

2023



Activity and Sustainability Report



COFIDES 

Investment and development



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Letter from the Chairman

Against a backdrop again marked by a challenging international climate in which the uncertainties arising from the war in Ukraine, tensions in the energy markets and ongoing restrictive monetary policies at the global level have remained in place, COFIDES has continued **to grow in all its lines of activity**,

Data on COFIDES activity in 2023

Firstly, these data show the **consolidation of a form of management based on solvency and profitability**. In addition to the launch of two new state funds (FOCO and FIS), COFIDES has strengthened its role as the leading manager of public funds aimed at supporting the private sector through financing activities in three strategic pillars of Spanish economic policy—internationalisation and competitiveness, development in emerging economies and business solvency—while broadening its range of activity. COFIDES has



José Luis Curbelo, Chairman and Chief Executive Officer of COFIDES.

also experienced significant growth in its assets under management in recent years, currently exceeding Euros 5 billion.

The year's strong results underscore **both the profitability of COFIDES as a public fund manager and the growth of the various funds managed** in 2023. From this dual perspective, in 2023 the total committed investment portfolio remained at figures similar to 2022, at around Euros 2 billion, with a low default rate, while turnover amounted to Euros 45 million, up more than 21% on 2022. Profit before tax amounted to Euros 34.5 million, with a 25% increase in profit.

New mandates for FOCO and FIS

As a result of this effective management, in 2023 the government entrusted COFIDES with managing the **Coinvestment Fund (FOCO)**, endowed with Euros 2 billion to attract foreign investment and enhance the competitiveness of the Spanish economy, and the **Social Impact Fund (FIS)**, endowed with Euros 400 million to boost the impact investment sector in Spain.

Both funds are part of the addendum to the Recovery, Transformation and Resilience Plan (PRTR) and are supported by Next Generation EU resources.

COFIDES has **thus expanded its lines of activity**, strengthening its relationship with foreign investors and reinforcing its role as a catalyst for impact investment in order to respond to the social and environmental challenges that our society faces.

Commitment to sustainability

In 2023, for the first time COFIDES **quantified the carbon footprint of its portfolio of financial support for internationalisation**. Based on the main internationally recognised methodological standards, the company created a calculation tool to obtain a wide-ranging inventory and identify the impact of all its investments on climate change. In the future, this tool will also serve to easily monitor both its emissions and the effectiveness of future decarbonisation measures implemented while involving its customers in emission reductions.

In June 2023, COFIDES set up a **Sustainability Committee** on its Board of Directors. This is an internal advisory committee that aims to promote sustainability in a comprehensive manner, both in the company's internal activity and in activity of the companies it finances with its different funds. The creation of this committee, which joins the existing Audit and Risk Committee, responds to the need to remain at the forefront of sustainability and to deepen the assessment and mitigation of risks associated with environmental, social and corporate governance factors.

Once again, in this report COFIDES reiterates its commitment to the Sustainable Development Goals (SDGs) in financing operations with climate and environmental objectives and gearing its investments towards sustainable development in economic, environmental and social terms. This has also been one of the objectives of the **COFIDES Impact** programme, created using resources from the Next Generation EU mechanism within the framework of the PRTR, which has proven to be an effective instrument to promote private investment

projects that have a positive impact on the SDGs and has even exceeded the expectations set by COFIDES with the approval of 25 projects.

Strengthened partnerships with the international sovereign wealth fund ecosystem

Under the theme “Investing in Transition”, the International Forum of Sovereign Wealth Funds (IFSWF) organised its 15th annual meeting in Madrid under the leadership of COFIDES.

Initiatives such as this evidence how COFIDES is becoming **increasingly important in the international arena**, positioning itself as a key financial institution in attracting foreign investment to Spain. COFIDES is firmly committed to the ecological and digital transitions and, in order to make them possible, it is essential to count on the financial resources of new strategic players such as sovereign wealth funds, given their significant investment capacity and long-term vision.



Annual meeting of the International Forum of Sovereign Wealth Funds.

During the meeting, COFIDES took a leading role in the discussion on how to mobilise increasing amounts of private, public, institutional, sovereign, bilateral and multilateral resources towards developing countries in the context of the current climate and sustainable development challenges.

Other corporate milestones

In 2023, COFIDES completed the **extension of the accreditation process with the European Union** (9 Pillars Assessment), which reinforces its capacity to structure development financing operations with resources from the EU budget. In its activity as manager and advisor of resources for development financing, the company's assets under management amount to approximately Euros 1 billion,

including the Fund for the Promotion of Development (FONPRODE).

The European Union also showed its **commitment to the Kuali Fund** by approving a contribution of Euros 17 million to this new impact investment fund led by COFIDES in collaboration with the Spanish Agency for International Development Cooperation (AECID), with which it reinforces its position as a structurer of blending projects.



Sir Ronald Cohen, Chairman of the Global Steering Group for Impact Investment; José Luis Curbelo, Chairman and CEO of COFIDES; and Nick Hurd, former UK Minister and Chairman of the Impact Task Force (ITF).

Seeking primarily to maintain employment in the most vulnerable sectors, the activity to support the solvency of companies affected by the COVID-19 pandemic continued to achieve good results. In 2023, due to the effect of early repayments, approximately Euros 33 million was recovered early. These data show that the **objectives for which the FONREC was created are being met**: on the one hand, to support companies that suffered significant deterioration in their solvency during the pandemic and, on the other, to foster the conditions for companies to repay the financing received as their economic situation improves.

In short, 2023 was a year of strong activity and new developments for COFIDES. **I would therefore like to thank the company's entire team for its commitment and performance** without its work it would be impossible to report such a positive result and to look forward to such a promising future. In addition, these results were achieved within a working environment that is highly committed to values such as the promotion of gender equality, the protection of diversity, respect for equity

and inclusion, as well as the promotion of an egalitarian and respectful working environment, as attested by the Equality in the company distinction recently awarded by the Ministry of Equality.



Inauguration of the Bosa Hospital, the first health centre built and operated under the public-private partnership (PPP) model in Colombia and built by the Ortiz Group. The picture shows the mayor of Bogotá, Claudia López; the president of the Ortiz Group, Juan Antonio Carpintero; the chairman of COFIDES, José Luis Curbelo; and members of the centre's medical team.

Introduction



01

Introduction

Milestones

Corporate milestones

- Organisation of the **15th annual meeting of the International Forum of Sovereign Wealth Funds (IFSWF)**, with members of sovereign wealth funds from across the world, which was a unique opportunity to boost their interest in the Spanish economy as a destination for their investments.
- COFIDES and the **Oman Investment Authority (OIA)** are extending their collaboration through a new joint fund amounting to Euros 100 million (**Spain Oman Private Equity Fund II**). With this new instrument they will have made a total of Euros 300 million available to Spanish companies.



The COFIDES Chairman, José Luis Curbelo, and the Secretary of State for Trade, Xiana Méndez, at the 15th annual meeting of the International Forum of Sovereign Wealth Funds.



The Chairman of COFIDES, José Luis Curbelo, and the Chairman of the Oman Investment Authority, Abdulsalam Al Murshidi, subscribed the SOPEF II fund in Madrid.



COFIDES hosted a REDI conference on LGBTI diversity in public companies.

- COFIDES completed the European Commission's 9 Pillar Assessment accreditation process, thus reinforcing its status as an international organisation for the implementation and management of European Union projects.
- Creation of the Sustainability Committee on the COFIDES Board of Directors in order to reinforce its commitment to sustainability, strengthen corporate governance practices and comply with the objectives set out in the 2022-2024 Strategic Plan.
- For the first time, COFIDES is calculating the carbon footprint of its internationalisation portfolio, meeting this objective as set out in its Strategic Plan.
- The exclusion list for COFIDES-managed internationalisation funds has been revised and extended, excluding fossil fuels from eligible activities.

