant information on these assets are set out below:

FY 2024

	Euro			
	31/12/2023 (*)	Additions / (Charges)	Transfers	31/12/2024
Land and buildings:				
Investments in land	5,777,520	39,086,636	-	44,864,156
Investments in buildings	1,643,774	13,261,909	-	14,905,683
Prepayments to suppliers	1,811,822	-	(1,811,822)	-
Accumulated depreciation	-	-	-	-
Total	9,233,116	52,348,545	(1,811,822)	59,769,839

(*) Unaudited.

FY 2023

	Euro			
	31/12/2022 (*)	Additions / (Charges) (*)	Transfers (*)	31/12/2023 (*)
Land and buildings:				
Investments in land	-	5,777,520	-	5,777,520
Investments in buildings	-	1,643,774	-	1,643,774
Prepayments to suppliers	-	1,811,822	-	1,811,822
Accumulated depreciation	-	-	-	-
Total	-	9,233,116	-	9,233,116

(*) Unaudited.

The Group's investment properties are to be renovated and then let.

Additions in 2024 are described below:

- Investments made in the Madrid building acquired in 2023.
- Acquisitions of new buildings, six in Madrid and one in Barcelona, for a total acquisition price of €49,052 thousand, together with expenditure associated with and investments made in these properties.

At year-end 2023, the Group had made binding earnest money commitments to invest in new properties totalling €1,811 thousand, which were acquired in 2024, so there is no balance under "Prepayments to suppliers" at 31 December 2024.

At the year-end, the Company has not begun to depreciate the building owned, which is still in the development phase under the business plan, whereby it is to be renovated. Accordingly, there is no fully depreciated investment property at 31 December 2024.

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Operating income and expenses generated by investment property are shown below:

	At 31 December 2014
Lease income	559,031
Operating expenses resulting from investment properties that generate lease income	1,773,359
Operating expenses resulting from investment properties that do not generate lease income	1,354,051

At year-end 2024, the Company has assets for a cost value of €26,767 thousand that are mortgaged under financing or other arrangements in the amount of €30,013 thousand (Note 11). The associated loans accrued interest of €581 thousand carried under "Financial expenses" in the income statement.

At year-end 2024 there are no restrictions of any kind on new real property investments or on the collection of revenue from property investments, nor in relation to funds obtained from a possible sale.

It is Company practice to arrange insurance policies to cover the possible risks to which investment properties are subject. There is no shortfall in related insurance coverage at year-end 2024.

Impairment loss:

In accordance with accounting standard no. 2 of the Chart of Accounts and the Spanish Institute of Accounting and Auditing's Resolution of 1 March 2013, the Company reviews the fair values, useful lives and valuations methods of the properties held at the year-end at least.

When the market value or any other value of an asset is below the amortised value, measurement adjustments are made and an impairment provision is recognised where the decline in value is reversible.

The market value of the properties is determined based on a valuation carried out by independent valuation experts. The building owned by the Company was valued in 2024 and 2023. The latest valuation was carried out on 31 December 2024, when the market value was above the carrying amount.

7. Leases

As the tenant, most of the Company's operating leases may be terminated by the tenants with one month's prior notice at 31 December 2024.

Minimum operating lease instalments	Euro	Euro
	31/12/2024	31/12/2023 (*)
Less than 1 year	41,442	67,735
Between 1 and 5 years	2,823,696	63,691
More than 5 years	-	9,019

(*) Unaudited.

At year-end 2024, the Company recognises €134,606 in security deposits received from tenants (Note 11).

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8. Financial assets

The balance under “Long-term investments” is analysed below at 31 December 2024:

FY 2024

	Euro			
	Loans to third parties	Security deposits	Other financial assets	Total non-current
Financial assets at amortised cost	266,459	90,480	-	356,939
Balance at 31 December 2024	266,459	90,480	-	356,939

The balance under “Long-term investments” is analysed below at 31 December 2023:

FY 2023

	Euro			
	Loans to third parties (*)	Security deposits (*)	Other financial assets (*)	Total non-current (*)
Financial assets at amortised cost	255,178	-	-	255,178
Balance at 31 December 2023	255,178	-	-	255,178

(*) Unaudited.

On 27 July 2023, a long-term loan of €250,000 was granted to a Company shareholder and manager, falling due in 2025 at maturity. The term was subsequently extended for a two-year period (until July 2027), partially repayable in July 2026 (€100,000) and the remainder at maturity. The balance includes €16,459 in interest accrued from the above-mentioned arrangement date, also payable at maturity and carried under “Financial income” in the income statement.

In addition, the Group records security deposits amounting to €90,480 at 31 December 2024.

A breakdown of “Trade and other receivables” at 31 December 2024 is as follows:

FY 2024

	Euro		
	Trade receivables for sales	Sundry receivables	Total
Financial assets at amortised cost	98,199	427,466	525,665
Balance at 31 December 2024	98,199	427,466	525,665

At 31 December 2024, trade receivables for sales amount to €98,199, relating entirely to rent pending collection at the year-end.

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A breakdown of "Trade and other receivables" at 31 December 2023 is as follows:

FY 2023

	Euro		
	Trade receivables for sales (*)	Sundry receivables (*)	Total (*)
Financial assets at amortised cost	-	9,305	9,305
Balance at 31 December 2023	-	9,305	9,305

(*) Unaudited.

