Auditors' Report
Bestinver, Sociedad de Valores, S.A.
[Sole Proprietorship]

(Along with the financial statement and directors' report of Bestinver, Sociedad de Valores, S.A.(Sole Proprietorship) for the year ended 31/12/2023)

KPMG Auditores, S.L.
Paseo de la Castellana, 259 C 28046
Madrid

Auditors' Report on the Annual Financial Statements issued by an Independent Auditor

To the Sole Shareholder of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship)

Opinion

We have audited the financial statement of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) (the Company), which include the balance sheet at 31 December 2023, the income statement, the statement of changes in equity, the cash-flow statement and the directors' report corresponding to the year then ended.

In our opinion, the accompanying financial statement express, in all significant aspects, a true and fair view of the Company's assets and financial situation at 31 December 2023, as well as its results and cash flows for the year then ended in accordance with the financial reporting regulatory framework that is applicable (identified in note 2 of the report) and, in particular, with the accounting principles and criteria contained therein.

Basis of the opinion

Our audit cas been carried out in accordance with current audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities in relation to the audit on the financial statement* of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the financial statement in Spain as required by the regulations governing the activity of account auditing.In this connection, we did not provide services other than the audit on the financial statement, nor did any situations or circumstances occur which, pursuant to the aforementioned audit regulations, affected the necessary independence such as to compromise it.

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

Key audit issues

The key audit issues are those which, in our professional opinion, were considered to be the risks of material misstatement in our audit on the financial statement for the current year.These risks were addressed in the context of our audit on the financial statement as a whole and in the formation of our opinion thereon and we did not express a separate opinion about these risks.

Recognition of fee and commission income (see Note 17 to the accompanying financial statements)

Fee and commission income in relation to the provision of investment services and ancillary services with the financial instruments allowed by the Spanish National Securities Market Commission (CNMV) is the most important heading in the Company's income statement. These fees and commissions received are composed mainly of income arising from the handling and execution of securities purchase/sale orders from clients, from the dissemination of investment analyses and from advisory services for capital market transactions. This income is calculated in accordance with the transactions performed.

For this reason, we consider that the proper recognition and imputation of this fee and commission income in the appropriate period is an key aspect of our audit.

As part of our audit procedures, we have assessed design and implementation of the Company's relevant controls relative to the calculation of income from the fees and commissions received.

Additionally, the main procedures carried out in relation to the recognition of fee and commission income were as follows:

We have reconciled the detail of securities purchase/sale transactions performed in 2023, which includes the detail of income from the Company's accounting records.

In order to take a sample of securities brokerage transactions, we recalculated the fees and commissions charged to clients and verified that they were consistent with the tariffs published and communicated by the Company to its clients.

In order to take a sample of clients, we requested external confirmation of the fees and commissions from the brokerage of securities receivable by the Company. In those cases where no response was received, the bank statements justifying the subsequent charge were requested.

In order to take a sample of investment analysis dissemination transactions, we verified the adequacy of the accounting entry recorded against supporting documentation and verification of invoices, in addition to collection through the bank statements.

In order to take a sample of advisory services for capital market transactions, we verified the existence of the transaction against the supporting documentation justifying the service, in addition to the appropriate income accrual and the effective subsequent charge, as appropriate.

We have verified that the information on the financial statements in relation to management fee and commission income is adequate in accordance with the applicable regulatory financial reporting framework.

Other information:Directors' report

The other information exclusively includes the directors' report for the year 2023, the formulation of which is the responsibility of the directors of the Company and is not an integral part of the financial statement.

Our audit opinion on the financial statement does not cover the management report. Our responsibility for the directors' report, in accordance with the audit regulations in force in Spain, consists of assessing and reporting the consistency of the directors' report with the financial statement, based on the knowledge of the Company obtained during the audit on the aforementioned financial statement, in addition to assessing and reporting whether the content and format of the directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report this.

Based on the work carried out, as described in the previous paragraph, the information contained in the directors' report is in accordance with that of the 2023 financial statement and its content and presentation are in accordance with the applicable regulations.

Directors' responsibility in relation to the financial statement.

The directors are responsible for preparing the attached financial statement, in such a way that they express a true and fair image of the assets, financial situation and results of the Company, in accordance with the regulatory framework of financial information applicable to the Company in Spain. In addition, they must implement the internal control that they consider necessary to allow the preparation of the financial statement free of material misstatement, due to fraud or error.

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

Responsibilities of the auditor in relation to the audit of the annual financial statements.

Our objectives are to obtain reasonable assurance that the financial statement as a whole are free of material misstatement, whether due to fraud or error, and issue an auditors' report containing our opinion.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit performed in conformity with the audit regulations in force in Spain will always detect a material misstatement when it exists. Material misstatements may be due to fraud or error and are considered to be material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions made by the users based on the financial statement.

As part of a compliance audit performed pursuant to current audit regulations in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and apply audit procedures to address these risks and obtain sufficient and appropriate audit evidence 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or eluding internal controls.

We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate based on the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We evaluate whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information disclosed by the directors.

We conclude whether the use, by the directors, of the going concern principle of accounting is appropriate and, based on the audit evidence obtained, we conclude whether there is material uncertainty related to events or conditions that may give rise to significant doubts on whether the Company can continue as a going concern. If we conclude that there is material uncertainty, we must draw attention in our auditors' report to the corresponding information disclosed in the financial statement or, if said disclosures are inadequate, must express a qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of issue of our auditors' report. However, future events or conditions may cause the Company to cease to be a going concern.

We assess the overall presentation, structure and content of the financial statement, including the information disclosed, and whether the financial statement represent the transactions and underlying elements in such manner as to present them fairly.

We communicate with the Company's directors in relation to, inter alia, the planned scope and timing and the important findings of the audit, in addition to any significant deficiency in internal control that we identify in the course of the audit.

From among the significant risks that have been communicated to the directors of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), we determine those that have been of the greatest significance in the audit of the financial statement of the current period and that are, consequently, the risks considered most significant.

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

KPMG Auditores, S.L. Registered
Inscrito in the Official Register of
Account Auditors (ROAC)
No. S0702

Sa

Salvador Quesada Torrejón
Registered in the Official
Accounting Auditors Registry
(ROAC) No. 18.303

22 April 2024

AUDITORS
INSTITUTO DE CENSORES JURADOS
DE CUENTAS DE ESPAÑA

KPMG AUDITORES, S.L.

2024 No. 01/24/07033
CORPORATE SEAL: 96.00 EUR

Account audit report subject to Spanish
or international audit regulations

Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship)

Financial statements and directors' report for the year ended 31/12/2023

ASSETS	Note	2023	2022
1. Cash		**-**	**6**
1.1. Cash		-	4
1.2. Current accounts with the Bank of Spain and other central banks		-	2
2. Loans and advances to financial intermediaries	**5.a**	**17,592**	**20,076**
2.1. Demand deposits		15,630	17,745
2.2. Receivables for unsettled transactions on own account		10	30
2.3. Term deposits		-	-
2.4. Reverse repurchase agreements		-	-
2.5. Other loans and advances		1,952	2,301
2.6. Doubtful assets		-	-
2.7. Valuation adjustments: (+/-)		-	-
3. Loans and advances to individuals	**5.b**	**482**	**1,466**
3.1. Cash credit for deferred cash purchases		-	-
3.2. Loans and advances for securities transactions		159	72
3.3. Other loans and advances		653	1,415
3.4. Reverse repurchase agreements		-	-
3.5. Doubtful assets		-	-
3.6. Valuation adjustments: (+/-)		(330)	(21)
4. Debt securities	**5.c**	**294**	**2,764**
4.1. Monetary assets and Government debt		-	-
4.2. Other fixed-income securities - Domestic portfolio		284	279
4.3. Fixed-income securities – Foreign portfolio		-	2,475
4.4. Hybrid financial instruments		-	-
4.5. Doubtful assets		-	-
4.6. Valuation adjustments: (+/-)		10	10
5. Past-due investments receivable		-	-
6. Shares and other equity interests	**5.d**	**11**	**10**
6.1. Shares and other equity interests - Domestic portfolio		11	10
6.2. Shares and other equity interests - Foreign portfolio		-	-
6.3. Equity interests		-	-
6.4. Impairment of shares and other equity interests (-)		-	-
7. Derivatives		**-**	**-**
7.1. Trading derivatives		-	-
7.2. Hedging derivatives		-	-
8. Insurance contracts linked to pensions		**-**	**-**
9. Property, plant and equipment	**6**	**54**	**222**
9.1. For own use		54	222
9.2. Investment property		-	-
9.3. Property, plant and equipment held for sale		-	-
9.4. Impairment of property, plant and equipment (-)		-	-
10. Intangible assets	**7**	**71**	**137**
10.1. Goodwill		-	-
10.2. Computer software		71	137
10.3. Other intangible assets		-	-
10.4 Impairment of property, plant and equipment (-)		-	-
11. Tax assets	**8**	**129**	**159**
11.1. Current		42	68
11.2. Deferred		87	91
12. Current prepayments and accrued income	**9**	**219**	**247**
12.1. Prepayments		219	247
12.2. Other accruals and deferred income		-	-
13. Other assets	**10**	**2,494**	**633**
13.1. Tax payables		-	-
13.2. Due from shareholders for capital calls		-	-
13.3. Other		2,494	633
TOTAL ASSETS		**21,346**	**25,720**

LIABILITIES AND EQUITY	Note	2023	2022
1. Payable to financial intermediaries		**-**	**-**
1.1. Borrowings		-	-
1.2. Unsettled balances for own account		-	-
1.3. Repurchase agreements		-	-
1.4. Temporary balances arising from securities transactions		-	-
1.5. Other borrowings		-	-
1.6. Valuation adjustments: unmatured accrued interest (+)		-	-
2. Payable to individuals	**11**	**8,977**	**8,174**
2.1. Repurchase agreements		-	-
2.2. Temporary balances arising from securities transactions		8,977	8,174
2.3. Other payables		-	-
2.4. Valuation adjustments: unmatured accrued interest (+)		-	-
3. Cash deposits received as collateral for transactions		**-**	**-**
3.1. Market lending operations		-	-
3.2. Other deposits		-	-
4. Securities credit to the market for spot deferred sales		**-**	**-**
5. Debt from sales of short and borrowed securities		**-**	**-**
5.1. Short positions from the sale of short securities		-	-
5.2. Sale of borrowed or collateralised securities		-	-
5.3. Valuation adjustments: interest and other unmatured accrued charges (+)		-	-
6. Other financial liabilities at fair value through equity		**-**	**-**
7. Derivatives		**-**	**-**
7.1. Trading derivatives		-	-
7.2. Hedging derivatives		-	-
8. Debt securities		**-**	**-**
9. Subordinated liabilities		**-**	**-**
10. Provisions for contingencies		**-**	**-**
10.1. Provisions for pensions and similar obligations		-	-
10.2. Provisions for taxes		-	-
10.3. Provisions for transactions involving payments based on equity instruments		-	-
10.4. Provisions for other contingencies		-	-
11. Tax Liabilities	**21**	**-**	**1**
11.1. Current		-	-
11.2. Deferred		-	1
12. Liabilities associated with non-current assets classified as held for sale		**-**	**-**
13. Current prepayments and accrued income	**12**	**2,537**	**3,620**
13.1. Non-current accruals and deferred income		-	-
13.2. Accrued expenses		2,537	3,620
13.3. Other accruals and deferred income		-	-
14. Other liabilities	**13**	**431**	**777**
14.1. Tax payables		431	777
14.2. Payments outstanding on the underwriting of securities		-	-
14.3. Payables under finance leases		-	-
14.4. Other debts not related to securities transactions		-	-
15. Equity having the substance of a financial liability		**-**	**-**
TOTAL LIABILITIES		**11,945**	**12,572**

16. Shareholders' equity	**4**	**9,402**	**13,148**
16.1. Capital		3,000	3,000
16.2. Share premium		-	-
16.3. Reserves		10,148	13,204
16.4. Treasury shares (-)		-	-
16.5. Prior years' profits (losses) (+/-)		-	-
16.6. Other shareholder contributions		-	-
16.7. Profit/Loss for the year (+/-)		(3,746)	(3,056)
16.8. Dividends and remuneration (-)		-	-
16.9. Other equity instruments		-	-
17. Equity - Valuation Adjustments (+/-)		-	-
17.1. Financial assets at fair value through equity (+/-)		-	-
17.2. Cash flow hedges (+/-)		-	-
17.3. Hedges of net investments in foreign operations (+/-)		-	-
17.4. Exchange differences (+/-)		-	-
17.5. Other valuation adjustments (+/-)		-	-
18. Grants, donations and legacies received		-	-
TOTAL EQUITY		**9,402**	**13,148**
TOTAL EQUITY AND LIABILITIES		**21,346**	**25,720**

CONTINGENCY AND COMMITMENT ACCOUNTS	Note	2023	2022
1. Guarantees provided	**14**	**1,000**	**2,000**
1.1. Share of collective guarantees		1,000	2,000
1.2. Assets earmarked for third-party obligations		-	-
1.3. Risks arising from derivatives arranged for the account of third parties		-	-
1.4. Other		-	-
2. Other contingent liabilities		**-**	**-**
3. Own securities loaned		**-**	**-**
3.1. Government debt		-	-
3.2. Other fixed-income securities		-	-
3.3. Shares and other equity interests		-	-
4. Forward security purchase and sale commitments		**-**	**-**
4.1. Monetary assets and Government debt		-	-
4.2. Other fixed-income securities		-	-
4.3. Shares and other equity interests		-	-
5. Forward security purchase and sale commitments		**-**	**-**
5.1. Monetary assets and Government debt		-	-
5.2. Other fixed-income securities		-	-
5.3. Shares and other equity interests		-	-
6. Underwriting disbursement commitments		**-**	**-**
6.1. Fixed-income securities		-	-
6.2. Shares and other equity interests		-	-
7. Own securities orders not yet executed		**-**	**-**
7.1. Purchase orders		-	-
7.2. Sell orders		-	-
8. Financial derivatives		**-**	**-**
8.1. Financial asset forward contracts		-	-
8.2. Unmatured foreign currency purchases and sales		-	-
8.3. Securities and interest rate financial futures		-	-
8.4. Other interest rate transactions		-	-
8.5. Foreign currency financial futures		-	-
8.6. Options on securities or indices		-	-
8.7. Interest rate options		-	-
8.8. Foreign currency options		-	-
8.9. Other contracts (non-financial underlying, etc.)		-	-
9. Market securities lending		**-**	**-**
9.1. Treasury shares		-	-
9.2. Client securities		-	-
10. Loans to customers for securities transactions		**-**	**-**
10.1. Credit drawn down		-	-
10.2. Unused credit		-	-
11. Assets acquired in the Company's name on behalf of third parties		**-**	**-**
12. Other contingency and commitment accounts		**-**	**-**
TOTAL CONTINGENCY AND COMMITMENT ACCOUNTS		**1,000**	**2,000**