- The 2023 edition of the **GSR Scoreboard** published by **Global SWF** placed COFIDES in **fifth position**, with a score of 96% out of a total of more than 200 entities. The GSR Scoreboard analyses governance, sustainability and resilience issues.
- The COFIDES-led **Huruma Fund** was recognised with an award by the Latin American Association of Financial Institutions for Development (ALIDE) for its innovative practices.
- COFIDES was named as **Best Public Institution/Company** at the 9th Fundación Diversidad Awards, recognising the company's leadership in promoting diversity and inclusion in the workplace.
- It was awarded the **Equality Distinction** for companies from the Ministry of Equality.
- COFIDES participated in various conferences and roundtables relating to sustainability and impact, such as the

28th Conference of the Parties of the United National Framework Convention on Climate Change (COP28 in Dubai) and the **Global Impact Summit** held in Malaga.

- The company carried out preparatory work for compliance with the **National Security Scheme in 2024**. Critical technology infrastructure systems were renewed and the cyber security system and devices upgraded.



José Carlos Villena, Head of the Partnerships for Development Division at COFIDES, collects the ALIDE award.

Activity milestones

COFIDES, FIEX, FONPYME and FONREC

- Total approvals and formalisations amounted to Euros 268 million and Euros 250 million, respectively.
- Total disbursements amounted to Euros 208 million, of which Euros 69 million related to the Fund for the Recapitalisation of Medium-Sized Enterprises Affected by COVID-19 (FONREC). This fund completed its investment period in 2022, and disbursements are made following agreed-on feasibility plans.
- The total portfolio stands at Euros 1.697 billion, down slightly on 2022 (Euros 1.727 billion), mainly as a result of the favourable pace of recovery of investments made in previous years. For formalised operations, the total portfolio reflects the disbursed balances outstanding and the uncollected debt outstanding.
- The total committed investment portfolio amounted to Euros 1.967 billion, 4.7% lower than 2022 (Euros 2.063 billion). The committed investment portfolio is obtained by adding the total portfolio and the amounts formalised but not yet disbursed.
- The default rate stands at 5.7% of COFIDES's own resources portfolio, 4.3% for the Foreign Investment Fund (FIEX) portfolio and 14.3% for the Fund for SME Foreign Investment Operations (FONPYME).
- It also submitted 11 proposed operations amounting to Euros 321.8 million, compared to 12 proposals amounting to Euros 228 million in 2022. Accordingly, the number of transactions fell by 8.3%, but the amount increased by more than 41%.
- In terms of formalisations, seven formalisations were recorded for an amount of Euros 171 million, up 50.8% on 2022.
- COFIDES supports the AECID in the management of the total FONPRODE portfolio by monitoring the 64 component operations.

Fondo para la Promoción del Desarrollo (FONPRODE)

- In 2023, COFIDES submitted to the AECID eight profiles of new operations amounting to Euros 219 million, compared to seven profiles amounting to Euros 118 million in 2022, up 14.3% in terms of the number of operations and 85% of the amount.

Next Generation EU funds

- COFIDES continues to develop the COFIDES Impact Investment Programme, included in the **Recovery, Transformation and Resilience Plan (PRTR)** and financed within the framework of Next Generation EU through the European Recovery and Resilience Mechanism (RRM).
- In 2023, **25 operations were approved under the programme**, of which **14 are aimed at SMEs**, surpassing the initial milestone of 20 operations. It provides support of **Euros 723,000** to improve the socio-environmental performance of companies and the Sustainable Development Goals (SDGs) of the 2030 Agenda.
- The Council of Ministers approved the addendum to the PRTR, which provides for the implementation of two new financial

instruments to be managed by COFIDES: the **Coinvestment Fund (FOCO)** and the **Social Impact Fund (FIS)**.

- COFIDES is designated as the managing company of the **FIS, endowed with Euros 400 million**. The FIS aims to address less targeted social and environmental challenges and generate additional impact to attract private investors to impact investment in Spain.
- COFIDES is the management company of the **FOCO**, which has an **endowment of Euros 2 billion**. The FOCO aims to attract foreign investment in order to boost investments in Spain that help strengthen the growth of the Spanish economy in strategic activities linked to the green and digital transitions.



Presentation of the Coinvestment Fund (FOCO) to Spaincap. Pictured are Rafael Matos, COFIDES's Head of Sustainability and Impact Division; Miguel Tiana, COFIDES Director-general; José Luis Curbelo, COFIDES Chairman; Silvia Martín, Spaincap Director of Communications; José Zudaire, Spaincap Director General; and Miguel Ángel Ladero, COFIDES's Corporate Head of the Investment Department.

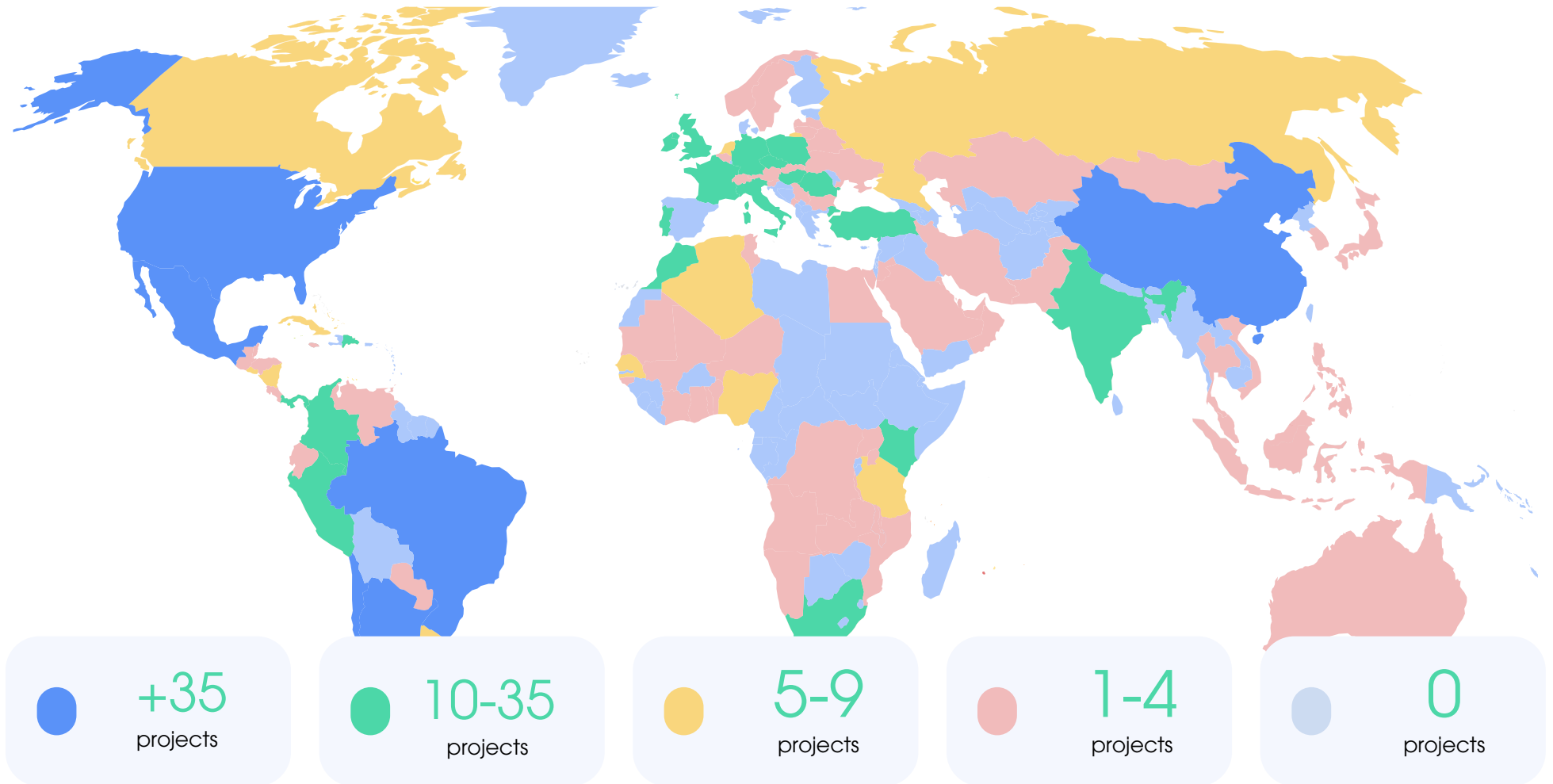


The TIF programme formalised an agreement with Edpyme Alternativa.