9. Cash and cash equivalents

Set out below is a breakdown of cash and cash equivalents at 31 December 2024 and 2023:

	31/12/2024	31/12/2023 (*)
Cash	2,750,759	1,250,920
Total cash and cash equivalents	2,750,759	1,250,920

(*) Unaudited.

The Company records restricted cash in the amount of €2,124,558 at 31 December 2024 (as compared to €600,000 at 31 December 2023), securing the mortgage loans described in Note 10.

10. Financial liabilities at amortised cost

Long term:

Set out below is a breakdown of "Long-term payables" at year-end 2024:

	Long-term financial instruments		TOTAL
	Bank borrowings	Other financial liabilities	
FY 2024			
Liabilities at amortised cost	28,484,241	134,606	28,618,847
TOTAL	28,484,241	134,606	28,618,847

The balance under "Bank borrowings" includes €28,912,900 reflecting the principal amount of mortgage loans in force and €428,659 in related arrangement expenses. The Group has eight mortgage loans, one on each of the buildings owned. One mortgage was arranged in 2023 and the others in 2024, for a drawable sum of €44,162,900, at market prices.

€134,606 in "Other financial liabilities" reflects the security deposits received from customers under home leases (Note 5).

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Set out below is a breakdown of “Long-term payables” at year-end 2023:

	Long-term financial instruments		TOTAL (*)
	Bank borrowings (*)	Other financial liabilities (*)	
FY 2023			
Liabilities at amortised cost	3,950,597	2,940	3,953,537
TOTAL	3,950,597	2,940	3,953,537

(*) Unaudited.

The balance under “Bank borrowings” includes €4,000,000 reflecting the principal amount of the mortgage loan described in Note 9.1 and €49,403 in related arrangement expenses. €2,940 in “Other financial liabilities” reflects the security deposits received from customers under home leases (Note 5).

Short term:

Set out below is a breakdown of “Short-term payables” and “Trade and other payables” at year-end 2024 and 2023:

	Short-term financial instruments			TOTAL
	Bank borrowings	Other financial liabilities	Sundry payables	
FY 2024				
Liabilities at amortised cost	266,075	67,264	1,233,732	1,567,071
TOTAL	266,075	67,264	1,233,732	1,567,071

	Short-term financial instruments			TOTAL (*)
	Bank borrowings (*)	Other financial liabilities (*)	Sundry payables (*)	
FY 2023				
Liabilities at amortised cost	453,883	680,786	126,884	1,261,553
TOTAL	453,883	680,786	126,884	1,261,553

(*) Unaudited.

At year-end 2024, the Company has not utilised the credit line in force and records interest pending payment to credit institutions in the amount of €32,766. In the previous year, at 31 December 2023, the balance with credit institutions stood at €453,883, reflecting the credit line at the year-end in the amount of €403,001 and interest accrued in the amount of €50,882 and pending payment at the year-end, on the mortgage loan (€41,714) and on the credit line (€9,168).

“Other financial liabilities” relate to the excess amount paid by investors in response to the capital call made by the Company in December 2024.

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10.1 Classification by maturity date

A breakdown by maturity of total financial liabilities at 31 December 2024 is as follows:

FY 2024

Financial liabilities	2025	2026	2027	2028 and beyond
Bank borrowings	266,075	1,600,859	1,739,923	25,143,459
Other financial liabilities	67,264	-	-	134,606
Sundry payables	1,233,732	-	-	-
TOTAL	1,567,071	1,600,859	1,739,923	25,278,065

11. Equity and shareholders' funds

11.1. Share capital

The parent company was incorporated on 30 May 2022 with share capital of €60,000 consisting of 60,000 fully-subscribed and 25% paid-up shares with a par value of €1 each, numbered sequentially one through 60,000. On 26 June 2023, the sole shareholder at the time approved the payment of the outstanding 75% of share capital. The following capital increases were also carried out in 2023:

- On 26 June 2023, the parent company's sole shareholder approved a new capital increase through a cash contribution of €2,046,385.11, issuing 102,318 new ordinary shares with a share issue premium of €19.00 per share. The capital increase was entered in the Madrid Commercial Register on 27 July 2023.
- On 29 July 2023, the Board of Directors, under the sole shareholder's delegation resolution, partially implemented the capital increase (sole shareholder's resolution of 26 June 2023), which was subsequently executed in a public deed before the Madrid notary public Mr. Antonio Morenés Giles on 20 October 2023, number 1,281 of his protocol, entailing a total cash contribution of €829,656.69 and the issuance of 41,483 new shares with a par value of €1 each and a share issue premium of €19.00 per share. The share capital increase and share issue premium totalled €41,483 and €788,173.69, respectively.
- On 16 October 2023, the Board of Directors, under the sole shareholder's delegation resolution, partially implemented the capital increase (sole shareholder's resolution of 26 June 2023), which was subsequently executed in a public deed before the Madrid notary public Mr. Antonio Morenés Giles on 20 October 2023, number 1,281 of his protocol, entailing a total cash contribution of €3,500,000 and the issuance of 175,002 new shares with a par value of €1 each and a share issue premium of €19.00 per share. The share capital increase and share issue premium totalled €175,002 and €3,324,998.00, respectively.