OTHER MEMORANDUM ITEMS	Note	2023	2022
1. Unconditional amounts drawable on demand at credit institutions		**-**	**-**
2. Unsettled customer security purchase orders	**14**	**6**	**1,147**
2.1. With Sociedad de Sistemas		6	1,147
2.2. With MEFF		-	-
2.3. With other financial intermediaries		-	-
3. Unsettled customer security sale orders	**14**	**1,548**	**4,675**
3.1. With Sociedad de Sistemas		1,548	4,675
3.2. With MEFF		-	-
3.3. With other financial intermediaries		-	-
4. Financial instrument deposits (market value)	**14**	**4,858,293**	**6,074,051**
4.1. Own		-	-
4.2. Third-party		4,858,293	6,074,051
4.3. Received from another depositary		-	-
5. Own and third-party financial instruments held by other entities (market value)	**14**	**2,592**	**19,394**
5.1. Own		296	2,765
5.2. Third-party		2,296	16,629
6. Securities lending received		**-**	**-**
6.1. Securities sold		-	-
6.2. Securities sold under repurchase agreements		-	-
6.3. Disposable assets		-	-
7. Managed portfolios		**-**	**-**
7.1. Invested in listed domestic shares and other equity interests		-	-
7.2. Invested in unlisted domestic shares and other equity interests		-	-
7.3. Invested in listed domestic fixed-income securities		-	-
7.4. Invested in unlisted domestic fixed-income securities		-	-
7.5. Invested in listed foreign securities		-	-
7.6. Invested in unlisted foreign securities		-	-
7.7. Cash in financial intermediaries			-
8. Guarantees deposited by third parties in other financial institutions on market lending operations		**-**	**-**
8.1. Initial guarantees		-	-
8.2. Additional guarantees		-	-
9. Written-off assets		**-**	**-**
10. Uncollected past-dues from doubtful assets		**-**	**-**
11. Guarantees received from clients on loans and advances to individuals		**-**	**-**
12. Other memorandum items		**-**	**-**
TOTAL OTHER MEMORANDUM ITEMS		**4,862,439**	**6,099,267**
TOTAL MEMORANDUM ITEMS		**4,863,439**	**6,101,267**

DEBITS	Note	2023	2022
1. Interest expense and similar charges from financial liabilities	**11**	**15**	**64**
1.1. Financial intermediaries		15	64
1.2. Resident individuals		-	-
1.3. Non-resident individuals		-	-
1.4. Borrowings and other financing		-	-
1.5. Subordinated liabilities		-	-
1.6. Adjustment of costs arising from hedging transactions		-	-
1.7. Interest cost on pension provisions		-	-
1.8. Return on equity having the substance of a financial liability		-	-
1.9. Other interest		-	-
2. Commissions and brokerage fees received	**16**	**199**	**262**
2.1. Securities transactions		-	-
2.2. Derivatives transactions		-	-
2.3. Underwriting and placement of securities issues		-	-
2.4. Fees and commissions paid to markets and clearing and settlement systems		176	213
2.5. Collateral relating to the collective market guarantee		-	-
2.6. Fees and commissions assigned to agents and other entities		-	-
2.7. Other fees and commissions		23	49
3. Losses on financial assets	**17**	**391**	**345**
3.1. Monetary assets and Government debt		1	1
3.2. Other fixed-income securities - Domestic portfolio		20	126
3.3. Other fixed-income securities - Foreign portfolio		370	218
3.4. Shares and other equity interests - Domestic portfolio		-	-
3.5. Shares and other equity interests - Foreign portfolio		-	-
3.6. Trading derivatives		-	-
3.7. Net negative difference arising from the sale of short and borrowed fixed-income securities		-	-
3.8. Net negative difference arising from the sale of short and borrowed fixed-income shares and other equity interests		-	-
3.9. Losses on other assets at fair value		-	-
3.10. Adjustment of losses arising from hedging transactions		-	-
3.11. Other losses		-	-
4. Impairment losses on financial assets	**5.b**	**-**	**-**
4.1. Loans and other fixed-income financial assets		-	-
4.2. Equity instruments		-	-
5. Foreign exchange losses	**18**	**460**	**340**
6. Staff costs	**19.a**	**10,799**	**11,469**
6.1. Salaries and bonuses		7,431	9,561
6.2. Social Security contributions		1,456	1,371
6.3. Additions to internal pension provisions		-	-
6.4. Contributions to external pension funds		-	-
6.5. Termination benefits		1,898	525
6.6. Training expenses		-	-
6.7. Employee remuneration based on equity instruments		-	-
6.8. Other staff costs		14	12
7. Overhead costs	**19.b**	**4,113**	**4,584**
7.1. Property and fixture rental		469	565
7.2. Communications		169	244
7.3. IT systems		80	174
7.4. Utilities		28	88
7.5. Upkeep and repair		-	-
7.6. Advertising and publicity		68	79
7.7. Entertainment and travel		-	-
7.8. Managing bodies (attendance fees, bonuses, etc.)		-	-
7.9. Outsourced administrative services		-	-
7.10. Other independent professional services		743	1,362
7.11. Other expenses		2,555	2,072
8. Other operating expenses		**470**	**450**
8.1. Contributions to the Investment Guarantee Fund	**20**	292	329
8.2. Other items		178	121
9. Levies and taxes		**-**	**-**
10. Amortisation and depreciation charge		**120**	**169**
10.1. Property for own use	**6**	57	88
10.2. Furniture, facilities and vehicles		-	-
10.3. Investment property		-	-
10.4. Intangible assets	**7**	63	81
11. Impairment losses on non-financial assets		**873**	**378**
11.1. Property, plant and equipment		-	-
11.2. Intangible assets		-	-
11.3. Other		873	378
12. Additions to provisions for contingencies		**-**	**-**
12.1. Provisions for taxes		-	-
12.2. Other provisions		-	-
13. Other losses		**23**	**-**
13.1. On disposal of non-financial assets		-	-
13.2. On disposal of investments		-	-
13.3. On non-current assets classified as held for sale		-	-
13.4. On application of the collective market guarantee		-	-
13.5. Other losses		23	-
14. Current income tax	**21**	(2,420)	(457)
15. Profit/Loss from discontinued operations		-	-
16. Net profit (loss) (+/-)		**(3,746)**	**(3,056)**

CREDITS	Note	2023	2022
1. Interests, dividends and similar income from financial assets	**5.a**	**380**	**42**
1.1. Bank of Spain		-	-
1.2. Financial intermediaries		380	42
1.3. Resident individuals		-	-
1.4. Non-resident individuals		-	-
1.5. Monetary assets and Government debt		-	-
1.6. Other fixed-income securities		-	-
1.7. Fixed-income securities – Foreign portfolio		-	-
1.8. Dividends from shares and other equity interests		-	-
1.9. Product adjustments due to hedging transactions		-	-
1.10. Income from insurance contracts linked to pensions and similar obligations		-	-
1.11. Other interest and yields		-	-
2. Fees and commissions received	**16**	**6,835**	**10,854**
2.1. Handling and execution of customer securities purchase and sale orders		1,700	2,317
2.2. Underwriting and placement of securities issues		591	3,776
2.3. Marketing of collective investment undertakings		-	-
2.4. Securities custody and book entry		405	392
2.5. Portfolio management		-	-
2.6. Investment advice		2,109	1,964
2.7. Finding and placement of blocks of shares on secondary markets		-	-
2.8. Systematic internalisation of orders		-	-
2.9. Intermediation in derivative instruments		-	-
2.10. Commissions from market lending operations		-	-
2.11. Preparation of investment and financial analysis reports		2,015	2,391
2.12. Other fees and commissions		15	14
3. Gains from financial investments	**17**	**3,099**	**2,904**
3.1. Monetary assets and Government debt		221	225
3.2. Other fixed-income securities - Domestic portfolio		174	619
3.3. Other fixed-income securities - Foreign portfolio		2,704	2,060
3.4. Shares and other equity interests - Domestic portfolio		-	-
3.5. Shares and other equity interests - Foreign portfolio		-	-
3.6. Trading derivatives		-	-
3.7. Net negative difference arising from the sale of short and borrowed fixed-income securities		-	-
3.8. Net negative difference arising from the sale of short and borrowed shares and other equity interests		-	-
3.9. Gains from other assets at fair value		-	-
3.10. Adjustment of gains from hedging transactions		-	-
3.11. Other gains		-	-
3.12. Gains from bargain purchases arising in business combinations		-	-
4. Reversals of impairment losses on financial assets	**5.b**	**-**	**-**
4.1. Loans and other fixed-income financial assets		-	-
4.2. Equity instruments		-	-
5. Foreign exchange gains	**18**	**411**	**310**
6. Other operating income		**-**	**-**
7. Reversals of impairment losses on non-financial assets		**451**	**428**
7.1. Property, plant and equipment		-	-
7.2. Intangible assets		-	-
7.3. Other		451	428
8. Release of other provisions for contingencies		**-**	**-**
8.1. Provisions for taxes		-	-
8.2. Other provisions		-	-
9. Other gains		**120**	**11**
9.1. On disposal of non-financial assets	**6**	-	-
9.2. On disposal of investments		-	-
9.3. On non-current assets classified as held for sale		-	-
9.4. On reversal of losses from the collective market guarantee		-	-
9.5. Other gains		120	11
10. Profit from discontinued operations		**-**	**-**

BESTINVER, SOCIEDAD DE VALORES, S.A. (SOLE PROPRIETORSHIP)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 December 2023 AND 2022

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Expressed in thousands of euros)

	2023	2022
A) Profit/Loss per income statement	**(3,746)**	**(3,056)**
Income and expense recognised directly in equity	**-**	**-**
I. Arising from revaluation of financial instruments	**-**	**-**
1. 1. Financial assets at fair value through equity	-	-
2. Other income/expenses	-	-
II. Arising from cash flow hedges	**-**	**-**
III. Grants, donations and legacies received	**-**	**-**
IV. Arising from actuarial gains and losses and other adjustments	**-**	**-**
V. Arising from liabilities associated with non-current assets classified as held for sale	**-**	**-**
VI. Translation differences	**-**	**-**
VII. Tax effect	**-**	**-**
B) Total income and expense recognised directly in equity	**-**	**-**
(I+II+III+IV+V+VI+VII)	**-**	**-**
Transfers to profit or loss	**-**	**-**
VIII. Arising from revaluation of financial instruments	**-**	**-**
1. 1. Financial assets at fair value through equity	-	-
2. Other income/expenses	-	-
IX. Arising from cash flow hedges	**-**	**-**
X. Grants, donations and legacies received	**-**	**-**
XI. Arising from liabilities associated with non-current assets classified as held for sale	**-**	**-**
XII. Translation differences	**-**	**-**
XIII. Tax effect	**-**	**-**
C) Total transfers to profit or loss (VIII+IX+X+XI+XII+XIII)	**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE (A + B + C)	**(3,746)**	**(3,056)**

BESTINVER, SOCIEDAD DE VALORES, S.A. (SOLE PROPRIETORSHIP)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 December 2023 AND 2022

B) STATEMENTS OF CHANGES IN TOTAL EQUITY
(Expressed in thousands of euros)

ITEM	Capital	Reserves	Prior years' profits (losses)	Profit/(Loss) for the year	(Interim dividend)	TOTAL
A. 2021 ENDING BALANCE	**3,000**	**13,084**	**-**	**1,171**	**(1,050)**	**16,205**
I. Adjustments due to changes in policies in 2020 and prior years	-	-	-	-	-	-
II. Adjustments due to errors in 2020 and prior years	-	-	-	-	-	-
B. ADJUSTED BALANCE AT BEGINNING OF 2022	**3,000**	**13,084**	**-**	**1,171**	**(1,050)**	**16,205**
I. Total recognised income and expense	-	-	-	(3,056)	-	(3,056)
II. Gains from with equity holders or owners	-	-	-	-	-	-
1. Capital increases	-	-	-	-	-	-
2. (-) Capital reductions	-	-	-	-	-	-
3. Conversion of financial liabilities into equity (conversion of obligations, debt cancellations)	-	-	-	-	-	-
4. (-) Dividends paid	-	-	-	-	-	-
5. Treasury share Gains from (net)	-	-	-	-	-	-
6. Increase (Decrease) in equity arising from business combinations	-	-	-	-	-	-
7. Other Gains from with shareholders or owners	-	-	-	-	-	-
III. Other changes in equity	-	120	-	(1,171)	1,050	(1)
C. 2022 ENDING BALANCE	**3,000**	**13,204**	**-**	**(3,056)**	**-**	**13,148**
I. Adjustments due to changes in policies in 2020	-	-	-	-	-	-
II. Adjustments due to errors in 2020	-	-	-	-	-	-
D. ADJUSTED BALANCE AT BEGINNING OF 2023	**3,000**	**13,204**	**-**	**(3,056)**	**-**	**13,148**
I. Total recognised income and expense	-	-	-	(3,746)	-	(3,746)
II. Gains from with equity holders or owners	-	-	-	-	-	-
1. Capital increases	-	-	-	-	-	-
2. (-) Capital reductions	-	-	-	-	-	-
3. Conversion of financial liabilities into equity (conversion of obligations, debt cancellations)	-	-	-	-	-	-
4. (-) Dividends paid	-	-	-	-	-	-
5. Treasury share Gains from (net)	-	-	-	-	-	-
6. Increase (Decrease) in equity arising from business combinations	-	-	-	-	-	-
7. Other Gains from with shareholders or owners	-	-	-	-	-	-
III. Other changes in equity	-	(3,056)	-	3,056	-	-
E. 2023 ENDING BALANCE	**3,000**	**10,148**	**-**	**(3,746)**	**-**	**9,402**