Management of the European Commission's budget

- The programme Triple Bottom Line Finance in Latin America: Promoting Climate Smart Finance & Better Access (TIF) continued to implement the Technical Assistance facility: four agreements formalised; project design consulting services provided; and progress made with two more entities for formalisation.
- The European Union approved the contribution of Euros 17 million to the **Kuali Fund**, a new impact investment fund led by COFIDES and managed by **Gawa Capital Partners**.

Business history map



Countries and number of projects

Country	No. of Projects
MEXICO	148
CHINA	75
UNITED STATES	58
BRAZIL	54
CHILE	41
ARGENTINA	36

Country	No. of Projects
COLOMBIA	35
INDIA	33
MOROCCO	28
PERU	27
POLAND	22
ROMANIA	22
ITALY	22
FRANCE	21
PORTUGAL	18
UNITED KINGDOM	17
CZECH REPUBLIC	14
DOMINICAN REPUBLIC	13
KENYA	11
HUNGARY	10
PANAMA	10
SOUTH AFRICA	10
GERMANY	11
TÜRKIYE	12

Country	No. of Projects
EL SALVADOR	7
RUSSIA	7
NETHERLANDS	7
NICARAGUA	7
ARGELIA	6
CANADA	6
CUBA	5
NIGERIA	5
SENEGAL	5
URUGUAY	5
TANZANIA	5

Country ¹	No. of Projects
ECUADOR	4
SLOVAKIA	4
HONDURAS	4
PARAGUAY	4
ANGOLA	3
AUSTRALIA	3
BELGIUM	3
EGYPT	3
UNITED ARAB STATES	3
MAURICIO	3
THAILAND	3
UKRAINE	3

AUSTRIA	2
BULGARIA	2
IVORY COAST	2
COSTA RICA	3
GHANA	2
JORDAN	2
LATVIA	2
NAMIBIA	2
TUNISIA	2
UGANDA	2
VENEZUELA	2
SAUDI ARABIA	2
BENIN	1
BELARUS	1
SOUTH KOREA	1
SLOVENIA	1
PHILIPPINES	1
GUATEMALA	1
GUINEA BISSAU	1
INDONESIA	1
IRAN	1
JAMAICA	1
JAPAN	1
KAZAKHASTAN	2
KUWAIT	1
LITHUANIA	1

MALAYSIA	1
MALI	1
MAURITANIA	1
MONGOLIA	1
MONTENEGRO	1
MOZAMBIQUE	1
NIGER	1
NORWAY	1
OMAN	1
PAKISTAN	1
QATAR	1
D.R. CONGO	1
SERBIA	1
SWEDEN	2
SWITZERLAND	1
TOGO	1
VIETNAM	1
ZAMBIA	1

¹ Charged to EFP in 2023 there is one commitment for a project in Peru.

“COFIDES’s collaboration with sovereign wealth funds” by Miguel Tiana, COFIDES Director-general

The **International Forum of Sovereign Wealth Funds (IFSWF)** is the leading international coordination forum for sovereign wealth funds. Created in 2009, it is a global network that brings together leading sovereign investors from around the world with the aim of improving collaboration and dialogue among its members, promoting greater understanding of their activity and encouraging the adoption of best practices in areas such as good governance and transparency.

COFIDES is the Spanish representative in this forum and in 2023 assumed the organisation of the 15th IFSWF annual meeting, which was held in Madrid from 24 to 27 September. This year saw a record number of participants, bringing together **more than 200 representatives of 45 sovereign investors from all over the world**, with a total volume of assets under management in the region of US\$5.6 trillion. Institutions from all regions of the world participated in the meeting: Europe, North

America, Latin America, Middle East, Asia, Oceania and Africa.

Numerous Spanish authorities also took part, including Nadia Calviño (First Vice-President of the government), Teresa Ribera (Third Vice-President of the government), Xiana Méndez (Secretary of State for Trade) and Pablo Hernández de Cos (Governor of the Bank of Spain).

Discussions at the event focused on several aspects of major interest to Spain. First was the leading role that sovereign wealth funds can play in responding to large-scale global challenges and, in particular, in **driving the green and digital transition**, given their investment capacity and long-term vision. Second was the need to **continue consolidating sustainability as a key focus** of sovereign wealth funds’ investment strategies. Third was the importance of **strengthening strategic partnerships** between different



Miguel Tiana, Director-general of COFIDES.

sovereign wealth funds and also between sovereign wealth funds and other types of public financial institutions—both national and multilateral.

The meeting also provided first-hand information to the world's leading sovereign investors on the **favourable**

performance of the Spanish economy and on the investment opportunities offered by our companies in multiple sectors, with particular emphasis on those linked to the green transition, digitalisation, sustainable agriculture and health, which are priority areas for these types of institutions.

By organising this event, COFIDES consolidated its position as a **major player at the forefront of the international investment ecosystem** and deepened its relations with other sovereign wealth funds. In fact, during the annual meeting it announced the agreement reached with the OIA, the Omani sovereign wealth fund, for the creation of a joint



Participants of the 15th IFSWF annual meeting.

investment vehicle to mobilise Euros 100 million to support the internationalisation of Spanish companies. This fund represents a new step forward in the successful bilateral relationship between COFIDES and the OIA, which began in 2018 with the creation of a Euros 200 million vehicle that has already been fully invested.

The company expects this type of financial initiative to gain greater relevance in the future, particularly in the framework of the **activity of the FOCO**—one of the two new public financial instruments managed by COFIDES, which will be launched in 2024 as part of the measures included in the addendum to the PRTR. Endowed with Euros 2 billion, the FOCO aims to attract foreign investment for projects developed in Spain by private companies that contribute to modernising the Spanish productive model, particularly targeting investments that promote the green transition, the digital transition and technological innovation.

The fund will make equity contributions to private companies on a coinvestment basis with different types of foreign investors, including sovereign wealth funds. As a result, FOCO offers a clear

opportunity to **foster financial collaboration with large sovereign investors**. Thanks to the synergies between COFIDES's various mandates, this collaboration can be structured both to support the expansion of Spanish companies

abroad and to attract additional financial resources to complement domestic resources and contribute to the development of key sectors to strengthen the Spanish economy's competitiveness.



Miguel Tiana participated in the panel "How Sovereign Wealth Funds are Meeting New Challenges".

Our actions and their impact



02

Our actions and their impact

1. High impact undertakings

Supporting the paradigm shift in the fight against climate change

Our society faces environmental challenges without precedent in the history of civilisation. The **climate emergency** thus requires a **paradigm shift** in our approach to climate change. This transformation will entail a profound overhaul, from our everyday activities to the modification of industrial and economic policies towards sustainability and the reduction of environmental impact, without curtailing growth or economic development.

Studies such as *Decoupling Economic Growth and Environmental Degradation by the United Nations Environment Programme* (UNEP) clearly show the **possibility of decoupling economic growth from negative**

environmental impacts. Nevertheless, it is probably the most important recent challenge in socioeconomic terms, surpassing the challenge of the incorporation of the socialist countries into the capitalist system in the 1990s.

In order to reach this new paradigm, **technological innovation** is a fundamental element. The transition from dependence on fossil fuels to renewable energy sources is not only a necessity that cannot be postponed, but also a huge opportunity to take leading positions in the context of the economic reordering that is taking place. As Professor Michael Jacobs pointed out in his study *Green Growth: Economic Theory and Political Discourse*, we need to understand and comprehend the challenge we face from the point of view of both threats and opportunities. Public actors such as COFIDES bear a special



José Carlos Villena
Head of the Partnerships for
Development Division at COFIDES



responsibility to incentivise, create and promote such opportunities, ranging from mere funding to building public-private partnerships that exploit the synergies of both spheres.

It is in this context that international cooperation proves its central role. Climate change is a global problem that requires a **coordinated global response**. International agreements such as the Paris Agreement are crucial, but an equally important factor is that they are implemented effectively and that technologies and resources are shared with less developed countries. This will improve “fairness” in this transition, as all countries, regardless of their income or development level, will be able to participate in the transformation to a low-carbon economy with some equity, as outlined in the UN Department of Economic and Social Affairs study “*Climate Change and Social Inequality*”.