The following capital increases were carried out in 2024:

- On 23 February 2024, a capital increase for a total nominal amount of €881,889.12 was carried out through the issuance and circulation of 44,093 new ordinary shares with a par value of €1 each and a share issue premium of €19.0006604 per share, as reflected in the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 681 of his protocol. The capital call was made in the previous year, specifically in December 2023.
- On 2 August 2024, a capital increase for a total nominal amount of €16,685 was carried out through the issuance and circulation of 16,685 new ordinary shares with a par value of €1 each and a share issue premium of €19.001020 per share, as reflected in the certificate of 1 August 2024 by delegation of the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 1,642 of his protocol.

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- On 4 October 2024, a capital increase for a total nominal amount of €95,465 was carried out through the issuance and circulation of 95,465 new ordinary shares with a par value of €1 each and a share issue premium of €19.9999876 per share, as reflected in the certificate and deed of 26 September 2024 authorised by Manuel Richi Alberti, number 4,108 of his protocol.
- On 8 November 2024, a capital increase for a total amount of €4,815,414 was carried out through the issuance and circulation of 4,815,414 new ordinary shares with a par value of €1 each and without a share issue premium, as reflected in the certificate and deed of 28 June 2024 authorised by Juan José De Palacio Rodríguez, number 4,481 of his protocol.

Additionally, capital contributions were charged to the "Shareholder contributions" account in 2024 for a total amount of €23,166,498, the latest in December 2024, which was pending payment in the amount of €321,872 at 31 December 2024, the payment having been made early in 2025.

The Company's year-end share capital stands at €5,350,460 at 31 December 2024.

The Company's shares are listed on Euronext Access Paris at 31 December 2024 (Note 1).

No shareholder owns a significant interest (10% or more) in the Company at 31 December 2024.

11.2. Legal reserve and other reserves

Pursuant to the Spanish Companies Act 2010, the Company must transfer 10% of profits for each year to the legal reserve until the balance in the reserve reaches at least 20% of share capital. The legal reserve may only be used to increase the capital up to the portion of said legal reserve which exceeds 10% of the capital after the increase. Except for the above-mentioned purpose, until the legal reserve exceeds 20% of share capital it may only be used to offset losses and provided that no other sufficient reserves are available.

Under Law 11/2009 on listed property investment companies (SOCIMI), the legal reserve of companies that have opted to apply the special scheme provided by this law may not exceed 20% of share capital. The bylaws of these companies may not stipulate any other reserve.

The Company's minimum legal reserve is not funded at 31 December 2024.

11.3. Restrictions on the payment of dividends

As a SOCIMI, and pursuant to Article 38 of its bylaws, the Company will be required to distribute profits obtained for each period as dividends to its shareholders, once applicable provisions of company legislation are fulfilled, in accordance with Article 6 of Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December and by Law 11/2021 of 9 July on listed property investment companies (SOCIMI).

Once the conditions laid down in applicable legislation and the Company's Bylaws have been met, dividends may only be distributed against profit for the year or against unrestricted reserves if equity is not less or is not reduced to less than share capital. To this effect, profits allocated directly to equity may not be distributed directly or indirectly. If there are prior-year losses reducing equity to less than share capital, profits are used to offset these losses.

The Company did not distribute dividends at 31 December 2024 or 2023.

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11.4. Treasury shares

The following is stated in relation to treasury shares or parent company shares held by the Company or a third party acting on behalf of the Company:

31 December 2024

	No. of shares	Acquisition cost (euro)	Average acquisition price (euro per share)	Total acquisition cost (euro)	Average selling price (euro per share)	Total amount sold (euro)
Treasury shares	600,000	600,000	1	600,000	-	-

31 December 2023 (*)

	No. of shares	Acquisition cost (euro)	Average acquisition price (euro per share)	Total acquisition cost (euro)	Average selling price (euro per share)	Total amount sold (euro)
Treasury shares	60,000	60,000	1	60,000	-	-

(*) Unaudited.

The treasury share portfolio is managed by Renta 4, the Company's liquidity provider.

12. Provisions and contingencies

At 31 December 2024, the Company is unaware of any contingencies or litigation in progress that could have a material impact on the accompanying consolidated annual accounts (no change since the previous year).

13. Financial risk management

13.1 Financial risk factors

The Company's activities are exposed to various types of financial risk: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's profits.

a) Market risk

- Foreign exchange risk

The Company operates in the domestic market and all transactions are completed in euros. Therefore, its functional currency is not exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations, which the Company does not undertake.

- Price risk

As the balance sheet includes no listed financial instruments, the Company has no material exposure to equity instrument price risk.

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- *Cash flow and fair value interest rate risks*

The Company's interest rate risk arises from borrowings. Loans issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash held at variable rates. Fixed interest rate loans expose it to fair value interest rate risk.

b) Credit risk

This defined as the risk of financial loss to which the Company is exposed if a customer or counterparty does not fulfil its contractual obligations. The Company has no significant credit risk concentrations. The Company keeps cash and cash equivalents at financial institutions with a high credit standing.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or other financial assets. The Company manages liquidity risk prudently and only obtains borrowings from highly solvent financial institutions.

The Company has the cash resources reflected in its balance sheet in order to assure liquidity and be able to meet all payment commitments arising in the course of business. The Company also expects to make capital calls on investors that have signed investment commitment letters, before making new investments.