	Note	2023	2022
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit for the year before tax.		**(6,166)**	**(3,513)**
2. Adjustments for:		**58**	**108**
a) Depreciation and amortisation charge	**6 and 7**	120	169
b) Impairment losses (+/-)	**6**	-	-
c) Changes in provisions (+/-)		-	-
d) Recognition of grants in profit or loss (-)		-	-
e) Gains/Losses on derecognition and disposal of non-current assets (+/-)	**6**	-	-
f) Gains/Losses on derecognition and disposal of financial instruments (+/-)		-	-
g) Finance income (-)		-	-
h) Finance costs (+)		-	-
i) Exchange differences (+/-)	**18**	-	-
j) Changes in fair value of financial instruments (+/-)	**5**	-	-
k) Other income and expenses (-/+)	**6**	(62)	(61)
3. Changes in working capital.	**11**	**-**	**-**
a) Inventories (+/-)		-	-
b) Trade and other receivables (+/-)		-	-
c) Other current assets (+/-)		-	-
d) Trade and other payables (+/-)		-	-
e) Other current liabilities (+/-)		-	-
f) Other non-current assets and liabilities (+/-)		-	-
4. Other cash flows from operating activities.		**225**	**(5,116)**
a) Interest paid (-)		-	-
b) Dividends received (+)		-	-
c) Interest received (+)		-	-
d) Income tax recovered (paid) (+/-)		-	-
e) Other amounts paid (received) (-/+)	**16 and 19**	225	(5,116)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)		**(5,883)**	**(8,521)**
B) CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments for investments (-)		**(54)**	**(222)**
a) Group companies and associates		-	-
b) Intangible assets	**7**	-	-
c) Property, plant and equipment	**6**	(54)	(222)
d) Investment property		-	-
e) Other financial assets	**17**	-	-
f) Non-current assets classified as held for sale		-	-
g) Business unit		-	-
h) Other assets		-	-
7. Proceeds from disposals (+)	**17**	**71**	**30**
a) Group companies and associates		-	-
b) Intangible assets		71	30
c) Property, plant and equipment		-	-
d) Investment property		-	-
e) Other financial assets		-	-
f) Non-current assets classified as held for sale		-	-
g) Business unit		-	-
h) Other assets		-	-
8. Cash flows from investing activities (7-6)		**17**	**(192)**
C) CASH FLOWS FROM FINANCING ACTIVITIES		-	-
9. Proceeds and payments relating to equity instruments		-	-
a) Proceeds from issue of equity instruments (+)		-	-
b) Redemption of equity instruments (-)		-	-
c) Purchase of treasury shares (-)		-	-
d) Disposal of treasury shares (+)		-	-
d) Grants, donations and legacies received (+)		-	-
10. Proceeds and payments relating to financial liability instruments		**-**	**-**
a) Proceeds from issue		-	-
1. Debt instruments and other marketable securities (+)		-	-
2. Bank borrowings (+)		-	-
3. Borrowings from Group companies and associates (+)		-	-
4. Other borrowings (+)		-	-
b) Repayment of		-	-
1. Debt instruments and other marketable securities (-)		-	-
2. Bank borrowings (-)		-	-
3. Borrowings from Group companies and associates (-)		-	-
4. Other borrowings (-)		-	-
11. Dividends and returns on other equity instruments paid		3,746	8,244
a) Dividends (-)	**4**	3,746	8,244
b) Returns on other equity instruments (-)		-	-
12. Cash flows from financing activities (+/-9/10-11)		**3,746**	**8,224**
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES		-	-
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-5+/-8+/12+/-D)		**(2,120)**	**349**
Cash and cash equivalents at beginning of year		**17,751**	**17,402**
Cash and cash equivalents at end of year		**15,631**	**17,751**

The accompanying Notes are an integral part of the financial statements for 2023.

1. General information

Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) ("the Company" or "the Entity") was incorporated, for an indefinite period of time, on 17 February 2003 as a public liability company, under the name of Fidentiis Equities, S.A., adopting its current name on 11 December 2020. On 14 October 2003, the Ministry of Economy and Finance decided to authorize the transformation of the Company into a Securities Company and is registered in the Register of Investment Services Companies of the Spanish National Securities Market Commission ("CNMV") under number 205.

The Company is registered in the Madrid Mercantile Register in Volume 18527, Book 0, Sheet 155, Section 8, Page no. M-321979, Entry no. 5. The Company's registered office is at Juan de Mena, 8 1ª planta in Madrid, where it carries on its business activity.

The Company is governed by its Articles of Association, by the applicable provisions, particularly by Law 6/2023, 17 March, on the Stock Market and Investment Services, by Royal Decree 813/2023, of 8 November, on the legal framework for investment firms and other entities providing investment services, by the (EU) Regulations and by various Circulars of the National Securities Market Commission.

On 11 December 2020, the merger by absorption of the company Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) (Absorbed Company) by Fidentiis Equities, Sociedad de Valores, S.A. (Absorbing Company) pursuant to Law 3/2009, of 3 April, authorised by the Ministry of Economy and Finance on 10 November 2020. Therefore, the company Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) is dissolved without liquidation, transferring its assets and liabilities en bloc to Fidentiis Equities, Sociedad de Valores, S.A., which it acquires by universal succession to all the rights and obligations thereof.

Pursuant to Article 49 of Law 3/2009, a capital increase is not carried out, since the Sole Shareholder is the holder of all the share capital of both the Absorbed Company and the Absorbing Company.

a) Company object

The Company's purpose is all investment activities and services envisaged in Articles 125 and 126 of the Financial Markets and Investment Services Act 6/2023, 17 March, with its principal activities including order reception, transmission and execution, as well as the deposit and administration of securities and discretionary portfolio management.

In 2017 the Company requested the authorisation of the CNMV to include the maintenance of funds in instrumental and suspense accounts in the name of clients in its activities program. Said authorisation was granted by the CNMV on 23 February 2018.

In accordance with the Financial Services and Markets Act 2023 and the Royal Decree 813/2023, 8 November, governing the legal framework for investment firms and other entities providing investment services, Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) (hereinafter referred to as the “Company”) will undertake the following investment services activities, as well as auxiliary services and ancillary activities, with the cited financial instruments.

I. Investment services (Article 125 of Law 6/2023)

Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), in the course of its activity, will offer its clients the following investment services:

a) Receipt and transfer of customer orders in relation to one or more financial instruments.

This service will be understood to include bringing two or more investors in contact with each other to perform transactions therebetween involving one or more financial instruments.

b) Execution of the aforementioned orders on behalf of clients.

c) Trading on its own behalf.

d) Portfolio management.

e) Placement of financial instruments.

f) Underwriting of an issue or placement of financial instruments.

g) "Investment advice" will be understood to be the provision of personal recommendations to a client, either upon request or at the initiative of the investment services company, in respect of one or more transactions involving financial instruments. For the purposes of this section, recommendations of a generic and non-personalised nature that may be made in relation to the marketing of securities and financial instruments will not be deemed to constitute advice. Said recommendations will be considered to be commercial in nature.

II. Ancillary services (Article 126 of Law 6/2023)

In the course of its activity, Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), will offer its clients the following ancillary services:

a) The custody and administration on behalf of clients of financial instruments, including custody and related services such as treasury and collateral management.

b) Preparation of investment reports and financial analyses or other types of general recommendations relating to transactions involving financial instruments.

c) Foreign exchange services when related to the provision of investment services.

III. Financial instruments (Article 2 of Law 6/2023)

The instruments in respect of which the investment services and ancillary services will be provided are enumerated below:

a) The marketable securities issued by public or private persons or entities and grouped in issues. Any right of a proprietary nature, whatever its name, which, by virtue of its specific legal form and transfer regime, is susceptible to generalised and impersonal trading on a financial market.

b) Money market instruments, understanding as such the categories of instruments that are normally traded on the money market, such as Treasury bills and certificates of deposit, excluding payment instruments.

c) Shares and other equity interests in collective investment institutions, in addition to venture capital firms and closed-end type collective investment institutions.

d) Options and futures, swaps, forward rate agreements and other financial derivative agreements related to securities, foreign currencies, interest rates or returns, or other financial derivative instruments, financial indices or financial measures that may be settled in kind or in cash.

IV. Ancillary activities (Article 127 of Law 6/2023 and Article 11 of Royal Decree 813/2023)

In accordance with the provisions set forth in Article 11 of Royal Decree 813/2023, 8 November, and given that the requirements established in the aforementioned Royal Decree have been met and measures have been taken to adequately address any potential conflicts of interest between Bestinver, Sociedad de Valores, S.A. (Sole

Proprietorship) and its clients, or among different types of clients. Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) will carry on activities such as providing advice on intermediation on instruments not envisaged in Article 2 of Law 24/1988, 28 July, on the Securities Market, amended by Law 6/2023, 17 March, particularly with savings and capitalisation insurance products and pension plans.

In 2023 and 2022, the main investment services provided by the Company were financial advisory and financial intermediation services.

On 3 March 2023, the modification made to the list of investment services and activities, auxiliary services and financial instruments of the Entity was approved by the C.N.M.V., in order to incorporate as ancillary activity the reception and transmission of client orders and advising companies on capital structure, industrial strategy and related issues; as well as advise and other services in relation to mergers and acquisitions of companies on financial instruments not included in the annex to the Consolidated Text of the Securities Market Act, by Law 6/2023, 17 March and in Royal Decree 813/2023, 8 November.

b) Consolidation

At 31 December 2023, the Company created a consolidated group of Investment Services Companies (ISC) of those envisaged in Title IV of Royal Decree 1332/2005, with the following entities:

- Bestinver, S.A.
- Bestinver Gestión, S.A., S.G.I.I.C. (Sole Proprietorship)
- Bestinver Pensiones, E.G.F.P., S.A. (Sole Proprietorship)
- Bestinver Activos Inmobiliarios, S.L. (Sole Proprietorship)

c) Date of authorisation for issue

The Company's Board of Directors, on 21 March 2024, proceeded to prepare the financial statements and directors' report for the year ended 31 December 2023. The members of the Board of Directors at the date of formal preparation of these financial statements were as follows:

Members of the Board of Directors	**Position**
Mr José Angel Tejero Santos	Chairman
Mr Juan Muro-Lara Gírod	Deputy Chairman
Mr. Jorge Vega-Penichet López	Board member

The accompanying financial statements for 2023, which were prepared by the Company’s Board of Directors, will be submitted for approval by the Sole Shareholder, and it is considered that they will be approved without any changes.

d) Average headcount

The detail of the Company's headcount in 2023 and 2022 is as follows:

	2023		2022	
Description	**Men**	**Women**	**Men**	**Women**
Directors	-	-	-	-
Managers	1	-	1	-
Professionals, line personnel and similar	35	12	49	17
Service, clerical and similar staff	-	3	-	3
	36	**15**	**50**	**20**

e) Branches and representatives

At 31 December 2022, the Company had a Branch in Milan (Italy), which provided the following services:

- Receipt and transfer of customer orders in relation to one or more financial instruments.
- Placement of financial instruments without firm commitment
- Underwriting of financial instruments or placement of financial instruments on the basis of a firm commitment
- Investment advice.

Similarly, the Branch may provide the following ancillary services:

- Preparation of investment reports and financial analyses or other types of general recommendations relating to transactions involving financial instruments.

Said investment services and ancillary services will be provided in respect of marketable fixed-income securities, except in the trading for own account activity, which will also involve trading with marketable fixed-income securities.

The aforementioned investment services and ancillary services will exclusively be provided to professional clients and eligible counterparties.

On 29 December 2023, the Company closed its branch in Milan, with the complete de-registration of its assets resulting in a loss of EUR 2,877 thousand (see Notes 6 and 7).

At 31 December 2023, there were no employees at the Branch due to its closure, whereas, at 31 December 2022, there were 14 employees at the Branch.

The Company did not have representatives at 31 December 2023 and 2022.

2. Basis of presentation of the financial statements

(a) Fair presentation

The financial statements were prepared based on the accounting records of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship).

The financial statements for 2023 were prepared in accordance with the commercial legislation in force and with the rules established in CNMV Circular 1/2021, 25 March, on accounting rules, annual accounts and financial statements of investment services companies and their consolidated groups, Management Companies of collective investment undertakings and Management Companies of closed-end type Entities and subsequent amendments thereto ("CNMV Circular 1/2021"), by the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, 16 November, and subsequently amended by Royal Decree 1159/2010, 17 September, Royal Decree 602/2016, 2 December, and Royal Decree 1/2021, 12 January, and all other applicable Spanish accounting legislation, so that they present fairly the Company's equity and financial position at 31 December 2023 and the results of its operations and its cash flows for the year then ended.

The financial statements were prepared in accordance with the accounting policies and measurement criteria established in the Spanish National Chart of Accounts, approved by Royal Decree 1514/2007, 16 November and subsequently amended by Royal Decree 1159/2010, 17 September, Royal Decree 602/2016, 2 December and Royal Decree 1/2021, 12 January, Royal Decree 813/2023, 8 November and other current accounting legislation, which are summarised in Note
3. All obligatory accounting policies and measurement bases with a material effect on these financial statements were applied in their preparation.

(b) Comparative information

The financial statements for the year 2023, which include the balance sheet, the income statement, the statement of changes in equity, the cash-flow statement and the report, are presented in a comparative manner with the statements of the previous year, which were approved by the General Shareholders' Meeting on 27 April 2023. The comparative information for 2022 detailed in these financial statements was subject to certain non-significant changes for the purpose of improving their comparability with the figures for 2023.

(c) Functional currency and presentation currency

The financial statements are presented in thousands of euros, which is the Company's functional and presentation currency.

(d) Key issues in relation to the measurement and estimation of uncertainty and significant judgements in the application of accounting policies

The preparation of the financial statements requires the application of significant accounting estimates and the making of significant judgements, estimates and assumptions in the process of applying the Company's accounting policies. In this connection, following is a summary of a detail of the aspects which have involved a significant level of judgement or complexity or in which the assumptions and estimates are significant for the preparation of the financial statements.

The most significant estimates used in preparing these financial statements were as follows:

- Estimates used to calculate the fair value of the financial instruments held by the Company (see Note 5).

- Estimates used to calculate the bonus to be paid to the Company's employees (see Notes 12 and 19).

- Estimates used to calculate income tax (see Note 21).

In 2023 and 2022, various armed conflicts (such as Russia and Ukraine, Israel and Palestine, etc.) and geopolitical tensions have arisen, resulting in high levels of inflation and increases in interest rates due to the monetary policies of the ECB, among other factors. This has led to heightened uncertainty regarding the current macroeconomic situation and its future trajectory, adversely impacting the economy and business activities in the regions where the Company operates.

As of the preparation date of these Annual Financial Statements, the Company has not been materially affected, nor is it expected to be materially affected in the future, by the impacts of this situation.

In 2023 there were no significant changes in the accounting judgements and estimates with respect to those used by the Company in 2020.