As a **Spanish accredited entity of the Green Climate Fund** (the financial body of the United Nations Framework Convention on Climate Change), COFIDES is committed to this effort

to create financing structures and investment vehicles that materialise these objectives.

The paradigm shift in the fight against climate change is a complex and multifaceted process involving technological adaptation, policy reform, cultural change, economic transformation and international cooperation. **Joint and determined action is the only way to a sustainable future**. Embracing this new paradigm is not only essential to combat climate change, but also offers the opportunity to foster greater global social, economic and environmental equity.



José Carlos Villena participated in COP28 in Dubai.

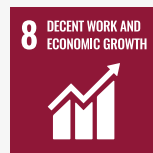
Clean energy: commitment to sustainability and innovation

Wallbox

In 2023 COFIDES participated in a **sustainable syndicated loan** to facilitate the internationalisation of Wallbox, one of the leading providers of charging and energy management solutions worldwide. Along with COFIDES, EBN Banco, the Official Credit Institute (ICO), the Instituto Catalán de Finanzas (ICF), the Compañía Española de Seguros de Crédito a la Exportación (CESCE) and MoraBanc Grup participated in this financing, providing a total amount of Euros 35 million.

Financed exclusively by COFIDES through a joint venture loan of Euros 5 million from the Fund for Foreign Investment (FIEX), the green tranche for internationalisation targeted the **expansion of Wallbox's plant in the United States**.

**“Internationalisation
is proving to be a
success for Wallbox”**



Jordi Lainz

**former CFO and member
of the board of Wallbox**

“Wallbox is on track to consolidate its position as one of the world’s leading charger manufacturers. We create advanced electric vehicle chargers to speed up adoption of electric vehicles and energy management systems that redefine the relationship between users and the grid”.

Strengthening presence in the United States

In order to support the company in achieving its objectives and to secure additional financing, COFIDES participated in this syndicated loan. "The purpose of this loan is to invest in our US subsidiary, especially in **research and development**, to expand our presence in new markets and to create the necessary manufacturing capacity in our factory".

Wallbox has a strong position in the United States—one of the largest and fastest growing electric vehicle markets in the world, especially in the residential charging market.

A clear example of Wallbox's international footprint is the concession it obtained in the state of Washington for the **electrification of more than 148 condominiums**, including hardware and installation. "The fact that a Spanish company is winning this type of contract at the national level is an example of how internationalisation is proving to be a success for Wallbox," says the Wallbox executive.

In fact, Jordi Lainz points out that Wallbox is a global company working on different international projects with major partners. "One of the most prominent projects we are working on is the agreement with Kia America to bring bidirectional charging to Kia's EV9 customers". In addition, "Wallbox has developed the world's first bidirectional DC home charger, *Quasar*, which allows drivers of electric vehicles not only to charge

their car, but also to discharge the power from their car back to their home or to the grid. This effectively turns their car into a backup generator, gives users **more flexibility to use energy when it is more economical or sustainable** and can also be used in the future to make electricity grids around the world more resilient". The company plans to start delivering the first Quasars in the second quarter of this year.



Image of a Wallbox plant.

“Wallbox’s core strategy and charging solutions are intrinsically linked to **reducing carbon emissions and accelerating renewable energy consumption for a more sustainable world**,” says Jordi Lainz. By leveraging this strategy and these solutions for internal purposes, Wallbox was able to make a strong commitment to achieve net zero emissions by 2030. “The company is proud to be aligned with the EU Taxonomy, which sets standards for environmentally sustainable economic activities and is an important benchmark for investors. Wallbox activities are considered 100% eligible under EU Taxonomy standards”.

For Jordi Lainz, the outlook for electric vehicles in the future is highly promising. “We believe we are positioned to capture and control a large share of this market by leveraging smart charging technology to facilitate the mass adoption of electric vehicles. This makes Wallbox a **major player in the energy transition** and decarbonisation on a global scale, providing charging solutions that enable more efficient and renewable consumption in vehicle

charging and, through bidirectional charging, more efficient energy management”.

COFIDES Impact

This project was supported by the COFIDES Impact programme, which looks to help investment projects that have a positive impact on the SDGs. A link is established between the financing and impact of investments through key project indicators or the establishment of management procedures that better position the financed companies in their contribution to the SDGs of the 2030 Agenda.



Daniel Sanz

Analyst in the Sustainability and Impact Division at COFIDES

“A discount on the price of the financing was provided on the condition of an annual increase of at least 17% of the tonnes of CO₂e avoided by the chargers connected to *MyWallbox*. With milestones like this, COFIDES continues its efforts in the fight against climate change, supporting its portfolio companies to generate a positive impact on climate change mitigation as part of the COFIDES-designed climate strategy”.

Partnerships to boost international expansion and strengthen competitiveness

Spain Oman Private Equity Fund (SOPEF) II

In 2023, COFIDES and the OIA, the Omani sovereign wealth fund, expanded their partnership by creating a new joint fund amounting to Euros 100 million, called the Spain Oman Private Equity Fund (SOPEF) II. With this new instrument, COFIDES and OIA will have made a total of Euros 300 million available to Spanish companies.

This new fund follows on from the Spain Oman Private Equity Fund (SOPEF I), a private equity fund set up in 2018 and managed by the renowned firm MCH Private Equity Investments.

The objective of the fund is to finance Spanish companies with plans for international expansion into Oman and other priority markets for the Omani economy and, at the same time, to contribute to the development of Oman and Spain.



Formalisation of the agreement between the Oman Investment Authority and COFIDES for the implementation of SOPEF II.

By accessing this fund, Spanish companies are assured of financing to address their international strategy or strengthen their position abroad. This financial support not only fosters the growth and consolidation of the Spanish parent companies, but also enables them to take advantage of their **experience and technological know-how** to promote innovation and development in Oman. The fund also allows Oman to benefit from the





“SOPEF II’s investment strategy will focus on companies whose growth pillar is based on internationalisation”

experience and technological know-how of Spanish companies through technology transfer and return on investment.

MCH will continue to lead the management of this fund. Its extensive knowledge of financial markets, risk management and investment strategies will play a key role in ensuring the optimal allocation of SOPEF II resources.

José Manuel de Bartolomé, MCH partner, takes stock of the Spain Oman Coinvestment Fund and describes it as “very positive”. However, he recalls that “during the investment period we had to deal with the **challenge of continuing to invest in the middle of the pandemic**, when we had already divested two companies (Haizea and Symborg) with a very positive result for SOPEF”.



José Manuel de Bartolomé

MCH partner

“The strategy that SOPEF II will follow will be very similar to that developed by the original fund (SOPEF I), although with a lower weight of coinvestments, seeking companies whose growth pillar is based on internationalisation. We are currently working on several projects, some of which are at an advanced stage of completion”.

MCH believes that the objectives set in 2018 when it took over management of the fund have been met: "To invest in companies positioned in sectors with a significant weight in the national GDP and with high growth potential and to facilitate their internationalisation with a strategy that combines large companies and other smaller ones with a high development capacity".

The SOPEF fund has invested in 11 Spanish companies in various sectors, including agri-food, renewable energy, technology, industry, health and lifestyle. "SOPEF has invested in these companies in search of differential value-added propositions or market consolidation". In this connection, "we have invested in technological and disruptive innovation companies such as Symborg, Logalty, Seabery, Fermax and Agrovin; in industrial sectors with TCI; renewables such as Haizea; healthcare and wellness such as Noucor and All for Padel; food such as Palacios; and agribusiness in Iberian Premium Fruits," says the MCH partner.

Some of the projects supported by the fund are characterised by being innovative and

technology-based, an issue that has characterised smaller companies with a differential innovation component, such as Symborg and Seabery.

SOPEF follows a responsible investment policy in its investments and, as José Manuel de Bartolomé states, "MCH considers it part of its fiduciary duty to act in the long-term interest of its investors and society by managing ESG risks and opportunities. Therefore, we believe that making responsible decisions with their social and environmental impact in mind can positively affect the financial performance of the related investments, maximising their long-term value, reducing risks and aligning MCH investors with society's overall goals".