12.2. Information on the average supplier payment period

There follows a breakdown of the information required by Additional Provision Three of Law 15/2010 of 5 July (amended by Final Provision Two of Law 31/2014 of 3 December), prepared in accordance with the Resolution of the Spanish Institute of Accounting and Auditing (ICAC) of 29 January 2016 on the information to be included in the notes to the consolidated annual accounts in relation to the average supplier payment period in commercial transactions:

	2024	2023 (*)
	Days	Days
Average supplier payment period	17	4
Ratio of transactions settled	17	3
Ratio of transactions pending payment	13	18
	Amount	Amount
Total payments made	49,749,057	8,193,683
Total payments pending	103,123	129,318

(*) Unaudited.

The following information is also furnished in accordance with the new requirements introduced by Article 9 of Law 18/2022 of 28 September:

Number (units)	2024	2023 (*)
Invoices settled before the end of the legal maximum supplier payment period	1,123	184
Percentage of total supplier invoices	77%	89%
Volume (thousand euro)	2024	2023
Invoices settled before the end of the legal maximum supplier payment period	46,104	8,112
Percentage of total supplier invoices	93%	99%

(*) Unaudited.

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“Average supplier payment period” refers to the period that elapses from the invoice date to actual settlement of the transaction, as may be understood from the ICAC Ruling.

The ratio of settled transactions is calculated as a quotient in which the numerator is the sum of amounts paid multiplied by the number of payment days (calendar days from the start of the period to actual payment) and the denominator is the total amount of payments made.

This “Average supplier payment period” is calculated as a quotient in which the numerator is the sum of the ratio of settled transactions multiplied by the total amount of payments made plus the ratio of transactions pending payment multiplied by the total amount of payments outstanding, and the denominator is the total amount of payments made and payments outstanding.

The ratio of transactions pending payment is calculated as a quotient in which the numerator is the sum of amounts pending payment multiplied by the number of days pending payment (calendar days from the start of the period to day on which the annual accounts are closed) and the denominator is the total amount of payments outstanding.

In accordance with Article 3 of the ICAC's Ruling of 29 January 2016, the amount of transactions accrued before Law 31/2014 (3 December) came into force has not been considered.

The legal maximum payment period applicable to the Company under Law 11/2013 of 26 July is 30 days, unless the parties agreed on a maximum 60-day period.

14. Public Administrations and tax situation

14.1. Current balances with Public Administrations

A breakdown of current balances with Public Administrations at 31 December 2023 and 2022 is as follows:

	Euro		Euro	
	31/12/2024		31/12/2023 (*)	
	Balance receivable	Balance payable	Balance receivable	Balance payable
VAT refundable	52,136	-	11,720	-
Personal income tax withholdings payable	-	29,962	-	3,153
Total	52,136	29,962	11,720	3,153

(*) Unaudited.

The Company is subject to value added tax (VAT) in the course of its municipal property leasing activity. However, certain transactions, such as home leases, are exempt from VAT, meaning that the Company must apply the pro rata scheme under Articles 102 et seq of Law 37/1992 of 28 December on Value Added Tax. Therefore, the deduction in input VAT on acquisitions of goods and services is limited to transactions subject to and not exempt from VAT. In the case of general overheads unrelated to a specific activity, the Company opts to apply the special VAT pro rata rule, the non-deductible percentage in its activities subject to VAT being 9% in the case of Elix Rental Housing Socimi II, S.A., 6% in the case of Elix RHS Properties, S.L. and 11% in the case of Miloski Investments, S.L. (general regime without the pro rata in the previous year).

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14.2. Reconciliation of reported profit/(loss) and taxable income.

Set out below is the reconciliation of reported results and the corporate income tax base for 2024 and 2023:

FY 2024

Item	Euro		
	Increase	Decreases	Total
Reported profit/(loss) before tax			(2,547,480)
Permanent differences:	-	-	-
Temporary differences:	-	-	-
Tax base	-	-	(2,547,480)

FY 2023

Item	Euro		
	Increases (*)	Decreases (*)	Total (*)
Reported profit/(loss) before tax			(817,318)
Permanent differences:	-	-	-
Temporary differences:	-	-	-
Tax base	-	-	(817,318)

(*) Unaudited.

14.3. Reconciliation of reported profit/(loss) and income tax expense

Corporate income tax is calculated on the basis of reported profits/(loss) determined by applying generally accepted accounting principles and does not necessarily coincide with the tax assessment base. Set out below is the reconciliation of 2024 and 2023 income and expenses with the income tax assessment base:

FY 2024

	Euro		
	Increase	Decreases	Total
Reported profit/(loss) before tax			(2,547,480)
Permanent differences	-	-	-
Temporary differences	-	-	-
Tax base			(2,547,480)
Tax payable at 25%			-
Total income / (expense) recognised in the income statement			-

FY 2023

	Euro		
	Increases (*)	Decreases (*)	Total (*)
Reported profit/(loss) before tax			(817,318)
Permanent differences	-	-	-
Temporary differences	-	-	-
Tax base			(817,318)
Tax payable at 25%			-
Total income / (expense) recognised in the income statement			-

(*) Unaudited.

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14.4. Years open to inspection and tax inspections

In accordance with current legislation, tax assessments may not be considered definitive until the returns filed have been inspected by the tax authorities or the four-year limitation period has ended. At year-end 2024, the Group is open to inspection for all taxes applicable since it was created. The directors consider that the relevant tax returns were filed correctly and therefore, even in the event that its interpretation of prevailing regulations on the tax treatment of transactions is questioned, any resulting liabilities will not significantly affect the accompanying consolidated annual accounts.

The Company has recognised tax-loss carry forwards in recent years:

	Euro		
	2023 (*)	2024	Total
Tax-loss carry forwards	(834,047)	(2,547,480)	(3,381,527)

(*) Unaudited.