Although the estimates made by the Company's directors were calculated on the basis of the best information available at 31 December 2023, events that take place in the future might make it necessary to change these estimates in coming years. The effect of the changes on the financial statements which, as the case may be, are derived from the adjustments to be made in coming years would be applied prospectively.

(e) Changes in accounting policies and correction of errors

In 2023 there were no significant changes in accounting policies or correction of errors in prior years that affect the financial statements for the year ended 31 December 2023.

(f) Going-concern principle of accounting

The annual financial statements for the year 2023 have been prepared by the Board of Directors of the Company on the basis of the going concern principle. This is because they believe there are no factors affecting this principle, despite the Company recording losses in recent years. This decision takes into account the Company's business plan and the understanding that it will meet its short-term obligations. Additionally, the Company has the economic and financial support of the Sole Shareholder, which will enable it to continue its operations in the coming years.

3. Accounting policies

The most significant accounting policies used in preparing the financial statements are described below:

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and, simultaneously, a financial liability or equity instrument of another entity.

Financial instruments are exclusively recognised in the balance sheet when the Company becomes a party to the contract in accordance with the provisions thereof. The Company recognises accounts receivable or payable from the date on which the legal right to receive or the legal obligation to pay cash arises and the financial derivatives from the trade date. In particular, transactions performed in the currency market are recognised on the settlement date, whereas equity and debt instruments traded on Spanish secondary securities markets are recognised on the trade date and the settlement date, respectively.

a.1) Financial assets

Financial assets are those corresponding to cash, equity instruments of another company or that represent a contractual right to receive cash or other financial asset, or any exchange of financial instruments on favourable terms. Financial assets include, inter alia, cash on hand, deposits at central banks, loans and advances to financial intermediaries, loans and advances to individuals, debt securities and equity instruments acquired.

Classification of financial assets:

a.1.1) Financial assets at amortised cost

This category includes financial assets, even when admitted to trading in an organised market, in which the investment is maintained with the aim of receiving cash flow, which are only principal repayments and interest earned on the outstanding principal amount (notwithstanding that the transaction is agreed upon at zero or below-market interest rate).

Assets are considered to fulfil this objective even when sales have been made or are expected to be made in the future. For this purpose, the frequency, amount, calendar and reasons for prior years' sales are considered, in addition to expected future sales.

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

They are initially recognised at fair value which, in the absence of evidence to the contrary, is the price of the transaction, which is equivalent to the fair value of the consideration given plus any directly attributable transaction costs.

In the case of trade receivables and other items such as advances and loans to employees or dividends receivable, maturing in less than one year without a contractual interest rate, are initially recognised and subsequently measured at their nominal value, whenever the effect of not discounting the cash flows is not material, except in the case of impairment.

Subsequently, these assets are measured at amortised cost and the interest earned is recognised in the income statement using the effective interest method.

Impairment is considered to exist when there is a reduction or delay in the estimated future cash flows, possibly as a result of debtor insolvency.

Impairment losses and, where applicable, their reversal, are realised at year-end, recognising them in the income statement as expense or income. However, the limit of the reversal of the loss is the amortised cost of the assets had the impairment loss not been recognised.

At 31 December 2023 and 2022, the Company did not hold financial assets in this category.

a.1.2) Financial assets at fair value through equity

This category includes financial assets whose contractual conditions give rise to cash flows which are only principal repayments and interest earned on the outstanding principal amount and which are not held for trading nor can be classified under "Financial assets at amortised cost". This category also includes investments in equity instruments for which, upon initial recognition, the irrevocable option of recognising subsequent changes directly in equity has been exercised.

They are initially recognised at fair value which, in the absence of evidence to the contrary, is the price of the transaction, which is equivalent to the fair value of the consideration given plus any directly attributable transaction costs.

These assets are subsequently measured at fair value and changes in value are recognised in equity, being reclassified to income statement in the sale or impairment of the financial asset.

Impairment losses and exchange gains or losses on monetary financial assets denominated in foreign currency are recognised in the income statement.

The interest amount, calculated using the effective interest method, and dividends accrued are also recognised in the income statement.

Investments in equity instruments the fair value of which cannot be reliably determined are measured at cost less any accumulated impairment losses.

When a value is assigned to these assets due to derecognition from the balance sheet or other reason, the weighted average method for homogeneous groups is applied.

The necessary valuation adjustments are made at least at year-end whenever there is objective evidence that the value of a financial asset included in this category has become impaired, whose amount is recognised in the income statement. The reversal of the valuation adjustment is credited to the income statement, except for that corresponding to equity instruments, whose reversal is recognised directly against equity.

In the case of equity instruments, an individual analysis of the investments is carried out for the purpose of determining the existence or non-existence of impairment when there is a prolonged (18 months) or significant (40%) decrease in market value with respect to their cost.

At 31 December 2023 and 2022, the Company did not hold financial assets in this category.

Determination of fair value:

The fair value of the financial assets is determined at market prices whenever the available prices of the instruments can be considered to be representative due to being periodically published in the usual information systems, provided by renowned financial intermediaries.

A fair value hierarchy is established in accordance with the variables used, classifying the estimates in three levels:

- Level 1: those that use unadjusted quoted prices in active markets for identical assets or liabilities, which the Company can access on the measurement date.

- Level 2: those based on quoted prices in active markets for similar instruments or other valuation methodologies in which all the significant inputs are based on directly or indirectly observable market data.

- Level 3: valuation techniques in which one or more significant inputs are not based on observable market data.

If market valuation is not possible, valuation with internal models is carried out using, insofar as possible, public market data that satisfactorily replicate the valuation of the quoted instruments. Said valuation methodology is based on the discounting of future flows from assets (determinable or estimable) using the risk-free discount curve. In accordance with the characteristics inherent to the issue and issuer in question, a specific credit risk, of different magnitude, is recognised for each of the flows to be received.

In the case of holdings in investment funds classified as assets at fair value in equity, the fair value will be the net asset value of the fund on the valuation date.

a.1.3) Financial assets at cost

This category includes equity investments in Group companies, jointly controlled entities and associates.
They are initially recognised at cost, which is equivalent to the fair value of the consideration given, plus any directly attributable transaction costs.

They are subsequently measured at cost net, where appropriate, of any accumulated impairment losses.

At 31 December 2023 and 2022, the Company does not have equity interests in Group companies, jointly controlled entities and associates.

a.1.4) Financial assets at fair value through profit or loss

A financial asset should be included in this category unless there are objective reasons for classifying them in any of the other categories in accordance with the provision of sections a.1.1.,
a.1.2. and a.1.3. above.

A financial asset is considered to be held for trading when:

1. It is originated or acquired with for the purpose of selling it in the short term (for example, debt securities, irrespective of their maturity, or quoted equity instruments which are acquired with the intention of selling them in the short term).

2. It forms part, at initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or

3. It is a derivative financial instrument, provided that it is not a financial guarantee and that it has not been designated as a hedging instrument.

The financial assets included in this category are initially recognised at fair value which, in the absence of evidence to the contrary, is the transaction price, which is the fair value of the consideration given. Any directly attributable transaction costs are recognised in the income statement for the year. Upon initial recognition, the Company will measure the financial assets included in this category at fair value through profit or loss.

At 31 December 2023 and 2022, the Company held financial liabilities at fair value through profit or loss. (see Note 5.c).

Interest and dividends received from financial assets

Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement. Interest from financial assets measured at amortised cost is recognised using the effective interest method and dividend revenue is recognised when the right to receive payment has been established.

For this purpose, financial assets are initially recognised separately, based on their maturity, the amount of the unmatured explicit interest earned at that date and the dividends agreed upon on the acquisition date.

Furthermore, when the dividends are clearly paid out of the profit obtained prior to the acquisition date because amounts were paid in excess of the profit earned by the investee since its acquisition, they are not recognised as revenue and are deducted from the carrying amount of the investment.

Impairment losses

The carrying amount of a financial asset is generally adjusted with a charge to the income statement when there is objective evidence that an impairment loss has occurred. This occurs:

- In the case of debt instruments, i.e. loans and debt securities, when, after their initial recognition a single event or the combined effect of several events causes an adverse impact on their future cash flows.

- In the case of equity instruments, when, as a result of an event or the combined effect of several events after initial recognition, their carrying amount cannot be recovered.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the income statement for the period in which the impairment becomes evident, and the reversal, if any, of previously recognised impairment losses is recognised in the income statement for the period in which the impairment is reversed or reduced. When the recovery of any recognised amount is considered unlikely, the amount is written off, notwithstanding any actions that the Company may initiate to seek collection until its contractual rights are extinguished due to expiry of the statute-of-limitations period, forgiveness or any other cause.

In the case of debt instruments carried at amortised cost, the amount of the impairment losses incurred is equal to the negative difference between their carrying amount and the present value of their estimated future cash flows. In the case of quoted debt instruments, market value may be used instead of the present value of future cash flows, provided that the market is sufficiently deep for the value to be considered as representative of the amount that could be recovered by the Company.

The estimated future cash flows of a debt instrument are all the amounts (principal and interest) that the Company considers it will obtain during the life of the instrument. Said estimate takes into account all the relevant information available at the date of preparation of these financial statements about the likelihood of collecting the contractual cash flows in the future. The future cash flows of a collateralised instrument are estimated by taking into account the flows that would result from foreclosure less costs for obtaining and subsequently selling the collateral, whether or not foreclosure is probable.

The discount rate used to calculate the present value of estimated future cash flows is the instrument's original effective interest rate, if its contractual rate is fixed, or the effective interest rate at the reporting date determined under the contract, if it is variable.

Debt instruments, contingent liabilities and contingent commitments, regardless of the holder, instrumentation or guarantee, are analysed so as to determine the credit risk to which the Company is exposed and to consider whether an impairment allowance is required. In the preparation of the financial statements, the Company classifies its transactions on the basis of credit risk and assesses separately the insolvency risk allocable to the client and the country risk, if any, to which these transactions are exposed.

Objective evidence of impairment is determined individually for all debt instruments that are individually significant, and individually or collectively for the groups of debt instruments which are not individually significant. When a specific instrument cannot be included in any group of assets with similar credit risk characteristics, it is analysed solely on an individual basis to determine whether it is impaired and, if so, to estimate the impairment loss.

Interest accrued on the basis of the contractual terms is suspended for all debt instruments individually classified as impaired and for all those for which impairment losses have been collectively calculated because they have amounts more than three months past due.

The amount of the impairment losses incurred on debt instruments and equity instruments included under "Available-for-Sale Financial Assets" is equal to the positive difference between their acquisition cost, net of any principal repayment or amortisation, and their fair value less any impairment loss previously recognised in the income statement.

When there is objective evidence that the decline in fair value is due to impairment, the unrealised losses recognised directly in equity under "Valuation Adjustments" are recognised immediately in the income statement. If all or part of the impairment losses are subsequently reversed, the reversed amount is recognised, for debt instruments, in the income statement for the period in which the reversal occurred and, for equity instruments, in equity under "Valuation Adjustments".

The amount of the impairment losses on equity instruments measured at cost is the difference between their carrying amount and the present value of the expected future cash flows discounted at the market rate of return for similar securities. Impairment losses are recognised in the income statement for the period in which they arise as a direct reduction of the cost of the financial asset and the amount of the losses cannot be reversed subsequently, except in the case of sale of the asset.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights on the cash flows of the financial asset have expired or have been transferred, provided that substantially all the risks and rewards incidental to ownership are transferred.

When a financial asset is derecognised, the difference between the consideration received, net of the attributable transaction costs, and the carrying amount of the financial asset plus any accumulated amount recognised directly in equity, will determine the gain or loss on derecognition of the financial asset and will be recognised in profit or loss.

a.2) Financial liabilities

Financial instruments issued, incurred or assumed are classified as financial liabilities when they give rise to a contractual obligation for the Company, direct or indirect depending on its economic position, to deliver cash or another financial asset or exchange financial assets or liabilities with third parties under unfavourable conditions.

Classification of financial assets:

a.2.1) Financial liabilities at amortised cost

Payable to financial intermediaries, payable to individuals and trade and non-trade payables are classified in this category.

Financial liabilities are initially recognised in the balance sheet at fair value. Subsequent to initial recognition, all the Company's financial liabilities are measured at amortised cost. Interest is recognised in the income statement using the effective interest method.

In the case of trade payables maturing within one year for which there is no contractual interest rate and capital payments payable by third parties which are expected to be paid at short term are both initially and subsequently measured at the related nominal value when the effect of not discounting cash flows is not material.

At 31 December 2023 and 2022, the Company held financial liabilities in this category (see Note 11).

a.2.2) Financial liabilities at fair value with changes in the income statement

Financial liabilities issued for the purpose of repurchasing them in the near term or which are part of a portfolio of financial instruments for which there is evidence of a recent pattern of sort-term profit taking, or is a derivative financial instrument that is not a financial guarantee or has been designated as a hedging instrument, are classified in this category.

This category also includes hybrid financial instruments when the embedded derivative cannot be measured separately or their fair value cannot be measured reliably on or subsequent to the date of acquisition. In this case, for accounting purposes, the hybrid financial instrument is classified in its entirety as a financial asset or liability included in the financial assets (liabilities) category at fair value through profit or loss. This same criteria is also applied when the Company measures the hybrid financial instrument at fair value upon initial recognition.

At 31 December 2023 and 2022, the Company did not hold financial liabilities in this category.

Derecognition of financial liabilities

Financial liabilities are derecognised, wholly or in part, when the obligation inherent thereto ceases to exist. Own financial liabilities are also derecognised, even for the purpose of reselling them in the future.
In the case of an exchange of debt instruments with substantially different terms, the original liability is derecognised and the new liability is recognised.

The difference between the carrying amount of a financial liability (or of the part of a financial liability that has been derecognised) and the consideration paid, including the attributable transaction costs, and including any non-cash assets transferred or liabilities assumed is recognised in the income statement in the period when it occurs.

(b) Foreign currency transactions

Foreign currency transactions are converted to euros by applying the spot exchange rate between the euro and foreign currency prevailing at the date on which the transactions were performed.

Monetary assets and liabilities denominated in foreign currency were converted to euros applying the exchange rate prevailing at year-end, whereas non-monetary assets and liabilities are converted applying the exchange rates prevailing at the date on which the transaction was performed. Lastly, non-monetary assets measured at fair value were converted to euros applying the exchange rate prevailing at the date on which it was quantified.

In presenting the cash-flow statement, the cash flows arising from transactions performed in foreign currency are converted to euros at the exchange rates prevailing at the date on which the cash flows took place. The effect of changes in exchange rates on cash and cash equivalents denominated in foreign currency are recognised separately under "Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents" in the cash-flow statement.