Yolanda Gómez de Segura

Head of the Investment Unit at COFIDES

"SOPEF is a clear example of how strategic partnerships can generate multiple opportunities. The fund has contributed to boosting innovation, technology and competitiveness in both countries, Spain and Oman. COFIDES is highly satisfied with the collaboration with the Oman Investment Authority and MCH's management over the years. We look forward to continuing this fruitful and effective partnership in the framework of SOPEF II".

Boosting internationalisation through FONREC

Sagardi Group

The lockdown resulting from the COVID-19 pandemic caused many companies in Spain to be hit with liquidity problems, which subsequently gave way to temporary deteriorations in solvency. To help alleviate this situation, the government launched the **Fund for the Recapitalisation of Companies Affected by COVID-19 (FONREC)**, which targets SMEs and is managed by COFIDES.

With a profitable and consolidated business model, the Sagardi Group was affected by the restrictions and lockdown caused by the COVID-19 pandemic. The Group drew on funding from FONREC. The company's



performance since then has been highly positive and has **benefited from the restaurant sector's strong performance**.

The Sagardi Group was one of 83 companies to secure FONREC funding. This instrument fulfilled its objective and **barely one year later, the Sagardi Group had already repaid in advance more than 60% of the financing granted** and once again secured COFIDES support—this time for an internationalisation project.

In 2023, COFIDES granted a loan of Euros 700,000 under FONPYME to open a new Mexican restaurant in Amsterdam. The Sagardi Group has experience both in Amsterdam, where it has had another Basque food restaurant since 2020, and in Mexican food establishments. This new restaurant will help to **consolidate the group's presence in the Netherlands and continue its international expansion**, following the opening of several establishments in London, Porto, Amsterdam and Buenos Aires.

Octavio Viñaspre, CFO of the Sagardi Group, explains how **the FONREC fund helped the**

company to regain solvency after the forced lockdown caused by the pandemic.



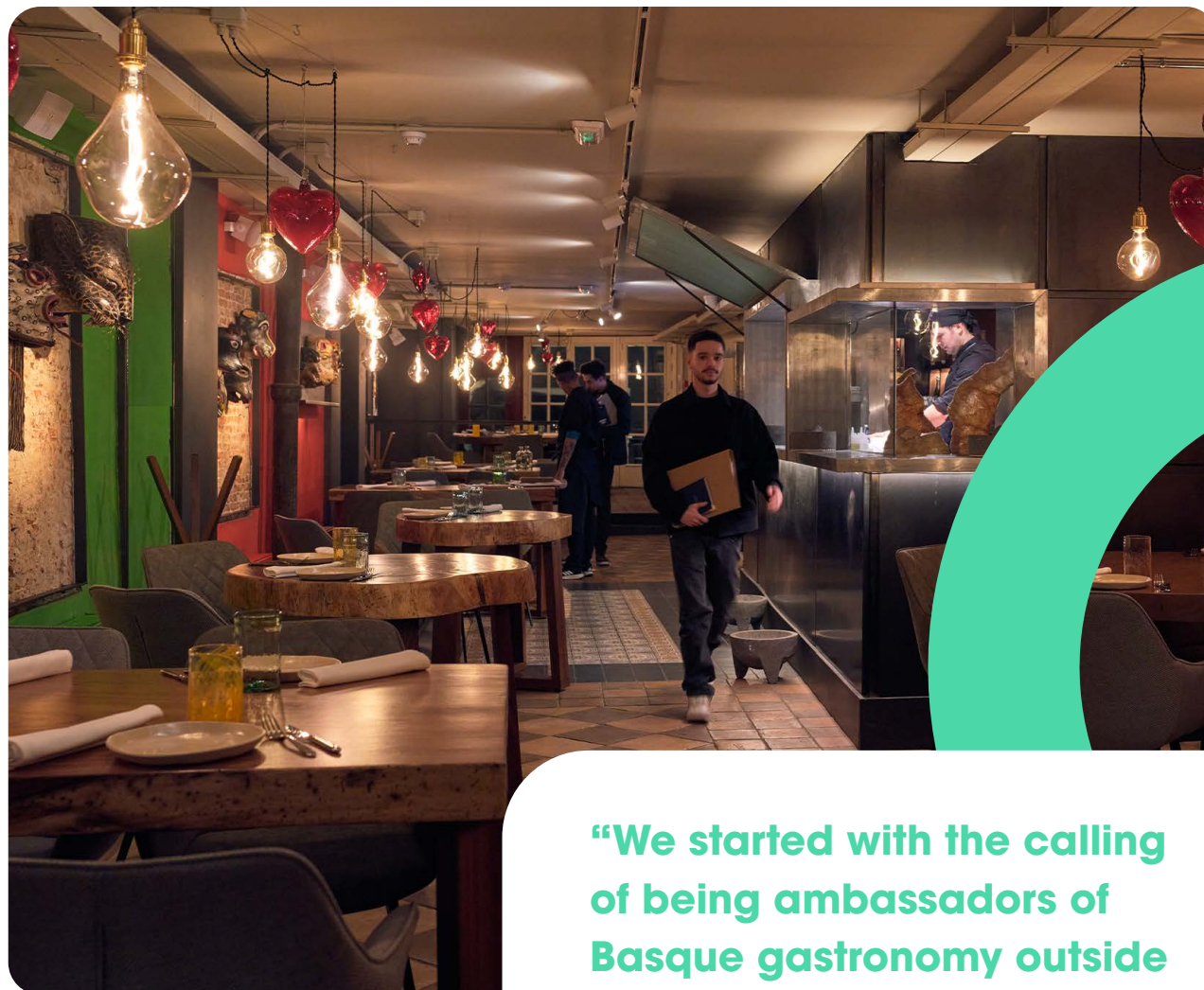
Octavio Viñaspre
CFO of the Sagardi Group

"We had to live through an unthinkable situation, both personally and professionally. No company is prepared for a total closure and then an opening with many restrictions. In this environment of maximum uncertainty, the FONREC fund was a plank to hold on to in the storm".

Rapid recovery and job creation

Fortunately, the recovery and return to normality was swift and even continued to create jobs, as the Sagardi Group executive notes. “Just as the stoppage of activity was abrupt, once the restrictions were lifted, the exit from the pandemic was abrupt as well, and **consumption rebounded strongly in 2022 and 2023**, allowing Sagardi to meet its schedule of obligations and repay early 64% of the financing received from FONREC. This has resulted in a recovery of the teams that make up the project and the hiring of new people”.

The Sagardi Group’s recovery was such that it asked COFIDES for support from the instruments for internationalisation in order to start up a new restaurant in Amsterdam under the Oaxaca brand. “In the fourth quarter of 2023 we expanded our presence in Amsterdam by opening our second restaurant, in this case under the Oaxaca brand, which draws on the essence and tradition, with respect for the products, of Mexico and its original flavours. Home-made nixtamalised corn tortillas, authentic moles, guacamole prepared at the



Picture of the Oaxaca restaurant in Amsterdam.

“We started with the calling of being ambassadors of Basque gastronomy outside the Basque Country”

table and a long etcetera of quality products of traditional Mexican cuisine. All this, led by Joan Bagur, a chef trained for years in the Mexico's gastronomic tradition".

The Sagardi Group has a **strong international focus**, which has enabled it to be present in several countries. "We started with the calling of being ambassadors of Basque gastronomy outside the Basque Country and that has taken us to different cities in Spain (Barcelona, Madrid, Valencia and Seville), as well as London, Amsterdam, Oporto and Buenos Aires," says Viñaspre.

The Sagardi Group now has **28 restaurants and a team of 702 people in 5 different countries**. Its plans for the future include plans to continue growing internationally with new restaurants. "We're looking forward to continuing to grow in other large capitals—the world is immense, so we there won't be any shortage of locations! However, he points out that "we are committed to rational growth, taking care of each project, without any external pressure".

**"We're
looking
forward to
continuing
to grow in
other large
capitals"**



David Climent

**analyst in the Investment
Department at COFIDES**

"It is always satisfying to have been able to help a company like the Sagardi Group at a time of great need and to see how it manages to overcome various difficulties to return to growth.