15. Income and expenses

15.1. Revenue

Revenue for 2024 and 2023 is analysed below by activity:

Activities	Euro	
	2024	2023 (*)
Retail units	28,679	1,747
Residential buildings	530,352	27,833
Provision of services	9,606	-
Total	568,637	29,580

(*) Unaudited.

Lease income was realised entirely in the Spain.

15.2 Staff costs

The Group has one employee at 31 December 2024. The Group had no personnel of its own in 2023.

Activities	Euro	
	2024	2023 (*)
Wages, salaries and similar remuneration	65,728	-
Staff welfare expenses	21,519	-
Total	87,247	-

(*) Unaudited.

The fully-consolidated companies' average headcount by category during the year is as follows:

Activities	Euro	
	2024	2023 (*)
Middle management and other qualified professionals	1.71	-
Total	1.71	-

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The fully-consolidated companies' average headcount by gender during the year is as follows:

Activities	Euro	
	2024	2023 (*)
Women	0.67	-
Men	1.04	-
Total	1.71	-

15.3. Other operating expenses

Set out below is a breakdown of the income statement headings "External Services" and "Taxes" for 2024 and 2023:

	Euro	
	2024	2023 (*)
Repairs and maintenance	26,948	400
Independent professional services	1,229,214	664,132
Insurance premiums	30,859	6,654
Banking and similar services	2,914	676
Advertising and publicity	49,500	2,825
Supplies	31,541	146
Other expenses	76,674	1,915
Non-deductible input VAT	248,628	105,136
Taxes	420,480	1,763
Total	2,116,758	783,647

(*) Unaudited.

The expenses recognised by the Company under "Independent professional services" relate to fees for advisory services needed in the ordinary course of business and in connection with the admission to listing on Euronext. The heading "Taxes" reflects accrued property tax expense and accrued non-deductible VAT (Note 10).

15.4. Financial income and expense

Set out below is a breakdown of financial income and expenses at 31 December 2024 and 2023:

Activities	Euro	
	2024	2023 (*)
Interest on payables to third parties	812,812	54,479
Total	812,812	54,479

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16. Related-party transactions and balances

16.1. Balances and transactions with related companies

Set out below is a breakdown of balances with related companies at year-end 2024:

FY 2024

	Euro		
	Other short-term financial liabilities	Short-term sundry payables	Long-term loans to third parties
Shareholders	67,264	-	-
Shareholders pending notarisation of investment	-	-	-
Vehicle manager	-	-	266,459
Total	67,264	-	266,459

Set out below is a breakdown of balances with related companies at year-end 2023:

FY 2023

	Euro		
	Other short-term financial liabilities (*)	Short-term sundry payables (*)	Long-term loans to third parties (*)
Shareholders	185,611	-	-
Shareholders pending notarisation of investment	495,175	-	-
Vehicle manager	-	104,420	255,178
Total	680,786	104,420	255,178

(*) Unaudited.

There follows a breakdown of transactions completed with related companies in 2024:

FY 2024

	Euro	
	Financial income	External professional service expenses
Shareholders	11,281	-
Vehicle manager	-	417,724
Total	11,281	417,724

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There follows a breakdown of transactions completed with related companies in 2023:

FY 2023

	Euro	
	Financial income (*)	External professional service expenses (*)
Shareholders	5,178	-
Vehicle manager	-	285,632
Total	5,178	285,632

(*) Unaudited.

The Company has entered into investment programme management and marketing agreements with Elix Advice, S.L. and Altamar Real Estate (Note 1). The expenses billed by these two companies in 2024 relate to asset management and capital raising fees.

16.2. Remuneration and other benefits of Board directors and senior managers

Senior management.

There are no personnel classed as senior management at 31 December 2024 or 2023. Key planning, management and control decisions, as well as decisions affecting economic and strategic policies, are taken by the Company's Board of Directors and its shareholders.

Administrative body.

No remuneration of any kind accrued to the Company's Board of Directors for holding office in 2024 or 2023..

No contributions were made to pension plans or funds for former or current members of the Company's administrative body. No commitments were undertaken in this respect in either year.

The Company's Board of Directors received no remuneration in the form of profit sharing and no directors' liability insurance premiums were paid in their name. They received no shares or stock options during the year, exercised no options and hold no options to be exercised.

16.3. Information relating to directors' conflicts of interest

Article 229 of the Spanish Companies Act, introduced under Royal Decree-Law 1/2010 of 2 July and amended by Law 31/2014 of 3 December, which in particular amended the content of Article 229, imposes on the directors the duty to inform the Board of Directors or, failing this, the other directors or the General Meeting of any direct or indirect conflict of interest with the company.

The directors must avoid conflicts of interest, as established in Articles 228 and 229 of the Spanish Companies Act. These articles also stipulate that conflicts of interest affecting the Board directors must be reported in the annual accounts.

In compliance with their duty to avoid any conflict with the Company's interests, during the year the Board of Directors fulfilled the obligations laid down in Article 228 of the consolidated text of the Spanish Companies Act. Similarly, the Board directors and their related persons were not involved in any of the conflicts of interest envisaged in Article 229 of this Act, except in those cases where the corresponding authorisation was obtained.