The exchange differences arising on the settlement of transactions performed in foreign currencies and in the conversion to euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, any exchange differences arising on monetary items that form part of a net investment in a foreign operation are recognised in equity under "Translation Differences".

The exchange rates applied by the Company in translating foreign currency balances to euros are those published by the European Central Bank.

Foreign exchange losses or gains related to monetary assets or liabilities denominated in foreign currencies are also recognised in profit or loss.

Foreign exchange losses or gains related to non-monetary assets and liabilities are recognised together with the change in fair value. However, the exchange rate variation component of non-monetary financial assets denominated in foreign currencies classified as held for sale and that are classified as hedged items in fair value hedges of said component is recognised in profit or loss.

c) Property, plant and equipment

Property, plant and equipment for own use corresponds to the property, plant and equipment which is intended to be held for continuing use by the Company. It is measured at acquisition cost less the related accumulated depreciation and any estimated impairment losses (carrying amount higher than recoverable amount).

Depreciation is systematically calculated using the straight-line method by applying the years of estimated useful life of the various items to the acquisition cost of the assets less their residual value. The land on which the buildings and other structures stand is deemed to have an indefinite life and, therefore, is not depreciated.

The period tangible asset depreciation charge is recognised in the income statement and is calculated on the basis of the following average years of estimated useful life of the various groups of items:

Item	**% amortisation**
Other facilities	8-12%
Furniture	10-20%
Computer hardware	25%
Other property, plant and equipment	16%

The Company assesses at each reporting date whether there is any internal or external indication that the net value of the items of property, plant and equipment exceeds their corresponding recoverable amount). If this is the case, the Company reduces the carrying amount of the corresponding item to its recoverable amount and adjusts future depreciation charges in proportion to the revised carrying amount and to the new remaining useful life (if the useful life has to be re-estimated).

Also, if there is an indication of a recovery in the value of a tangible asset, the Company recognises the reversal of the impairment loss recognised in prior periods and adjusts the future depreciation charges accordingly. In no circumstances may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have if no impairment losses had been recognised in prior years.

The Company reviews the estimated useful lives of the items of property, plant and equipment for own use at least at the end of each reporting period with a view to detecting significant changes therein. If changes are detected, the useful lives of the assets are adjusted by correcting the depreciation charge to be recognised in the income statement in future years on the basis of the new useful lives.

Upkeep and maintenance expenses relating to property, plant and equipment for own use are recognised in the income statement for the period in which they are incurred.

d) Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. Intangible assets are deemed to be identifiable when they are separable from other assets because they can be sold, rented or disposed of individually or when they arise from a contractual or other legal right. An intangible asset is recognised when, in addition to meeting the aforementioned definition, the Company considers it probable that the economic benefits attributable to the asset will flow to the Company and its cost can be measured reliably.

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

The Company does not hold intangible assets with an indefinite useful life and, therefore, all the items are amortised. These assets are amortised on a straight-line basis over their estimated useful life:

Item	**% amortisation**
Computer software	33%

In either case, the Company recognises any impairment loss on the carrying amount of these assets with a charge to the income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, the reversal of impairment losses recognised in prior years are similar to those used for property, plant and equipment.

e) Other assets

"Other Assets" in the balance sheet includes the amount of assets not recorded in other items, including guarantees provided as security for leases and, as appropriate, advances and other assets.

Guarantees provided to secure the obligations assumed under leases are measured at the amount paid since the difference between the amount paid and the fair value is not material.

f) Leases

- Operating lease

  Leases other than finance leases are classified as operating leases.

  When the Company acts as the lessor, it recognises the acquisition cost of the leased assets under “Property, Plant and Equipment”. Said assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items and lease income is recognised in the income statement on a straight-line basis.

  Furthermore, when the Company acts as the lessee, lease expenses, including any incentives granted by the lessor, if any, are charged to the income statement on a straight-line basis.

g) Revenue and expense recognition

Interest income, interest expenses and similar items are generally recognised on an accrual basis using the effective interest method. Dividends received from other entities are recognised as income when the right to receive them arises.

Fees and commissions paid or received for financial services, however denoted contractually, are classified in the following categories, which determine their recognition in the income statement:

- Financial fees and commissions

  "Financial Fees and Commissions" are those that are an integral part of the effective cost or yield of a financial transaction and are recognised in the income statement over the expected life of the transaction as an adjustment to the effective yield or cost thereof.

- Non-financial fees and commissions

  "Non-Financial Fees and Commissions" are those deriving from the provision of services and may arise from a service provided over a period of time or from a service provided in a single act.

Fee and commission and similar income and expenses are recognised in the income statement, in general, using the following criteria:

- Fee and commission income and expenses relating to financial assets and liabilities measured at fair value through profit or loss are recognised when collected.

- Those arising from transactions or services that are performed over a period of time are recognised over the life of these transactions or services.

- Those relating to a transaction or service performed in a single act are recognised when the single act is carried out.

Non-finance income and expenses are recognised for accounting purposes on an accrual basis. Deferred collections and payments are recognised for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

h) Staff costs

- Short-term employee benefits

  Short-term employee benefits are employee benefits which fall due within 12 months after the end of the period in which the employees rendered their services.

  They are measured at the amount payable for the services received and are recognised in the financial statements as a liability due to the expense accrued, after deducting any amount already paid and as an expense in the period in which the employees rendered their services.

- Termination benefits

  They are recognised as a liability and as an expense only when the Company is demonstrably committed to terminate the employment of the employee or group of employees prior to the formal retirement date or to pay termination benefits as a result of an offer made to incentivise the voluntary termination of the employment contract by the employees.

i) Income tax

"Income Tax" is deemed to be an expense and is recognised under "Income Tax" in the income statement, except when it results from a transaction recognised directly in equity, in which case the income tax is recognised directly in equity, or from a business combination in which the deferred tax is recognised as one of its assets or liabilities.

The income tax expense is determined on the basis of the tax payable on the taxable profit for the year after taking account of any changes in that year due to temporary differences and to tax credit and tax loss carryforwards. The taxable profit for the year may differ from the net profit for the year reported in the income statement because it excludes the revenue and expense items which are taxable or deductible in different years and also excludes items that will never be taxable or deductible.

Deferred tax assets and liabilities are taxes expected to be recoverable or payable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. They are accounted for using the balance sheet liability method and are measured by applying to the related temporary difference or tax asset the tax rate that is expected to apply in the period when the asset is realised or the liability is settled.

A deferred tax asset, such as prepaid tax, a tax credit carryforward or a tax loss carryforward, is recognised to the extent that it is probable that the Company will obtain sufficient future taxable profit against which the deferred tax asset can be utilised. It is considered probable that the Company will obtain sufficient taxable profit in the future in the following cases, among others, when:

- There are deferred tax liabilities settleable in the same year that the deferred tax asset is realised, or in a subsequent year in which the existing tax loss or that resulting from the deferred tax asset can be offset.

- The tax losses result from identifiable causes which are unlikely to recur.

Deferred tax liabilities are always recognised, except when the Company is able to control the timing of the reversal of the temporary difference and, in addition, it is probable that the temporary difference will not reverse in the foreseeable future. Furthermore, a deferred tax liability is not recognised if it arises from the initial recognition of an asset or liability, other than in a business combination, that at the time of recognition affects neither accounting profit nor taxable profit.

The deferred tax assets and liabilities recognised are reassessed at each reporting date in order to ascertain whether they still exist, and the appropriate adjustments are made.

Since 1 January 2020 the Company files consolidated income tax returns with Acciona, S.A. and its consolidation Group (see Note 21).

The accrued income tax expense of those companies that can file consolidated tax returns is determined taking into account, in addition to the aforementioned parameters to be considered for the purpose of individual taxation, the following:

- The temporary and permanent differences arising as a result of the elimination of the results of intra-Group company transactions in the process used to calculate consolidated taxable profit or tax loss.

- The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performed the activity or obtained the income required to give rise to the tax credit or tax relief.

The temporary differences arising as a result of the elimination of the results of the companies of the tax group are recognised in the company that generated the result and are measured at the income tax rate applicable thereto.

Any tax losses recorded by some of the Group companies offset by the other consolidated Group companies are recognised by recording a reciprocal account receivable and payable between the companies that reported the losses and the companies that offset them. If there is a tax loss that cannot be offset by the other consolidated Group companies, these tax loss carryforwards are recognised as deferred tax assets, considering the tax group as the taxpayer for their recovery.

The Parent of the Group recognises the total income tax payable (or refundable) with a charge (credit) to accounts receivable from (payable to) Group companies and associates.

The amount of the accounts payable (or receivable) corresponding to subsidiaries are recognised with a credit (charge) to accounts payable to (receivable from) Group companies and associates.

i) Recognition of deferred tax liabilities

The Company recognises deferred tax liabilities in all cases, unless they arose from the initial recognition of goodwill of from the initial recognition of an asset or liability in a transaction that is not classified as a business combination and which affected neither the accounting profit (loss) nor the taxable profit (tax loss).

ii) Recognition of deferred tax assets

The Company recognises deferred tax assets provided that it is probable that it will have sufficient future taxable profit to offset them or when fiscal legislation envisages the possibility of future conversion of deferred tax assets into a receivable claimable from the public authorities.
The Company recognises the conversion of a deferred tax asset into a receivable from the public authorities when it is claimable pursuant to the fiscal legislation in force. For such purpose, the deferred tax asset is derecognised with a charge to deferred tax expense and the receivable is derecognised with a charge to current income tax expense. Similarly, the Company recognises the exchange of a deferred tax asset for public debt securities when the ownership thereof is obtained.

The Company recognises the payment obligation arising from the contribution as an operating cost with a credit to accounts payable to public authorities when accrued in accordance with the Corporation Tax Law.

However, assets arising from the initial recognition of assets or liabilities in a transaction that is not classified as a business combination and which affected neither the accounting profit (loss) nor the taxable profit (tax loss) at the date on which the transaction is performed are not recognised.

In the absence of evidence to the contrary, it is not considered probable that the Company will have taxable profits in the future when it is expected to recover in a period of more than ten years from the reporting date, regardless of the nature of the deferred tax asset or, in the case of tax credits and other tax relief that cannot be taken due to insufficient tax payable, when the activity has been carried out or the income required to give rise to the tax credit or tax relief is obtained, there are reasonable doubts as to the fulfilment of the requirements to collect them.

The Company only recognises deferred tax assets arising from offsettable tax losses, insofar as it is probable that it will have taxable profits in the future that will allow it to offset them within a period not exceeding that established by the applicable fiscal legislation, with a maximum limit of ten years, unless there is evidence that recovery is likely within a longer period of time, when fiscal legislation enables them to be offset within a longer period or does not establish time limits to offset them.

On the contrary, it is considered probable that the Company will have sufficient taxable profit to recover the deferred tax assets, provided that there are sufficient taxable temporary differences, related to the same tax authority and referred to the same taxpayer, whose reversal is expected in the same tax period in which the reversal of the deductible temporary differences is expected or in periods in which a tax loss arising from a deductible temporary difference can be carried back or forward.

The Company recognises deferred tax assets that have not been recognised due to exceeding the ten-year recovery period, insofar as the future reversal period does not exceed ten years from the reporting date or when there are sufficient taxable temporary differences.

In determining future tax gains, the Company takes into account tax planning opportunities, provided that it has the intention of adopting them or is likely to adopt them.

iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the assets are realised or the liabilities are settled, based on the tax laws and rates in force or approved and pending publication and after considering the tax consequences that would follow from the manner in which the Company expects to recover the assets or settle the liabilities.

iv) Offset and classification

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

j) Provisions

The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amounts recognised in the balance sheet correspond to the best possible estimate of the amount required to settle the present obligation, after considering the risks and uncertainties related to the provision and when the financial effect of the discount is significant, provided that the amounts to be paid in each period can be reliably determined. The discount rate is determined on a pre-tax basis, considering the time value of money and the specific risks that have not been considered in the future flows related to the provision.

k) Contributions to the Investment Guarantee Fund

The Company is integrated in the Investment Guarantee Fund and makes annual contributions thereto, pursuant to Royal Decree 948/2001, of 3 August, on investor compensation schemes, amended by Law 53/2002, of 30 December, on tax, administrative, labour and social security measures (see Note 20).

l) Off-balance-sheet customer funds

The Company recognises off-balance-sheet customer funds under "Memorandum Items" including, namely, the following:

- Securities and other financial instruments deposited: the own and third-party securities and other financial instruments for which the Company assumes the related custody risk, excluding the amount of assets entrusted to other entities for custody, management or administration are measured at market value at the date of the affected balance sheet or financial statement.

- Own or third-party securities and other instruments owned by other entities: the own or third-party securities and other financial instruments for which the Company is responsible as depositary and which are entrusted to other entities for custody, management or administration at market value at the date of the affected balance sheet or financial statement.

- Managed portfolios: the third-party securities and other financial instruments managed by the Company at market value at the date of the affected balance sheet or financial statement, as established in the management agreements entered into with each client.

- Guarantees provided: includes the cash amounts deposited by clients as collateral for securities transactions. They will be recognised in liabilities under "Cash Deposits as Collateral for Transactions" if the deposit is made in the Company or otherwise in contingency and commitment accounts. Guarantees deposited by the Company will be recognised in assets under "Loans and advances to Financial Intermediaries" in the corresponding heading.

m) Related party transactions

Transactions between Group companies and related parties are recognised at the fair value of the consideration paid or received. The difference between said value and the agreed-upon amount is recognised in accordance with the underlying economic substance.

n) Business combinations

In business combinations, except mergers, spin-offs and non-monetary contributions of a business between Group companies, the Company applies the acquisition method.

The acquisition date is that on which the Group obtains control over the business acquired.

The cost of the business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any other contingent consideration that depends on future events or on the fulfilment of certain conditions in exchange for the control of the business acquired.
The cost of the business combination excludes any payment that is not part of the exchange for the business acquired. Costs related to the acquisition are recognised as an expense as they are incurred.

Issue costs of equity and liability instruments are recognised using the measurement criteria applicable to these transactions.

The Company recognises the assets acquired and the liabilities assumed at fair value on the acquisition date. Liabilities assumed include contingent liabilities insofar as they represent present obligations arising from past events whose fair value can be reliably measured.

o) Statement of changes in total equity

This part of the statement of changes in equity presents all the changes in equity, including those arising from changes in accounting policies and from the correction of errors. Accordingly, these statements present a reconciliation of the carrying amount at the beginning and the end of the year of all the equity items, grouping the changes together on the basis of their nature into the following items:

- Reclassifications that include the changes in equity arising as a result of the retrospective restatement of the balances in the financial statements due to changes in accounting policies or to the correction of errors.