We are very pleased as well to contribute to their international expansion and look forward to supporting them in the future in the strong growth that lies ahead. We greatly thank all the members for their professionalism and their willingness at all times to facilitate the work of the team members who have collaborated with them".

Women's leadership and internationalisation, a successful tandem

In line with SDG 5, COFIDES maintains a firm commitment to gender equality and women's empowerment, which it seeks to convey to the companies and projects it finances and is also reflected in this report, where we have sought to highlight the role of women in the internationalisation of the Spanish economy and their growing participation in all areas of activity. Three female managers have shared with us their experience and reflections on leadership, obstacles and progress on the road to parity.



Carmen Urizar, CFO of the Fagor Ederlan Group

Fagor Ederlan is a company specialising in the manufacture of components for the automotive sector.

Carmen Urizar stresses that the group "has an advanced value proposition, with innovation as a key factor in overcoming the sector's technological challenges", and in which international growth also plays a leading role. "In our industry, globalisation is necessary; supporting customers wherever they need to go is a *sine qua non* to survive in the market. The reality is that it is the OEMs who define the internationalisation strategy of Tier 1 and Tier 2 suppliers, and our case is no different".

Although, she says, female representation in the automotive industry is increasing and has been gaining relevance in all links of the value chain, "at present, it only accounts for 20% of the total number of jobs. This is an improvement on eight years ago, when the percentage was around 14%, but the



Carmen Urizar
CFO of the Fagor Ederlan Group

"We are a global supplier, present in Europe, Asia, South and North America, with 16 production plants offering complete solutions. One in every two cars in the world carries our parts".

ratio is still low compared to other areas of activity". This reality is reflected in the sectoral studies published annually, which

coincide in highlighting that “there is still a wide margin for improvement and some unfinished business”.

In the case of Fagor Ederlan, she explains, “diversity and equal opportunities are a reality, although it is true that the presence of women in management positions is lower than in other sectors”.

In general terms, women’s participation in the business environment, and particularly in the international arena, “could be encouraged by introducing more measures to facilitate the work-life balance,” she reflects.

This, she says, “would promote female leadership, whose style is more pragmatic, horizontal and pluralistic, with better time management and a greater bent towards people, which results in more holistic decision-making”.

Patricia Ratia, cofounder of Samy Alliance

Samy Alliance, a global technology-based full-service digital marketing and communications firm that captures and understands the voice of the consumer, “is clearly committed to innovation, data, creativity and talent,” says Patricia Ratia.

It operates in 55 markets, with 15 own offices and more than 450 employees, and internationalisation is key to its vision of becoming a “global leader”. “It is crucial to diversify the business and to remain abreast of trends in marketing and technology”.

Despite the successes achieved in promoting equality, she reflects, companies still face obstacles on this path. “One of the challenges lies in stereotypes, which often reveal misconceptions about women’s capabilities and roles”. In addition to this, she lists others, such as the lack of female role models, rigid organisational structures and resistance to change in more traditional companies, wage inequality and the work-life balance.



Patricia Ratia
cofounder of Samy Alliance

“Equality is a cornerstone of Samy Alliance’s corporate culture: two of the three founders are women and 60% of the staff are women”.

“We ensure that all team members have equal access to career development, promotion and training opportunities, which fosters a work environment where talent is recognised without bias”.

"The gender gap starts during the **education** stage. It is vital to promote women's participation in all disciplines, even those historically associated with men, such as engineering or computer science," she says. "Although more and more women are making significant contributions to these sectors, they face a **lack of recognition and visibility**, so it is important to highlight their achievements and success stories".

"It is also about providing opportunities for professional growth," she adds, ones that build "a strong and competitive female workforce, both nationally and internationally". Empathy, resilience, and the ability to form diverse and cohesive teams and to inspire and motivate are the qualities that, in her opinion, distinguish good female leadership: "A unique combination that not only boosts organisational performance, but also contributes to the creation of more inclusive work cultures".

Miriam Pineda, Global Treasury and Funding Director and Global Financial Controller at Tradebe

"Tradebe is a family-run business organisation committed to creating a more sustainable planet and making meaningful contributions to people's well-being," explains Miriam Pineda. It began operating in 1984, offering specialised **environmental services** in the industrial sector, and has since grown significantly by diversifying into related areas such as the chemical industry, the fine chemicals industry and, more recently, the aroma and fragrance industry, among others.

Internationalisation is a core value for Tradebe: in 2023, "more than 60% of revenues will be generated outside Spain," she says. "It is a **hedge for the business**: different geographies have different macroeconomic situations which, in turn, entail different impacts on the local industry. It makes it possible to anticipate market trends, enriches and makes the organisation more efficient during knowledge transfer, and is a platform for talent attraction and retention".



Miriam Pineda

**Global Treasury and Funding
Director and Global Financial
Controller at Tradebe**

"We need more women on boards of directors, women who are inspiring and empowering. We need to break down stereotypes, including self-imposed stereotypes, and pay attention to issues such as the pay gap and equal opportunities".

Miriam Pineda acknowledges that this sector has been traditionally male. In the case of

Tradebe, its culture “does not prioritise gender, but ability, merit, know-how and results”. As a result, it has **women in executive and leadership positions**: “Our corporate director of engineering has been successfully managing investments and projects all over the world for years,” she says. In addition, “female leadership has moved into global corporate functions and middle management, in positions such as Chief Information Officer (CIO), Legal Counsel, Chief People Officer and other technical and financial departments”.

In order to make progress on equality, she insists, it is necessary to **continue working on balancing** the personal and professional life for all.

“**International positions** require empathy, flexibility and the ability to build good relationships, which is very much aligned with female leadership. Being people-centric adds much value in this context, which brings with it the challenge of managing multicultural environments. If the necessary conditions for a work-life balance, professional development and remuneration are put in place to attract women, the result can be exponential,” she concludes.

2. Boosting sustainable financing and investment impact

“Sustainability and Impact” is one of the four pillars of COFIDES’s [Strategic Plan 2022-2024](#). In 2023, the priority actions were the creation of a Sustainability Committee as an internal advisory body to the Board of Directors, proactivity in generating climate projects and the financing of operations within the framework of the COFIDES Impact Programme.

Creation of the Sustainability Committee

In 2023, the [COFIDES Sustainability Committee](#) was created as an internal advisory body to the Board of Directors, with the aim of **reinforcing the commitment to sustainability** and improving corporate governance practices. The Committee is composed of several members of the Board of Directors, chosen because of their professional profile and their knowledge and experience in sustainability.

It is empowered to **advise, guide and supervise sustainability-related issues**, both at the business level and in terms of internal policies, procedures and corporate actions, as well as to supervise the annual information on sustainability contained in corporate reports and to advise the highest governance body.

This Committee **works jointly and in coordination with the Audit and Risk Committee** on matters that affect both, such as the control and management of sustainability-related risks and the supervision of non-financial information. There are several formal and informal coordination channels for this, including the cross participation of members of both committees. For this purpose, the chair of the Audit and Risk Committee is also a member of the Sustainability Committee.

Proactivity in generating climate projects

COFIDES has set the **objective of identifying and financing sustainable investment opportunities**, so that new direct operations in the internationalisation portfolio dedicated to climate action and environmental sustainability reach an average of 30% of the new direct financing formalised for the three-year duration of the current Strategic Plan.

The volume of climate finance in 2023 accounted for 29% of the total amount formalised in direct investment operations using COFIDES, FIEX and FONPYME resources. In 2022, the volume of climate finance accounted for 38%. The definition of climate finance used by COFIDES is based on compliance with either the [Common Principles for Climate Mitigation Finance Tracking](#) developed by a group of multilateral development banks together with the International Development Finance Club (IDFC) or the [European Union's Sustainable Finance Taxonomy Regulation](#).

Implementation of COFIDES Impact

The **COFIDES Impact Investment Programme** is included in the PRTR for the Spanish economy and financed within the framework of Next Generation EU through the RRM.