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17. Reporting requirements applicable to SOCIMIs, Law 11/2009, as amended by Law 16/2012 and Law 11/2021

The reporting requirements applicable to SOCIMIs, Law 11/2009, as amended by Law 16/2012 and Law 11/2021, are described below:

- a) Reserves arising in periods prior to the application of the tax scheme provided by Law 11/2009, as amended by Law 16/2012 of 27 December.

At year-end 2024, the Company records no reserves arising in years prior to the application of the special SOCIMI scheme, so this requirement does not apply.

- b) Reserves for periods in which the special tax scheme provided by Law 11/2009, as amended by Law 16/2012 of 27 December, was applied, distinguishing the part that derives from income subject to the 0%, 15% and 19% tax rates, in respect of which the general tax rate was levied, if applicable.

At 31 December 2024, the Group only records negative reserves for losses posted in 2023 and 2022 relating to income subject to tax at the general rate. Set out below is a breakdown of reserves reflecting the year in which they were recognised:

	Euro
FY 2022	(16,731)
FY 2023	(817,318)
Total (*)	(834,049)

(*) Unaudited.

- c) Dividends paid out of profits for each period in which the special tax scheme was applicable, distinguishing the part that derives from income subject to the 0%, 15% or 19% tax rates from the part subject to the general tax rate, if applicable. The Company has not paid out any dividend since incorporation.

- d) If dividends have been charged to reserves, indication of the periods in which the reserves applied were generated and whether the reserves were taxed at 0%, 15%, 19% or the general rate.

No dividends have been paid out in any year.

- e) Date of the resolution to pay out the dividends referred to in letters c) and d) above.

No dividends have been paid out of reserves in any year.

- f) Acquisition date of leased properties and of shareholdings in entities referred to in Article 2.1 of Law 11/2009.

Set out below is a breakdown of leased properties:

Property	Acquisition date
Madrid, Chamberí	October 2023
Madrid, Ciudad Lineal	March 2024
Madrid, Tetuán	March 2024
Madrid, Centre	March 2024
Barcelona, Gracia	April 2024
Madrid, Moncloa	July 2024
Madrid, Chamberí	October 2024
Madrid, Arganzuela	December 2024

At 31 December 2024, the market value of the assets is €66,836 thousand.

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g) Acquisition date of shareholdings in entities referred to in Article 2.1 of this Law. The Company has no interests in entities of this kind at the year-end.

h) Identification of assets included in the 80% referred to in Article 3.1 of Law 11/2009.

The properties described in section f) above have a carrying amount of €7,963,986 under "Investment property" in the accompanying balance sheet and account for 21% of total assets, not including the "Cash and cash equivalents" reflected in the accompanying balance sheet.

i) Reserves from periods in which the special tax scheme provided by this Law was applicable and that were utilised during the tax period, other than for distribution or to offset losses, stating the period in which the reserves were generated. Not applicable.

18. Other information

18.1. Personnel

At 31 December 2024, the Group has three employees, all of whom were hired during the financial year (no employees at 31 December 2023).

18.2. Audit fees

Fees for audit and other services provided by the Company's auditor (PricewaterhouseCoopers Auditores, S.L.) during the year are analysed below:

	31/12/2024	31/12/2023 (*)
Audit services	45,000	14,000
Other non-audit services (*)	-	-
Total audit services	45,000	14,000

(*) Unaudited.

() No tax or other services required of the auditor for any applicable reason were provided during the year and no services were provided by the auditor's network.*

The amounts referred to in the above table include the total fees for services rendered in 2024 and 2023, irrespective of the invoice date.

18.3. Amendment or termination of agreements

No agreement between the Company and any of its shareholders or directors, or persons acting on their behalf, relating to transactions not forming part of the Company's ordinary business or not subject to normal terms and conditions, was terminated, amended or rescinded in advance.

19. Events after the reporting period

On 5 March 2025, the parent company entered into an earnest money agreement for a building in Madrid, under which a payment of €500,000 was made.

On 11 March 2025, the Board of Directors approved a new capital call for €2,000,000 charged to the "Shareholder contributions" account, for which payment is in progress.

On 9 April 2025, the parent company signed an addendum to the financing agreement with the management company, renewing the loan granted until 2027.

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts (Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialled by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Fernando Olaso Echevarría
Chairman of the Board

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts
(Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialised by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Ignacio Antoñanzas Alvear
Vice-Chairman of the Board

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts
(Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialled by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Carlos Esteban Librero
Board director

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts
(Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialised by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Antonio Guinea Yrazusta
Board director

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts
(Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialised by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Adolf Rousaud Viñas
Board director

ELIX RENTAL HOUSING SOCIMI II, S.A.

Authorisation for issue of the 2024 consolidated annual accounts.
(Expressed in euros)

The consolidated annual accounts and management report of Elix Rental Housing SOCIMI II, S.A. for 2024 have been issued by the directors for subsequent approval by the General Shareholders' Meeting. The consolidated annual accounts and management report are initialled by the Non-Voting Secretary to the Board of Directors.

Madrid, 11 March 2025

Mercedes Grau Monjo
Board Director

ELIX RENTAL HOUSING SOCIMI II, S.A. and Subsidiaries

Consolidated Management Report for the year ended 31 December 2024

I. The Group's performance during the year

Elix Rental Housing SOCIMI II, S.A. (the "parent company") is a Spanish company incorporated for an open-ended period on 30 May 2022 under the name Prilzana Investments, S.A.U., with tax code A10751857. Subsequently, on 2 December 2022, its name was changed to Prilzana Investments SOCIMI, S.A.U., the current name having been taken on 28 December 2022. Its registered office is at Calle Serrano 51, piso 4º, puerta derecha, 28006 Madrid.