- Income and expense recognised in the year: includes, in aggregate form, the total of the aforementioned items recognised in the statement of recognised income and expense.

- Other changes in equity: includes the remaining items recognised in equity, including, inter alia, distribution of profit, transactions involving own equity instruments, equity-instrument-based payments, transfers between equity items and any other increases or decreases in equity.

p) Consolidated cash-flow statement

The Company used the indirect method to prepare the statements of cash flows, which contain the terms listed below, the classification criteria for which are as follows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

- Operating activities: activities typical of investment services entities and other activities that cannot be classified as investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings that are not operating activities.

Cash and cash equivalents includes cash on hand and demand deposits at banks. This item also includes other short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. For these purposes, cash and cash equivalents include investments maturing in less than three months from the date of acquisition.

The Company includes in the cash-flow statement the cash inflows and cash outflows arising from financial assets and liabilities with a high turnover period on a net basis. For this purpose, the turnover period is considered to be high when the period between the acquisition and maturity date is less than six months.

Bank overdrafts repayable on demand that do not form part of the Company's cash management are not included under "Cash and Cash Equivalents" in the consolidated cash-flow statement. Bank overdrafts are recognised as financial liabilities under "Bank Borrowings" in the balance sheet.

4. Equity and proposed distribution of profit

The changes in "Equity" in 2023 and 2022 are presented in the accompanying Statement of Changes in Total Equity of the corresponding period.

a) Share capital

The share capital at 31 December 2023 and 2022 amounted to EUR 3,000 thousand, represented by 300,000.00 fully subscribed and paid registered shares of EUR 10 par value each.

At 31 December 2023 and 2022, the Parent's Sole Shareholder was Bestinver, S.A.

b) Reserves

The detail of "Reserves" at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
To legal reserves	600	600
To voluntary reserves	9,548	12,604
	10,148	**13,204**

Appropriations to the legal reserve are made in accordance with Article 274 of the Limited Liability Companies Law, which establishes that, in any case, 10% of the profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may not be distributed and, if it is used to offset losses, where sufficient other reserves are not available for this purpose, it must be replenished out of future profits.

At 31 December 2023 and 2022, the legal reserve balance was compliant with the minimum established by current legislation.

c) Capital Capital

management

The strategic capital management objectives set by the senior executives of the Company and the Group are as follows:

- To comply at all times, at both stand-alone entity level and consolidated level, with the applicable regulations on minimum capital requirements.

- To seek maximum efficiency in capital management so that, together with other profitability and risk variables, the use of capital is considered a key variable in the analyses associated with the Company's and Group's decision-making process.

- Reinforcing the weight of Tier-1 capital with respect to the Company's and Group's total capital.

To achieve these objectives, the Company and the Group have a series of capital management policies and processes, the main cornerstones of which are as follows:

- The Company and the Group have monitoring and control units that assess at all times the levels of compliance with capital regulations, using early warning systems to guarantee at any given time that the applicable regulations are complied with and that any decisions made by the Company's and Group's different areas and units are consistent with the objectives set for compliance with minimum capital requirements. Furthermore, contingency plans are in place to ensure compliance with the limits established in the applicable regulations.

- In the Company and Group's strategic and commercial planning and in the analysis and monitoring of the Company's and Group's transactions, the impact of the decisions on the Company's and Group's eligible capital and on the use-profitability-risk relationship is considered to be a key decision-making factor. In this connection, the Company and the Group have parameters that should serve as a guide for the Company's and Group's decision-making in relation to minimum capital requirements or that affects said requirements.

Accordingly, the Company regards capital and the capital requirements established by the aforementioned regulations as a fundamental aspect of its management of the Company and the Group, affecting both the decisions made by the Company and by the Group, transaction viability analyses and the profit distribution strategy of the Company's and Group's subsidiaries, etc.

Summary of the main characteristics and conditions of the items calculated as Tier-1 Capital and as Tier-2 Capital

For the purpose of calculating its capital requirements, the Company considers as Tier-1 the items defined as such, considering their corresponding deductions, in Regulation (EU) 2019/2033, in Regulation (EU) 2019/876, in Directive 2019/2034/EU and in CNMV Circular 2/2014 ("the solvency regulation").

Tier-1 Capital items are characterised by being components of Shareholders' Equity that can be used immediately and unrestrictedly to hedge risks or losses as soon as they occur, being their amount net of any foreseeable tax charge at the moment of its calculation. These items are stable and permanent over time, a priori superior to the Tier-2 Capital components explained below. The Company's Tier-1 Capital at 31 December 2023 and 2022 consists, basically, of retained earnings, the paid capital instruments and other reserves.

Tier-2 Capital items are considered to be those defined as such, with the corresponding limits and deductions, in the solvency regulation. Although these items comply with the definition of Shareholders' Equity established in the regulations in force, they are characterised for having, a priori, a lower volatility or degree of permanence than items considered as Tier-1 Capital. At 31 December 2023 and 2022, the Company had no Tier-2 Capital.

Among the concepts that, in accordance with the solvency regulation, form part of eligible Shareholders' Equity, there are some whose characteristics and definition do not vary, regardless of the entity for which they are analysed, such as reserves from profits not specifically appropriated, profit or loss for the year, positive valuation adjustments of financial assets at fair value in equity, etc.

At the reference date of this report, the Company did not present any eligible item of Shareholders' Equity with specific characteristics.

Amount of Eligible Shareholders' Equity

The detail of the Company's eligible Shareholders' Equity at 31 December 2023 and 2022, indicating, each of its components and deductions, and broken down into Tier-1 Capital and Tier-2 Capital, is as follows:

Thousands of euros

SHAREHOLDERS' EQUITY	31/12/2023	31/12/2022
Tier-1 Capital (Basic Capital according to the former regulation)	**9,244**	**12,920**
Shareholders' Equity	9,244	12,920
Tier-1 Capital	9,244	12,920
Ordinary Tier-1 Capital	9,244	12,920
Capital instruments eligible as ordinary Tier-1 Capital	3,000	3,000
Paid capital instruments	3,000	3,000
Ordinary Tier-1 Capital own instruments	-	-
Retained earnings	10,148	13,204
Retained earnings from prior years	10,148	13,204
Eligible profit or loss	-	-
Other accumulated comprehensive income	-	-
Profit or loss attributable to the owners of the Parent	-	-
(-) Part of the non-eligible provisional or year-end profit	-	-
Other reserves	-	-
(-) Losses for the current year	(3,746)	(3,056)
(-) Other intangible assets	(71)	(137)
(-) Other intangible assets gross amount	-	-
(-) Deferred tax assets that depend on future profitability and do not arise from temporary differences, net of related tax liabilities	(87)	(91)
(-) Ordinary Tier-1 Capital instruments of financial sector entities in which the entity has a significant investment	-	-
Tier-2 Capital (Second-Class Capital according to the former regulation)	**-**	**-**

The calculation of Shareholders' Equity for creating the previous table was made in accordance with Regulation (EU) 2019/2033.

Equity requirements

In 2021 the new (EU) Regulation 2019/2033 came into force, which implies a change in relation to the calculation of minimum Shareholders' Equity requirements. The new Regulation introduces changes in the calculation of the solvency ratio denominator: instead of calculating the sum of risk-weighted assets (credit, market and operating), a new "D" denominator is proposed, defined in Article 11 of said Regulation. The value of this new denominator is established as the highest of the following values: 1) requirements based on fixed overhead, 2) permanent minimum capital requirements or 3) requirements based on K factors. In the case of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), the requirement based on K factors is applied, as shown in the following table:

	Thousands of euros	
SHAREHOLDERS' EQUITY REQUIREMENTS	**31/12/2023**	**31/12/2022**
Shareholders' Equity Requirements		
Permanent minimum capital requirement	750	750
Requirement based on fixed overhead	3,434	3,513
Requirement based on K factors	2,280	3,053
Transitional Shareholders' Equity Requirements		
Transitional requirement based on the RRC's Shareholders' Equity requirements	-	-
Transitional requirement based on the requirements based on fixed overheads	-	-
Transitional requirement for investment services companies that were formerly subject to an initial capital requirement only	-	-
Transitional requirement based on the initial capital requirement at the time of authorisation	-	-
Transitional requirement for investment companies that are not authorised to provide certain services	-	-
Transitional requirement of at least EUR 250,000	250	250
Memorandum items		
Additional Shareholders' Equity requirements		
Guidelines on additional Shareholders' Equity		
Total Shareholders' Equity requirement	3,434	3,513

At 31 December 2023 and 2022, the Company's eligible capital exceeded that required by Regulation (EU) 575/2013 on the solvency of investment services companies and their consolidated Groups.

d) Application of the Profit (Loss)

The proposed application of profit obtained in 2023 put forward by the Board of Directors will submit for approval by the Sole Shareholder is as follows:

	Thousands of euros
Profit/loss for the year	**(3,746)**
Application	
Prior years' profits (losses)	(3,746)

The proposal for the allocation of the profits earned in the financial year 2022, as approved by the Sole Shareholder on 27 April 2023, is detailed below:

	Thousands of euros
Profit/loss for the year	**(3,056)**
Application	
Prior years' profits (losses)	(3,056)

5. Financial assets

The detail of "Financial Assets" by category at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
Financial assets at amortised cost	**2023**	**2022**
Loans and advances to financial intermediaries or individuals (see Note 5.a)	17,592	20,076
Loans and advances to individuals (see Note 5.b)	482	1,466
	18,074	**21,542**

Financial assets at fair value in the income statement	Thousands of euros	
	2023	**2022**
Debt instruments (see Note 5.c)	294	2,764
Shares and other equity interests (see Note 5.d)	12	10
	306	**2,774**

a) Loans and advances to financial intermediaries

The detail of "Loans and Advances to Financial Intermediaries" at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Fees and commissions receivable	952	301
Receivables for unsettled transactions on own account	10	30
Cash Guarantees required by the Clearing, Settlement and Registration System (see Note 14)	1,000	2,000
Demand deposits	15,630	17,745
	17,592	**20,076**

Fees and commissions receivable

The balance corresponds, mainly, to fees and commissions receivable from clients for the dissemination of market analyses and for the intermediation in the purchase and sale of securities.

Furthermore, at 31 December 2023 and 2022 there were EUR 80 thousand and EUR 119 thousand, respectively, denominated in foreign currencies.

Cash Guarantees required by the Clearing, Settlement and Registration System

As a result of the reform of the Spanish Clearing, Settlement and Registration System, a single Central Counterparty is introduced (BME Clearing, S.A.). Therefore, at 31 December 2023 and 2022 the Company included a cash guarantee required by the Securities Clearing and Settlement Service to be able to trade on the Latin American stock market and securities market amounting to EUR 1,000 and 2,000 thousand, respectively, (see Note 14). At 31 December 2023 and 2022, these guarantees did not earn interest.

Demand deposits

The balance corresponding to "Demand Deposits" at 31 December 2023 and 2022 corresponds to deposits in different banks earning interest at market rates.

Accrued interest with financial intermediaries at 31 December 2023 and 2022 amounted to EUR 380 thousand and EUR 42 thousand, respectively.

b) Loans and advances to individuals

The detail of "Loans and Advances to Individuals", at 31 December 2023 and 2022, which includes debit balances in favour of the Company and maturing in the short term, is as follows:

	Thousands of euros	
	2023	2022
Loans and advances for securities transactions	159	72
Other loans and advances	653	1,415
(Impairment losses loans)	(330)	(21)
	482	**1,466**

In 2023 the Company allocated a provision for a net amount of EUR 309 thousand, (endowment of EUR 10 thousand in 2022), in the income statement corresponding to unpaid invoices for the provision of financial event administration, custody and management services.

c) Debt securities

The detail of "Debt Securities" and their measurement at 31 December 2023 is as follows:

	Thousands of euros				
	Number of shares/ other equity interests	**Acquisition Value**	**Market Value**	**Accrued, non-matured interest**	**Capital gains/losses**
PIKLIN 4 02/25/25	300,000	300	284	10	5

The detail of "Debt Securities" and their measurement at 31 December 2022 is as follows:

	Thousands of euros				
	Number of shares/ other equity interests	**Acquisition Value**	**Market Value**	**Accrued non-matured interest**	**Capital gains/losses**
PIKLIN 4 02/25/25	300,000	300	279	10	(21)
WILLII 0 05/25/23 EMTN	2,600,000	2,455	2,475	-	21
	2,900,000	**2,755**	**2,754**	**10**	**-**

The fair value of these financial instruments was obtained from the quoted price of the securities in an active market at 31 December 2023 and 2022.

In 2023, the Company recorded capital gains amounting to EUR 5 thousand.
. In 2022, the Company recognised gains amounting to EUR 21 thousand, which were recognised in the income statement under “Gains From Financial Investments” (see Note 17).

All the balances under this heading were denominated in euros at 31 December 2023 and 2022.

d) Shares and other equity interests

The detail of "Shares and Other Equity Interests" and their measurement at 31 December 2023 is as follows:

	Thousands of euros			
	Number of shares / shareholdings	**Acquisition Value**	**Market Value**	**Gains**
ALFIL TÁCTICO	**102**	**1**	**1**	**-**
FOGAIN/AC 200.00	**52**	**10**	**10**	**-**

The detail of this heading and its measurement at 31 December 2022 is as follows:

	Thousands of euros			
	Number of shares / shareholdings	**Acquisitio n Value**	**Market Value**	**Gains**
FOGAIN/AC 200.00	**52**	**10**	**10**	**-**

The balance of this heading in the balance sheet corresponds to the Company's investment, at 31 December 2023 and 2022, in Gestora del Fondo General de Garantía de Inversiones, S.A. (see Note 3.k).