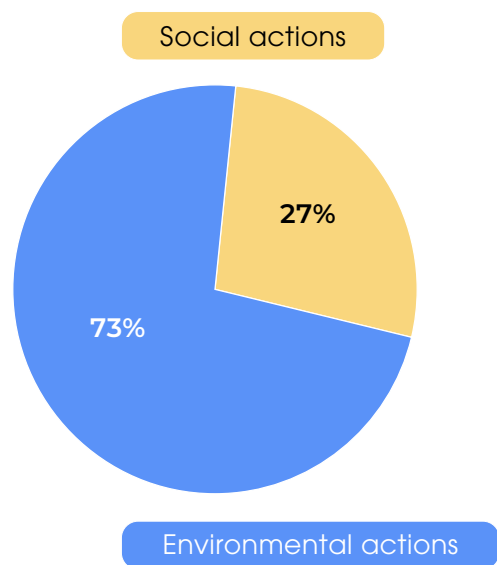
This is a COFIDES-designed programme based on two blocks: inclusion of sustainability in the price of financial instruments by establishing key project indicators, and the implementation and improvement of management procedures through technical assistance. Its final objective is to support Spanish companies in their efforts to **integrate socio-environmental management into their investment projects** and to strengthen their business model in terms of sustainability.

In 2023, **21 operations were formalised with COFIDES Impact**, 8 of them SMEs, for an amount of Euros 710,000 under the programme. The actions supported include securing internationally recognised

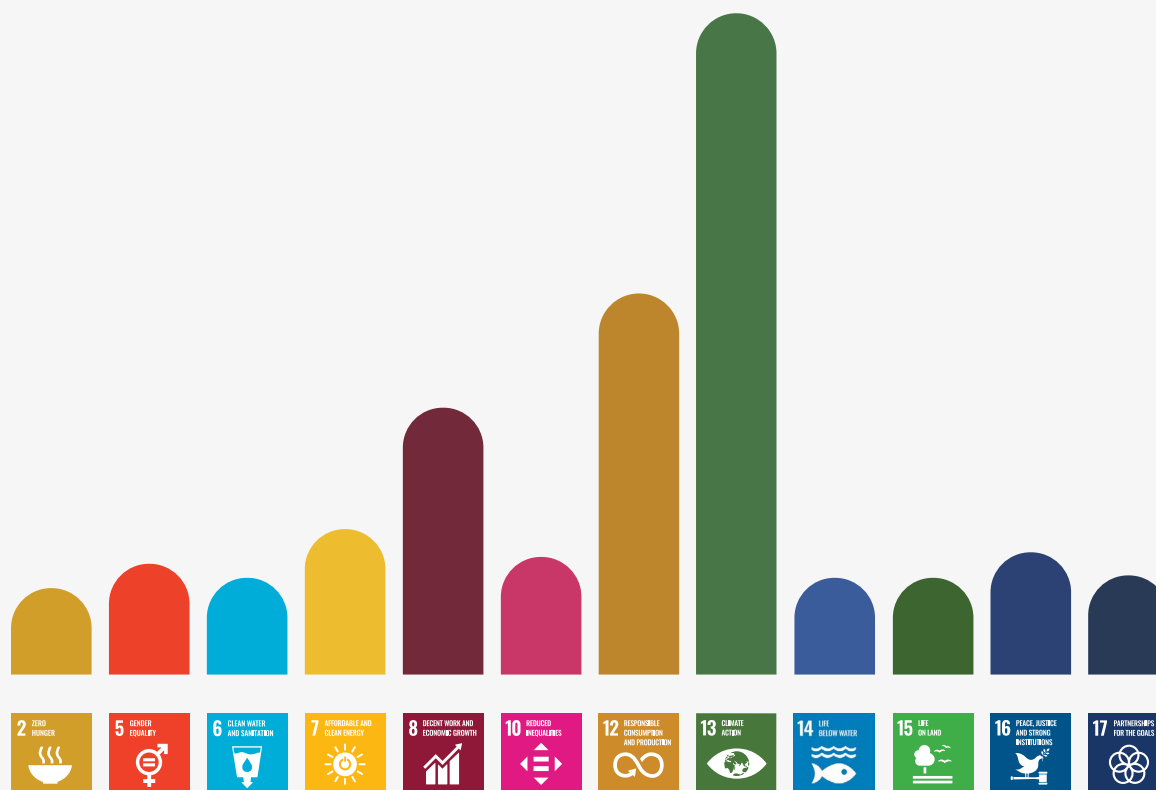
certifications in environmental management and occupational health and safety, as well as others linked to calculating the carbon footprint, reducing emissions, using renewable energy, contributing to the EU Taxonomy and implementing sustainability and decent work plans.

The contribution by volume of these operations to the various SDGs is shown below, based on the support to the different targets that comprise them, as well as the type of actions (environmental or social) required of companies, taking into account that there are operations that contribute to both aspects.

DISTRIBUTION OF COFIDES IMPACT'S SOCIO-ENVIRONMENTAL ACTIONS IN 2023



CONTRIBUTION TO SDGs OF OPERATIONS FORMALISED WITH COFIDES IMPACT IN 2023



Aggregate impact of investments

COFIDES promotes the establishment of **partnerships with the private sector** to finance projects that help generate positive and lasting effects in the countries where the investment is made and has a long track record of measuring impact.

The aforementioned climate finance target is part of the set of annual sustainability targets that are material to COFIDES's activity and related to supporting employment, responsible industry, social infrastructure and climate change mitigation, capital flows to emerging and developing countries and COFIDES Impact beneficiary projects. Included for the fifth consecutive year, these objectives account for 25% of the corporate objectives that are generally linked to employees' variable remuneration. The contribution of operations in 2023 is published on the [COFIDES website](#).

DETAILS RELATING TO THE PROJECTS IN THE PORTFOLIO FINANCED BY COFIDES, FIEX AND FONPYME ARE AS FOLLOWS:

 **452.58** MM EUR
tax revenue


 **2,357.16** MM EUR
increase in national income

Contribution to the creation and maintenance of:

 **20,853**
direct jobs

 **895.64** MM EUR
combined wages and salaries

 **5,065**
female-held jobs

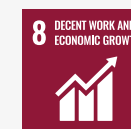
 **32**
projects with a positive contribution to gender equality



Operating Principles for Impact Management

COFIDES is a member of the IFC-developed Investing for Impact: Operating Principles for Impact Investing initiative. In 2023 COFIDES issued its [fourth statement](#).

COFIDES'S CONTRIBUTION TO THE SDGs



Management activities



03

Management activities

Our actions and impact are the outcome of management's pursuit of ongoing improvement and the **very highest standards of responsibility** and practices aligned with international market benchmarks.

Such practices are applied at COFIDES to the management of the company's own resources and of those of the FIEX and FONPYME State funds. They are also deployed in supporting the AECID in FONPRODE fund management and in co-financing and mobilising bilateral and multilateral assets through mechanisms such as the Interact Climate Change Facility (ICCF), European Financing Partners (EFP), EU blending finance facilities and the United Nations' Green Climate Fund.

The 2023 results of the annual client satisfaction survey show that clients

rate the company's services as "highly satisfactory", with an overall satisfaction index of **4.33** out of 5. The value of this indicator, which stands between "good" and "excellent", is in line with previous years.

The personalized attention, courtesy and accessibility of COFIDES staff were the items that scored most highly. As strengths, they also value the agility in processing financial support and the capacity to offer flexible solutions to resolve problems, in addition to the teams' extensive knowledge of the business. All companies agree that they **would come back to COFIDES for support**.



The Head of the Partnerships for Development Unit, Nuria Rodríguez Aller, presented the Triple Inclusive Finance (TIF) programme at the annual inclusion event organised by the European Commission and Practitioner's Network.