The parent company has availed itself of the special scheme for listed property investment companies ("SOCIMIs") provided by Law 11/2009 of 26 October. The Company began to apply the scheme on 22 June 2023, when the relevant notification was submitted to the tax authorities.

The parent company's corporate purpose covers the following activities:

- f) Acquisition and development of municipal properties for leasing. The development activity includes the renovation of buildings in the terms of Law 37/1992 of 28 December on Value Added Tax, as amended from time to time.
- g) Holding of shares in other listed property investment companies ("SOCIMI") or in other entities not resident in Spain having the same corporate purpose as a SOCIMI and subject to a scheme similar to the SOCIMI scheme as regards the mandatory profit distribution policy, whether by law or under bylaws.
- h) Holding of shares in other resident or non-resident entities the main corporate purpose of which is to acquire municipal property for rent, which are subject to the same regime as SOCIMIs as regards mandatory profit distribution, whether by law or under their bylaws, and which fulfil the investment requirements stipulated in Article 3 of Law 11/2009 of 26 October on listed property investment companies (the "SOCIMI Law").
- i) Holding of shares or interests in collective property investment undertakings regulated by Law 35/2003 of 4 November on collective investment undertakings or any legislation that may supersede it in the future.
- j) In addition, together with the economic activity derived from the primary corporate object, the Company may carry out other incidental activities, which are understood to be those the income from which represents, in total, less than 20 percent of the Company's income for each tax period, or those that may be regarded as incidental in conformity with legislation applicable from time to time.

Given the parent company's activities, it has no environmental liabilities, expenses, assets, provisions or contingencies that could be material with respect to its equity, financial situation and results. For this reason, no specific disclosures are provided in these notes to the consolidated annual accounts regarding environmental matters.

The parent company acquired two subsidiaries in 2024:

- On 26 February 2024, the parent company acquired all the share capital of Prinor Atlantic, S.L., consisting of 3,000 shares with a par value of €1 each. On the same date, 26 February 2024, the Company decided to change the subsidiary's name to Elix RHS Properties, S.L. The transaction price was €3,000.
- On 27 September 2024, the parent company acquired all the share capital of Miloski Investments, S.L., consisting of 3,000 shares with a par value of €1 each. The transaction price was €3,000.

Framework Investment Agreement and Management Agreement

The parent company is the vehicle for an investment project initially regulated by a framework investment agreement (the "Framework Investment Agreement") entered into on 28 December 2022 between the Company, its shareholders, the management company and the executive team so as to define the project, approach, investment strategy and regulations, shareholder relations and SOCIMI management. The main purpose is to build a real estate portfolio by acquiring buildings that will be renovated or refurbished and subsequent let, thereby increasing the supply in the housing market.

On 28 December 2022, the parent company entered into a management agreement with Elix Advice, S.L.U. (the "Management Company") to delegate the parent company's ordinary, administrative and financial management, as well as the implementation and development of real estate transactions.

On 28 December 2022, the parent company entered into a management agreement with Altamar Real Estate, S.L.U. ("Altamar") for programme development and implementation, investment regulation, management of shareholders and investment commitments, and coordination of the relationship between the Company, Elix Advice, the programme promoters and the shareholders.

Both management agreements will expire on completion of the investment project defined previously, although early termination clauses were included, relating mainly to possible breaches of contract. The Company's directors state that there had been no breaches of contract on 31 December 2024.

Transactions completed during the financial year ended 31 December 2024

Significant milestones under the investment programme launch plan in 2024 are described below:

- The capital-raising period ended in July 2024, total shareholder investment commitments amounting to €88,156,062.
- Four capital increases were executed in public deeds:
 - On 23 February 2024, a capital increase for a total nominal amount of €881,889.12 was carried out through the issuance and circulation of 44,093 new ordinary shares with a par value of €1 each and a share issue premium of €19.0006604 per share, as reflected in the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 681 of his protocol. The capital call was made in the previous year, specifically in December 2023.
 - On 2 August 2024, a capital increase for a total nominal amount of €16,685 was carried out through the issuance and circulation of 16,685 new ordinary shares with a par value of €1 each and a share issue premium of €19.001020 per share, as reflected in the certificate of 1 August 2024 by delegation of the certificate and deed of 14 February 2024 authorised by Manuel Richi Alberti, number 1,642 of his protocol.
 - On 4 October 2024, a capital increase for a total nominal amount of €95,465 was carried out through the issuance and circulation of 95,465 new ordinary shares with a par value of €1 each and a share issue premium of €19.9999876 per share, as reflected in the certificate and deed of 26 September 2024 authorised by Manuel Richi Alberti, number 4,108 of his protocol.
 - On 8 November 2024, a capital increase for a total amount of €4,815,414 was carried out through the issuance and circulation of 4,815,414 new ordinary shares with a par value of €1 each and without a share issue premium, as reflected in the certificate and deed of 28 June 2024 authorised by Juan José De Palacio Rodríguez, number 4,481 of his protocol.
- Additionally, capital increases were charged to the "Shareholder contributions" account in 2023*** for a total amount of €23,166,498, the latest in December 2024, which was pending payment in the amount of €321,872 on 31 December 2024, the payment having been made early in 2025.
- Accordingly, capital calls up until 31 December 2024 amount to €36,942,859, representing 41.91% of committed capital totalling €88,156,062.