6. Property, plant and equipment

The detail of "Property, plant and equipment" at 31 December 2023 and 2022, in addition to the changes in 2023 and 2022 in relation to assets used directly in operations, is as follows:

	Thousands of euros			
	31/12/2022	Additions/ (Charge for the Year)	Disposals	31/12/2023
Acquisition cost				
Other Fixtures	907	36	(907)	36
Furniture	356	2	(338)	20
Computer hardware	451	-	(428)	23
Other property, plant and equipment	164	-	(161)	3
	1,875	38	(1,835)	82
Accumulated amortisation				
Other Fixtures	(792)	(29)	820	(1)
Furniture	(325)	(4)	325	(3)
Computer hardware	(419)	(9)	404	(24)
Other property, plant and equipment	(121)	(14)	135	-
	(1,653)	(57)	1,684	(28)
Property, plant and equipment, net	**222**	**(18)**	**(151)**	**54**

	Thousands of euros			
	31/12/2021	Additions/ (Charge for the Year)	Disposals	31/12/2022
Acquisition cost				
Other Fixtures	907	-	-	907
Furniture	356	-	-	356
Computer hardware	423	28	-	451
Other property, plant and equipment	306	-	(145)	161
	1,992	28	(145)	1,875
Accumulated amortisation				
Other Fixtures	(764)	(28)	-	(792)
Furniture	(320)	(5)	-	(325)
Computer hardware	(402)	(17)	-	(419)
Other property, plant and equipment	(171)	(38)	88	(121)
	(1,653)	(88)	88	(1,653)
Property, plant and equipment, net	**339**	**(60)**	**(57)**	**222**

The cost of tangible assets located at the Milan Branch at 31 December 2022 amounted to EUR 193 thousand, with accumulated depreciation of EUR 162 thousand (see Note 1.e).

In 2023 and 2022 no significant impairment losses were recognised or reversed for any item of property, plant and equipment.

At 31 December 2023, the Company had no fully depreciated assets due to their disposal as a result of office relocation (EUR 1,328 million at 31 December 2022).

The Company has taken out several insurance policies to cover the risks to which its property, plant and equipment are exposed. The coverage of these policies is considered to be sufficient.

7. Intangible assets

The detail of "Intangible Assets" at 31 December 2023 and 2022, in addition to the changes in 2022 and 2021 in relation to the items included in intangible assets, is as follows:

	Thousands of euros			
	31/12/2022	Additions/ (Charge for the Year)	Disposals	31/12/2023
Acquisition cost				
Computer software	1,327	9	(38)	1,298
	1,327	9	(38)	1,298
Accumulated amortisation				
Computer software	(1,190)	(63)	26	(1,227)
	(1,190)	(63)	26	(1,227)
Intangible assets, net	**137**	**(54)**	**(12)**	**71**

	Thousands of euros			
	31/12/2021	Additions/ (Charge for the Year)	Disposals	31/12/2022
Acquisition cost				
Computer software	1,270	57	-	1,327
	1,270	57	-	1,327
Accumulated amortisation				
Computer software	(1,109)	(81)	-	(1,190)
	(1,109)	(81)	-	(1,190)
Intangible assets, net	**161**	**(24)**	**-**	**137**
		(Note 1)		

The cost of the intangible assets located at the Milan Branch at 31 December 2022 amounted to EUR 36 thousand with accumulated depreciation of EUR 13 thousand (see Note 1.e).

At 31 December 2023, the Company had fully depreciated items of property, plant and equipment amounting to EUR 837 thousand (31 December 2022: EUR 809 thousand).

8. Tax assets

The detail of “Tax Assets” at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Current Assets		
Prior years' income tax refundable	-	-
Tax refundable	42	68
	42	**68**
Deferred Assets (Note 21.b)		
Deductible temporary differences	**87**	**91**
	129	**159**

9. Current prepayments and accrued income

The details of “Accruals and Deferred Income” included on the Liabilities side of the balance sheet at 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	2023	2022
Prepayments	219	247
Other accruals and deferred income	-	-
	219	**247**

"Prepayments" at 31 December 2023 and 2022 includes, mainly, advance payments associated with communication services and analysis systems, which are paid at the beginning of 2024 and 2023, respectively.

10. Other assets

The detail of “Other Assets” at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Payables to Group companies (Notes 21 and 22)	2,423	464
Long-term guarantees given	54	100
Advances on remuneration	15	52
Long-Term Plan	2	17
Delivery of Senior Management Shares		
	2,494	**633**

“Current Receivables from Group Companies” includes, at 31 December 2023 and 2022, includes the provision for income tax payable for the year, reclassifications arising from prior years' income tax and prepayments made by the Company during the year to the Parent of the Group, Acciona.

“Long-Term Guarantees Given” includes the guarantee given on the lease held by the Company corresponding to the lease of its offices at Calle Juan de Mena, 8, Madrid.

Following is a description of the most relevant leases:

Lease	Delivery Renewal period	Expiry of the lease	Penalties
2 Izquierda y derecha en Calle Juan de Mena, 8	Annual	01/08/2026	Termination of the lease in the event of breach

The amount of the operating lease payments recognised as an expense in 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Property rental (Note 19.b)	**469**	**565**

11. Financial liabilities

The detail of “Financial Liabilities”, by category, at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
Financial liabilities at amortised cost	**2023**	**2022**
Payable to individuals	**8,977**	**8,174**

"Loans and Advances to Individuals" at 31 December 2023 and 2022 includes unsettled client balances, which were settled at the beginning of 2024 and 2023, respectively.

Accrued interest with financial intermediaries at 31 December 2023 and 2022 amounted to EUR 15 thousand and EUR 64 thousand, respectively.

Furthermore, at 31 December 2023 and 2022 there were EUR 113 thousand and EUR 36 thousand, respectively, denominated in foreign currencies.

12. Current prepayments and accrued income

The details of “Accruals and Deferred Income” included on the liability side of the balance sheet at 31 December 2023 and 2022 are as follows:

	Thousands of euros	
	2023	2022
Remuneration payable	1,641	3,263
Other accruals and deferred income	896	357
	2,537	**3,620**

The heading “Outstanding Remuneration Payments” as of 31 December, 2023 and 2022, includes, among other outstanding remuneration payments, bonuses distributed by the Company to its employees, which are paid at the beginning of the 2024 and 2023 financial years, respectively (see Note 1.e).

Other "Accruals and Deferred Income" at 31 December 2023 and 2022 includes, mainly, the accruals and deferred income arising from the Company's activity.

13. Other liabilities

The detail of “Other Liabilities” at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
VAT payable	56	321
Personal income tax withholdings	206	245
Corporate income tax withholdings (Milan)	-	3
Tax withholdings payable	91	46
Accrued social security taxes payable	78	162
	431	**777**

The balance of "Income Tax Payable" recognised at 31 December 2023 and 2022 relates to the amount payable for personal income tax withholdings corresponding to the month of December.

14. Contingency and Commitment Accounts and Other Memorandum Items

The detail of “Contingency and Commitment Accounts and Other Memorandum Items” at 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Guarantees provided (see Note 5.a)	1,000	2,000
Contingency and commitment accounts	**1,000**	**2,000**
Securities deposited	4,858,293	6,074,051
Unsettled customer security purchase orders	6	1,147
Unsettled customer security sale orders	1,548	4,675
Own and third-party securities held by other entities	2,592	19,394
	4,146	25,216
Total Other memorandum items	**4,862,439**	**6,099,267**

"Own and Third-Party Securities Held by Other Entities" includes own securities held by the Company and securities held by clients, deposited in other custodian entities at 31 December 2023 and 2022, recognised at market value at said date.

15. Net interest

"Net Interest" at 31 December 2023 and 2022 includes maintenance expenses and transactions with funds in current accounts.

16. Fee and commission income and expense

The detail of "Fee and Commission Income and Expense" recognised in 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
Fees and commissions received		
Processing and execution of customer orders for the purchase and sale of Equity Securities	**1,700**	**2,317**
In domestic markets	871	1,004
Milan Branch (Italy)	261	801
Other markets	568	512
Dissemination of analysis	**2,015**	**2,391**
In domestic markets	1,936	2,146
Milan Branch (Italy)	79	245
Equity Capital Markets Fixed-Income	**221**	**3,540**
Domestic Market	-	3,470
Milan Branch (Italy)	221	70
Equity Capital Markets Fixed-Income (national markets)	**369**	**236**
Underwriting	**-**	**-**
Investment advice	**2,109**	**1,964**
Domestic Market	1,972	1,530
Milan Branch (Italy)	137	434
Securities custody and book entry	**405**	**392**
Other	**15**	**14**
	6,835	**10,854**

	2023	2022
Fees and commissions paid		
Fees and commissions paid to markets and clearing and settlement systems	(176)	(213)
Other fees and commissions	(23)	(49)
	(199)	**(262)**

17. Gains/losses on financial assets and liabilities (net)

The detail of "Gains/Losses on Financial Assets and Liabilities Held for Trading (Net)" in 2023 and 2022, classified by market, is as follows (see Notes 5.c and 5.d):

	Thousands of euros	
	2023	2022
Equity Securities		
Profit	-	-
Loss	-	-
Fixed Income		
Profit	3,099	2,904
Loss	(391)	(345)
GAINS/LOSSES ON FINANCIAL ASSETS AND LIABILITIES (NET)	**2,708**	**2,559**

"Gains/Losses on Financial Assets and Liabilities (Net)" includes the gains/losses obtained by the Company in the purchase and sale of financial debt and equity securities during the period, in addition to the measurement of the financial assets held for trading under "Financial Assets at Fair Value Through Profit or Loss" at year-end (see Note 5).

18. Foreign exchange gains/losses (net)

The detail of “Foreign Exchange Gains/Losses (Net)” in the accompanying income statement for the years ended 31 December 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Loss	(460)	(340)
Earnings	411	310
	(49)	**(30)**

"Foreign Exchange Gains/Losses (Net)" includes the gains and losses arising from intermediation activities in currencies other than the euro.

19. Staff costs and Overhead costs

a) Staff costs

The detail of "Staff Costs" accrued in 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Wages and salaries	7,431	9,561
Employer social security costs	1,456	1,371
Termination benefits	1,898	525
Other staff costs	14	12
	10,799	**11,469**

The detail of "Staff Costs", by geographical market, corresponding to 2023 is as follows:

	Thousands of euros		
	Madrid	**Milan**	**Total**
Wages and salaries	6,606	825	7,431
Employer social security costs	872	584	1,456
Termination benefits	413	1,485	1,898
Other staff costs	14	-	14
	7,905	**2,894**	**10,799**

At 31 December 2023, the Company has employed 51 staff members, all of whom are based in the Madrid offices, including 6 executives, 35 technicians and 10 administrative personnel.

The detail of "Staff Costs", by geographical market, corresponding to 2022 is as follows:

	Thousands of euros		
	Madrid	**Milan**	**Total**
Wages and salaries	7,806	1,755	9,561
Employer social security costs	824	547	1,371
Termination benefits	525	-	525
Other staff costs	12	-	12
	9,167	**2,302**	**11,469**

At 31 December 2022, the Company employed 71 staff (57 in the Madrid offices and 14 in the Milan Branch), comprising 12 executives, 46 technicians and 13 administrators.

b) Overhead costs

The detail of “Overhead Costs” in the accompanying income statements for 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Office leases (Note 10)	469	565
Communications	169	244
IT systems	80	174
Utilities	28	88
Advertising and publicity	68	79
Other independent professional services	743	1,362
Other expenses	2,555	2,072
	4,113	**4,584**

The detail of "Overhead Costs", distributed by branch, corresponding to 2023 is as follows:

	Thousands of euros		
	Madrid	**Milan**	**Total**
Office leases	334	135	469
Communications	169	-	169
IT systems	48	32	80
Utilities	7	21	28
Advertising and publicity	68	-	68
Other independent professional services	559	184	743
Other expenses	2,232	323	2,555
	3,416	**697**	**4,113**

The detail of "Overhead Costs", distributed by branch, corresponding to 2022 is as follows:

	Thousands of euros		
	Madrid	Milan	Total
Office leases	443	122	565
Communications	244	-	244
IT systems	162	12	174
Utilities	57	31	88
Upkeep and repair	-	-	-
Advertising and publicity	78	1	79
Other independent professional services	1,282	80	1,362
Other expenses	1,622	450	2,072
	3,888	**696**	**4,584**

20. Other operating expenses

At 31 December 2023 and 2022, "Other Operating Expenses" included, mainly, the contribution made by the Company to the Investment Guarantee Fund, which amounted to EUR 292 thousand in 2023 (2022: EUR 329 thousand) and administrative charges (see Note 3.k).

21. Tax matters

a) Income tax

Profit is subject to the payment of income tax calculated at a rate of 25% on taxable profit. Certain tax credits can be deducted from the resulting tax charge.

Since 1 January 2020 the Company files consolidated income tax returns with Acciona, S.A. and its consolidation Group (see Note 3.i).

The calculation of the tax charged and income tax expense for 2023 and 2022 expected to be filed after the relevant approval of the financial statements for 2023 is as follows:

	Thousands of euros	
	2023	2022
Accounting profit for the year before tax	(6,166)	(3,513)
Permanent differences	(3,511)	1,664
Adjusted accounting profit (loss)	**(9,677)**	**(1,849)**
Temporary differences	(12)	87
Tax base	**(9,689)**	**(1,762)**
Gross tax payable (25%)	2,423	441
Net tax payable	**2,423**	**441**
Tax withholdings and prepayments	-	1
Tax (payable)/refundable (see Notes 10 and 22)	**2,423**	**442**

The detail of “Income Tax” in the income statement for 2023 and 2022 is as follows:

	Thousands of euros	
	2023	**2022**
Tax charge (25%)	(1,542)	(878)
Current income tax	(1,542)	(878)
Impact of permanent differences	(874)	421
Income tax or similar expense - Foreign tax authorities	-	-
Savings plan	9	-
Adjustments to prior years' income tax	(13)	-
Income tax expense	**(2,420)**	**(457)**

Under current legislation, taxes cannot be deemed to be finally settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitation period has expired. At 31 December 2023, the Company had all the taxes applicable thereto in the last four years open for review. The Company's directors do not expect additional material liabilities to arise in the event of an inspection.

b) Deferred tax assets and liabilities

The detail of “Deferred Tax Assets and Liabilities” at the end of 2023 and 2022 is as follows:

	Thousands of euros			
	2022	**Increases**	**Decreases**	**2023**
Tax assets - Deferred:				
Negative tax bases	-	-	-	-
Temporary differences arising from depreciation and amortisation charge of intangible assets	2	-	(2)	-
Temporary differences due to pre-retirement insurance	56	14	(14)	56
Temporary differences arising from tax withholdings from employees	16	-	(16)	-
Temporary differences arising from savings plans	17	14	-	31
Total deferred tax assets	**91**	**27**	**(18)**	**87**
	(Note 8)			(Note 8)
Tax liabilities - Deferred:				
Differences arising from depreciation and amortisation charge	1	-	(1)	-
Total deferred tax liabilities	**1**	**-**	**(1)**	**-**

	2021	Increases	Decreases	2022
	Thousands of euros			
Tax assets - Deferred:				
Negative tax bases	138	-	(138)	-
Temporary differences arising from depreciation and amortisation charge	3	-	(1)	2
Temporary differences arising from early retirement insurance	43	15	(2)	56
Temporary differences arising from employee retention	16	-	-	16
Savings plan	10	7	-	17
Total deferred tax assets	**210**	**22**	**(141)**	**91**
Tax liabilities - Deferred:				
Differences arising from depreciation and amortisation charge	1	-	-	1
Total deferred tax liabilities	**1**	**-**	**-**	**1**

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

On 3 November 2020, the Company's Sole Shareholder agreed to include the Company in the Consolidated Income Tax Group whose Parent is Acciona, S.A. (Note 3.i).