In 2024, seven new building acquisitions were completed, six in Madrid and one in Barcelona), for a total acquisition price of €49,052 thousand.

II. Main business risks

The Group has a risk control system that covers the business and is suited to its risk profile. These policies are determined by the parent company's Board of Directors.

The main risks to which the Group is exposed are as follows:

a) Market risk

The real estate industry is cyclical.

The real estate business is subject to cycles depending on the economic-financial context. Rental prices obtained and the value of assets are influenced, among other factors, by property supply and demand, interest rates, inflation, the economic growth rate, legislative changes, the geopolitical situation, political measures adopted and demographic and social factors.

Certain variations in these factors may have a substantial adverse impact on the Company's activities, results and financial situation.

Competitive sector

Elix's activities are conducted in a competitive industry in which other specialised domestic and international companies operate, mobilising considerable human, material, technical and financial resources.

Experience, material, technical and financial resources, and local knowledge of each market are key success factors in this industry.

It is possible that the groups and companies with which Elix competes could have more material, technical and financial resources, or more experience or better knowledge of the markets in which the Company operates or could operate in the future, which could reduce Elix's business opportunities.

The fierce competition in the industry could in the future lead to an oversupply of properties or a fall in prices.

b) Interest rate risk

The Group's cash, bank balances and borrowings are exposed to interest rate risk, which could have an adverse effect on financial income/(expense) and on consolidated cash flows. However, the Company contracts interest rate hedges as protection against potential fluctuations.

c) Credit risk

This is defined as the risk of financial loss to which the Group is exposed if a customer or counterparty does not fulfil its contractual obligations. The Group has no significant credit risk concentrations. The Group keeps cash and cash equivalents at financial institutions with a high credit standing.

d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or other financial assets. The Group manages liquidity risk prudently and only obtains borrowings from highly solvent financial institutions.

e) Operational risk

The Company is exposed to operational risk during the management and administration of its real estate portfolio and relating to the implementation of asset acquisition, leasing and maintenance projects. This risk may materialise in the form of errors in contract management, incidents with tenants, budget departures during renovation work or weaknesses in internal processes. To mitigate this risk, the SOCIMI has implemented internal control procedures, regular audits and management systems in the interests of operational efficiency, regulatory compliance and service quality. It also has specialised providers and qualified personnel to guarantee that transactions are properly overseen.

f) Tax risk

The parent company files tax returns under the special scheme for listed property investment companies (SOCIMIs) pursuant to Article 6 of Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December. Companies that opt to apply this scheme must fulfil the legal and tax obligations described in Notes 2 and 14, including dividend distributions to shareholders once the corresponding commercial obligations have been fulfilled, whereby the decision to distribute the profit for the year must be taken within six months as from each year-end and the dividend must be paid out within one month as from the date of the distribution resolution. Should any of the conditions not be fulfilled, the parent company would be taxed under the general regime if the infringement were not corrected in the following financial year.

The following should be noted in relation to compliance with the above-mentioned SOCIMI scheme requirements:

- Ninety percent of rental income for 2024 was obtained from home leases, in accordance with the applicable administrative rules.
- As regards the annual period ended 31 December 2024, the two-year period as from which all the above-mentioned SOCIMI scheme requirements must be met had not yet elapsed, as the parent company availed itself of the scheme on 22 June 2023. All the Company's shares have been listed on Euronext Access Paris since 28 November 2023.

III. Use of financial instruments.

The Group funded the acquisition of new assets by means of mortgage loans, the risk at year-end 2024 relating to drawdowns totalling €28,912,900. Bank borrowings are arranged at market prices and there are no interest rate hedges.

IV. Prospects

Looking ahead to 2025, the Group intends to continue to pursue its growth strategy by managing the real estate asset portfolio so as to add value and increase shareholder returns by acquiring, renovating and letting real estate assets.

V. Events after the reporting period

The following relevant events have taken place since year-end 2024:

- On 5 March 2025, the parent company entered into an earnest money agreement for a building in Madrid, under which a payment of €500,000 was made.
- On 11 March 2025, the Board of Directors approved a new capital call for €2,000,000 charged to the "Shareholder contributions" account, for which full payment is in progress.
- On 9 April 2025, the parent company signed an addendum to the financing agreement with the management company, renewing the loan granted until 2027.

a. Average supplier payment period

As regards the information on the deferral of payments to suppliers required by Additional Provision Three. "Duty of information" of Law 15/2010 of 5 July, the Group's average payment period for the year is as follows:

	2024	2023 (*)
	Days	
Average supplier payment period	17	4
Ratio of transactions settled	17	3
Ratio of transactions pending payment	13	18
	Euro	
Total payments made	49,749,057	8,193,683
Total payments pending	103,123	129,318

(*) Unaudited figures.

VI. Research and development activities.

No research and development activities are performed.

VII. Dealings in treasury shares

At the 31 December 2024 year-end, the parent company holds 600,000 treasury shares at an acquisition cost of €600,000 (€1 per share). At year-end 2023, the parent company held 60,000 treasury shares at an acquisition cost of €60,000 (€1 per share).

VIII. Environmental information

In view of the Group's activities, there are no environmental liabilities, expenses, assets, provisions or contingencies that could be material with respect to its equity, financial situation and results. For this reason, no specific breakdowns of information on environmental matters are provided in these explanatory notes.