22. Related party transactions

The detail of the balances with Group companies at 31 December 2023 and 2022 is as follows:

Assets	Thousands of euros	
	2023	**2022**
Loans and advances to individuals (Note 5)	114	169
Other assets - Income tax (Note 10)	2,423	464
Liabilities		
Payable to individuals	3,809	2,593
Trade payables for services received	394	-
Income and expense		
Fees and commissions for the handling and execution of customer securities purchase and sale orders (Note 16).	375	234
Fees and commissions for securities custody and book entry (Note 16)	89	83
Fees for analysis	120	125
Other fees and commissions (Note 16)	-	53
Overhead costs – Property and fixtures rental (Note 19)	443	1,007

23. Disclosures on maximum payment period to suppliers Additional Provision Three. “Disclosure obligation” provided for in Law 15/2010, of 5 July

Pursuant to Final Provision Two of Law 31/2014, of 3 December, amending Additional Provision Three of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, establishing measures for combating late payment in commercial transactions and in relation to the disclosures to be included in the notes to the financial statements on payment periods to suppliers calculated based on the provisions established in the Resolution of 29 January 2016 of the Spanish Accounting and Audit Institute, the detail of the maximum payment period to suppliers made in 2023 and 2022 by the Company is as follows:

	Thousands of euros	
	2023	2022
Maximum payment period to suppliers	21.22	15.00
Ratio of paid transactions	24.42%	15.00%
Ratio of unpaid transactions	2.34%	10.23%
Total payments made	3,779	4,301
Total outstanding payments	642	90

The information on invoices paid in a period less than the maximum established in the delinquency regulations is as follows:

	2023	2022
Monetary volume paid in euros (thousands of euros)	3,337	4,298
Percentage of total monetary payments to suppliers (%)	88.29%	99.93%
Number of invoices paid	1,514	1,250
Percentage of the total number of invoices paid to suppliers (%)	96.37%	99.86%

24. Information on the environment and occupational safety

As part of its overall activities, the Company takes into consideration the applicable legislation on environmental protection (environmental laws). The Company considers that it complies with these laws and has procedures in place to foster and guarantee compliance therewith.

The Company adopted appropriate measures in relation to environmental protection and enhancement and the minimisation, as appropriate, of its environmental impact, thus complying with current legislation. In 2021 the Company did not make any investments of an environmental nature or incur any expenses in connection with environmental protection and improvement. Nor was it considered necessary to recognise any provision for environmental contingencies as there are no contingencies relating to the protection and improvement of the environment or environmental liabilities.

25. Remuneration of directors and senior executives

In 2023 payment obligations were accrued in connection with short-term remuneration payable to the members of the Board of Directors and Senior Executives amounting to EUR 2,366 thousand (2022: EUR 3,588 thousand). This remuneration relates, mainly, to their duties as employees of the Company.

At 31 December 2023 and 2022, the Company's Board of Directors was made up of three men.

As of 31 December 2023, the Directors of the Company and the persons related to them, as described in Article 231 of the Consolidated Text of the Consolidated Limited Liability Companies Law, state that they have not incurred in any situation of conflict of interest that has had to be communicated in accordance with the provisions of Article 229 of the aforementioned Law.

With regard to the other disclosures requested by Article 260 of the Spanish Limited Liability Companies Law not included in these notes to the financial statements, it should be noted that it is not applicable to the Company since it is not in any of the situations envisaged in the corresponding sections of said article.

26. Fees paid to auditors

The fees paid to KPMG Auditores, S.L. in 2023 for financial audit services amounted to EUR 19 thousand (2022: EUR 18 thousand).

Additionally, in 2023 other audit-related services were provided to the Company for an amount of 5 thousand euros (5 thousand euros in 2022).

27. Customer Care Department

Pursuant to Order ECO 734/2004, of 11 March, the manager of the Customer Care Department received one customer claim, which did not give rise to any economic loss for the Company. There were no complaints or claims from customers in the previous period.

28. Risk management

(a) Financial Risk Factors

The Company’s activities are exposed to various financial risks: market risk (including foreign currency risk, fair value interest rate risk and commodity price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on its financial returns.

Risk management is controlled by the Company's Internal Control Unit in accordance with the policies approved by the Board of Directors. This Unit identifies, assesses and hedges financial risks in close cooperation with the Company's operating units. The Board of Directors provides written policies for global risk management, as well as for specific matters such as interest rate risk, liquidity risk and investment of surplus liquidity.

(i) Market risk

Market risk arises mainly from investments in listed and unlisted companies classified as available for sale. The main objective of the Company’s investment policy is to maximise returns on investments, while keeping risks under control. For such purpose, the Company controls the composition of the portfolio with the aim of avoiding making investments with high volatility.

The Company is not exposed to market risk arising from non-financial assets.

(ii) Credit risk

The Company does not have a significant concentration of credit risk. In the normal course of its activity, the Company diversifies the risk between the Group's companies and other types of clients.

The total amount of financial assets subject to credit risk is shown in Note 5.

(iii) Liquidity risk

The Company exercises prudent management of liquidity risk based on the maintenance of sufficient cash and marketable securities, the availability of financing through a sufficient level of committed credit facilities and sufficient capacity to settle market positions.

The classification of financial liabilities by contractual term to maturity is shown in Note 11.

(iv) Cash flow and fair value interest rate risk

Since the Company does not have significant interest-earning assets, most of the income and cash flows from its operating activities are largely unaffected by changes in market interest rates.

29. Annual report on Investment Services Companies

This report is issued with the aim of fulfilling the information disclosure requirements established in Article 120 of the Securities Market Act 6/2023, 17 October.

This report will be published as an appendix to the audited financial statements and included on the website of Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) (www.bestinver.es), which is publicly accessible.

The economic data reflected in this report correspond to 2023.

30. Events after the reporting date

Regardless of what has been stated in these notes to the financial statements, after 31 December 2023 and up to the date of preparation thereof by the Company's Board of Directors, there were no significant events that should be included in the financial statements in order to present fairly the Company's financial position and results.

ANNUAL REPORT OF INVESTMENT SERVICES COMPANIES FOR THE YEAR ENDED 31 December 2023
(Expressed in euros to two decimal places)

A. Name, nature and geographical location of the activity.

a) Name

Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship)

b) Nature

On 14 October 2003, the CNMV agreed to register the Company in the Administrative Register of Securities Companies under number 205.

Due to being an Investment Services Company, its operations are governed, mainly, by the provisions of the Consolidated Securities Market Act, Law 6/2023, 17 March and the provision of Royal Decree 813/2023, 8 November, on the legal regime of investment services companies and other entities that provide investment services, in addition to the regulations issued by the Spanish National Securities Market Commission (C.N.M.V.).

Its company object consists exclusively of the provision of investment services and complementary activities envisaged for securities companies in the Consolidated Securities Market Act, Law 6/2023, 17 March and the provision of Royal Decree 813/2023, 8 November, on the legal regime of investment services companies. Furthermore, the Company may carry on activities such as management, assessment or intermediation and ancillary activities enumerated, with the financial instruments also mentioned in the aforementioned Royal Decree.

Pursuant to the Consolidated Securities Market Act, Law 6/2023, 17 March and Royal Decree 813/2023, 8 November, on the legal regime of investment services companies and other entities that provide investment services, Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) will carry on the following investment services activities, in addition to the enumerated ancillary services and ancillary activities, with the financial instruments also cited.

I. Investment services (Article 125 of Law 6/2023)

Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), in the course of its activity, will offer its clients the following investment services:

h) Receipt and transfer of customer orders in relation to one or more financial instruments.

This service will be understood to include bringing two or more investors in contact with each other to perform transactions therebetween involving one or more financial instruments.

i) Execution of the aforementioned orders on behalf of clients.

j) Trading on its own behalf.

k) Placement of financial instruments.

l) Underwriting of an issue or placement of financial instruments.

m) "Investment advice" will be understood to be the provision of personal recommendations to a client, either upon request or at the initiative of the investment services company, in respect of one or more transactions involving financial instruments. For the purposes of this section, recommendations of a generic and non-personalised nature that may be made in relation to the marketing of securities and financial instruments will not be deemed to constitute advice. Said recommendations will be considered to be commercial in nature.

II. Ancillary services (Article 126 of Law 6/2023)

In the course of its activity, Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship), will offer its clients the following ancillary services:

d) The custody and administration on behalf of clients of financial instruments, including custody and related services such as treasury and collateral management.

e) Preparation of investment reports and financial analyses or other types of general recommendations relating to transactions involving financial instruments.

f) Foreign exchange services when related to the provision of investment services.

III. Financial instruments (Article 2 of Law 6/2023)

The instruments in respect of which the investment services and ancillary services will be provided are enumerated below:

e) The marketable securities issued by public or private persons or entities and grouped in issues. Any right of a proprietary nature, whatever its name, which, by virtue of its specific legal form and transfer regime, is susceptible to generalised and impersonal trading on a financial market.

f) Money market instruments, understanding as such the categories of instruments that are normally traded on the money market, such as Treasury bills and certificates of deposit, excluding payment instruments.

g) Shares and other equity interests in collective investment institutions, in addition to venture capital firms and closed-end type collective investment institutions.

h) Options and futures, swaps, forward rate agreements and other financial derivative agreements related to securities, foreign currencies, interest rates or returns, or other financial derivative instruments, financial indices or financial measures that may be settled in kind or in cash.

IV. Ancillary activities (Article 127 of Law 6/2023 and Article 11 of Royal Decree 813/2023)

Pursuant to Article 11 of Royal Decree 813/2023, 8 November and given that the requirements established in said Royal Decree are fulfilled and measures have been adapted to adequately resolve any conflicts of interest between Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) and its clients, or between the different types of clients. Bestinver, Sociedad de Valores, S.A. (Sole Proprietorship) will carry on activities such as providing advice on intermediation on instruments not envisaged in Article 2 of Law 24/1988, 28 July, on the Securities Market, amended by Law 6/2023, 17 March, particularly with savings and capitalisation insurance products and pension plans.

In 2023 the main investment services provided by the Company were financial advisory and financial intermediation services.

c) Geographical location of the activity

The registered address in Madrid (Juan de Mena, 8) and it carries on most of its business activity in Spain, Italy and Portugal. The Company's activity is based in Spain.

B. Revenue.

Revenue for 2023 from fees and commissions received amounted to 6,835 thousand euros, with the following breakdown:

	Thousands of euros 2023
Handling and execution of customer securities purchase and sale orders	1,700
Underwriting and placement of securities issues	591
Marketing of collective investment undertakings	-
Securities custody and book entry	405
Investment advice	2,109
Preparation of investment and financial analysis reports	2,015
Other fees and commissions	15
Other gains	-
	6,835

C. Number of persons employed full time.

At 31 December 2023, the number of persons employed full time by the Company amounted to 51 (6 executives, 35 technicians and 10 administrative personnel), who are based in Spain.

D. Gross profit before tax.

Gross profit before tax for 2023 amounted to EUR 6,166 thousand.

E. Income tax.

Income tax for 2023 amounted to revenue of EUR 2,420 thousand.

F. Grant and public aid received.

In 2023 the Company had not received any amount in this connection.

G. Return on assets.

Return on assets, which is obtained by dividing net profit by the total balance, amounts to negative 18%, due to the negative results from the financial year.

Preparation of the financial statements and directors' report for the year ended 31 December 2023

As a summary of Bestinver Securities' business performance in 2023, it is worth noting a significant decline in revenue figures compared to the previous year. This decline is due to the closure of the Milan office in the 2nd quarter of the year, the absence of Equity Capital Markets transactions and the lack of activity in the Debt Advisory business.

The equity securities activity is framed within an increasingly competitive industry and a very stringent regulatory framework. The entry into force of MiFID II for most securities company clients has significantly affected both the volume and price of fixed-income intermediation operations. During 2023, the volume of the stock market continued to contract by a further 17%. Hence, the traditional Cash Equities business (excluding ECM) has experienced a 10% decline to EUR 3.1 million.

Unlike equities, the sharp rise in interest rates during the first half of the year prompted a clear shift of funds towards fixed-income assets. This translates to an increase in revenue from this activity by 28% to EUR 2.6 million.

The Equity Capital Markets area has been impacted by a significant decline in primary market activity in Spain, similar to what has occurred in Debt Capital Markets activity, resulting in revenues of only EUR 0.5 million.

New business: DCM, Debt and M&A did not perform as expected in 2023, although M&A activity performance is notable, achieving revenues of EUR 1.2 million. On the contrary, the low activity in DCM, and especially the meagre revenue from Debt Advisory of EUR 0.8 million, overshadowed an area that should already be leading the future of the brokerage firm.

On the downside for 2023, the closure of the Italian branch resulted in a loss of EUR 2.9 million for the Company.

The Directors of Bestinver, Sociedad de Valores, S.A.U. consider the environmental risks that could derive from its activity to be minimal. In any case, they are adequately covered and they estimate that no additional liabilities related to said risks will arise. The Company did not incur any expenses or receive any grants related to these risks in the years ended 31 December 2023 and 2022.

In 2023 the Company did not make any payments past due by more than the legally established payment period other than those described in the notes to the financial statements. Furthermore, at 2023 year-end the Company had no unpaid payables past due by more than the legally established payment period.

The Company exercises prudent management of liquidity risk based on the maintenance of sufficient cash and marketable securities, the availability of financing through a sufficient level of committed credit facilities and sufficient capacity to settle market positions.

Preparation of the financial statements and directors' report for the year ended 31 December 2023

The Company has not incurred R+D+I investments during the year 2023.

No transactions involving treasury shares were performed nor investments in R&D made in 2023.

After 31 December 2023 and up to the date of preparation thereof by the Company's Board of Directors, there were no significant events that should be included in the financial statements in order to present fairly the Company's financial position and results.

No transactions involving treasury shares were performed nor investments in R&D made in 2023.