Operational and management capacity

ROLE	SOURCE	KEY FIGURES
Management	COFIDES own resources	<ul style="list-style-type: none"> Equity, 31.12.2023: Euros 215.86 million. Approvals, 2023: 21 projects for Euros 33.24 million. Formalisations, 2023: 18 projects for Euros 23.42 million. Portfolio committed, 31.12.2023: 143 operations for Euros 145.97 million.
Management	FIEX	<p>Exclusive management of the Fund for Foreign Investment (FIEX) on behalf of the Secretary of State for Trade, attached to the Spanish Ministry of Industry, Trade and Tourism.</p> <ul style="list-style-type: none"> Equity, 31.12.2023: Euros 1,399.30 million. Approvals, 2023: 26 projects for Euros 215.91 million. Formalisations, 2023: 24 projects for Euros 215.82 million. Cumulative revolving commitments: 344 projects for Euros 2,941.47 million. Portfolio committed, 31.12.2023: 159 operations for Euros 1,148.20 million.
Management	FONPYME	<p>Exclusive management of the Fund for SME Foreign Investment Operations (FONPYME) on behalf of the Secretary of State for Trade, attached to the Spanish Ministry of Industry, Trade and Tourism.</p> <ul style="list-style-type: none"> Equity, 31.12.2023: Euros 99.34 million. Approvals, 2023: 23 projects for Euros 18.71 million. Formalisations, 2023: 16 projects for Euros 10.64 million. Cumulative revolving commitments: 288 projects for Euros 228.39 million. Portfolio committed, 31.12.2023: 111 operations for Euros 81.23 million.

ROLE	SOURCE	KEY FIGURES
Management	FONREC	<p>Management of a new Fund for the Recapitalisation of Companies Affected by COVID-19 (FONREC), attached to the Spanish Ministry of Industry, Trade and Tourism through the Secretary of State for Trade.</p> <ul style="list-style-type: none"> • Equity, 31.12.2023: Euros 943.40 million. • Portfolio committed, 31.12.2023: 76 projects for Euros 591.60 million.
Management support	FONPRODE	<p>One of the main financial instruments of the AECID, whose primary goal is to contribute to eradicating poverty.</p> <ul style="list-style-type: none"> • Managed by the AECID: COFIDES has been supporting the AECID in reimbursable cooperation operations since 2015. • COFIDES provides management support for the following: <ul style="list-style-type: none"> i) Reimbursable action planning. ii) Identification of operations eligible for financing. iii) Financial, legal, environmental, social and development due diligence analyses. iv) Support in the formalisation of operations. v) Economic, financial and portfolio performance monitoring. • In 2023, COFIDES provided management support to the AECID in preparing 8 financial condition profiles and 11 proposals for operations and in formalising 7 operations (3 microfinance operations and 4 state loans). The Company monitored 81.3% of the portfolio (52 out of 64 operations) and participated in 8 missions and due diligence processes on behalf of FONPRODE.

ROLE	SOURCE	KEY FIGURES
	<p>Guarantees (+technical assistance)</p>	<ul style="list-style-type: none"> • Within the framework of the Foreign Investment Plan, the Energy Program for Sub-Saharan Africa —a guarantee programme for FONPRODE, presented jointly with the AECID— was formalised in 2020 to support off-grid renewable energy projects in rural areas of Sub-Saharan Africa. In 2023 a due diligence review was contracted to evaluate a potential operation eligible under this programme.
<p>EU programmes Multilateral and bilateral resources</p>		<ul style="list-style-type: none"> • In the international management of EC budget funds and with regard to the technical assistance programme Triple Bottom Line Finance in Latin America: Promoting Climate Smart Finance and Better Access (TIF) based on three pillars (financial, social and environmental) and formalised at the end of 2020, in 2022 COFIDES began implementation of the Technical Assistance facility with six projects under study, and the first agreements were entered into with entities to provide consulting services on the pricing design. In 2023, a new entity was added, bringing the total to seven entities.
	<p>Other technical assistance projects</p>	<ul style="list-style-type: none"> • In 2023, four technical assistance agreements were formalised with SICSA, Empresa de Crédito Alternativa, Banco VisionFund and Banco Codesarrollo. The first tenders will be launched in 2024. Consulting services for the design of the integrated support project were provided, with field visits and the delivery of a preliminary draft. Work continued with COOPAC Norandino and Contactar on the formalisation of agreements (expected in 2024), and progress was made on the development of a crosscutting climate change resilience programme in collaboration with Triple Jump and Oxfam Novib. In all, Euros 22.3 million were disbursed under the programme's debt facility in 2023.

ROLE	SOURCE	KEY FIGURES
EU programmes Multilateral and bilateral resources	Other blending projects	<ul style="list-style-type: none"> The Huruma Fund is the first COFIDES-led blending project. It is an impact investment fund, which aims to improve access to finance for small and excluded farmers in Latin America and the Caribbean, Sub-Saharan Africa and Asia. In 2023, due diligence was conducted on the operations financed from the fund, and more than 85% of total commitments were invested.
Lines in the framework of the EDFs Multilateral and bilateral resources	AFP/ICCF	<p>European Financing Partners: Financing scheme driven by the European Investment Bank (EIB) and COFIDES's counterpart bilateral European development finance institutions (EDFIs).</p> <ul style="list-style-type: none"> Resources committed by AFP at 31.12.2023: Euros 823.0 million in 62 projects in 21 countries. Share of COFIDES and FIEX resources in AFP at 31.12.2023: Euros 22.04 million in 34 operations in 15 countries. <p>Interact Climate Change Facility: Investment facility created by the French Development Agency (AFD), the European Investment Bank (EIB) and the EDFI to finance viable private investment projects that contribute to mitigating climate change and fostering energy efficiency in countries receiving official development assistance.</p> <ul style="list-style-type: none"> Resources committed by ICCF at 31.12.2023: Euros 383.2 million in 27 projects in 16 countries. Share of COFIDES and FIEX resources in ICCF at 31.12.2023: Euros 11.19 million in 23 operations in 14 countries.

ROLE	SOURCE	KEY FIGURES
<p>Lines in the framework of the EDFIs</p> <p>Multilateral and bilateral resources</p>	<p>EDFI Management Company</p>	<p>COFIDES holds a 10% ownership interest in EDFI Management Company and has been a member of its Board of Directors since 2021. It manages, inter alia, the AgriFi and ElectriFi initiatives, two EU-backed blended finance facilities:</p> <ul style="list-style-type: none"> • AgriFi: Supports value chain-oriented investments targeting the inclusion of small and medium-sized farmers and/or agricultural MSMEs. COFIDES is involved in the initiative and has appointed one of the members of AgriFi’s Investment Committee. The endowment is Euros 120 million. • ElectriFi: Supports investments in electrification for populations in rural and underserved areas. It promotes energy access projects and has a portfolio of 46 projects in 23 countries (concentrated in Sub-Saharan Africa).
<p>Others</p> <p>Multilateral and bilateral resources</p>	<p>Green Climate Fund</p>	<ul style="list-style-type: none"> • COFIDES is the only Spanish accredited entity of the Green Climate Fund. • As an accredited entity, COFIDES complied with its reporting obligations set out in its Accreditation Framework Agreement (AFA) and in 2023 submitted the Midterm Review Report and Annual Report on IAE support to DAE.





EDFI Annual Meeting in 2023.



The Partnerships for Development team at the Central American and Caribbean Microfinance Conference.

Approvals, formalisations and disbursements

COFIDES, FIEX, FONPYME, FONREC. 2023

	No. of projects	MM EUR
Approvals	54	267,86
Formalisations	45	249,88
Disbursements	---	207,70

FONPRODE. MANAGEMENT SUPPORT BY COFIDES. 2023

	No. of operations	MM EUR
Profiles	8	219,07
Proposals	11	321,83
Approvals by Council of Ministers	11	360,43
Formalisations	7	171,08

FORMALISATIONS BY PRODUCT 2023. COFIDES/FIEX/FONPYME



Total intermediate financing
115 MM EUR
(4 projects; 46%)

Total direct financing
134.9 MM EUR
(41 projects; 54%)

Portfolio by region and sector

COFIDES, FIEX AND FONPYME

MM EUR	2023
Total portfolio	1,112.86
Committed portfolio	1,375.40
Committed portfolio	2023
No. of operations	304
Countries	58

COFIDES, FIEX, FONPYME AND FONREC

MM EUR	2023
Total portfolio	1,697.46
Committed portfolio	1,967.00
Committed portfolio	2023
No. of operations	380
Countries	58

Country ¹	Total portfolio investment volume (%)
Spain ³	35%
Internationalisation ²	13%
Chile	10%
US	8%
Mexico	5%
Colombia	4%
Peru	3%
United Kingdom	3%
Italy	3%
Poland	2%
Paraguay	1%
Panama	1%
France	1%
India	1%
Brazil	1%
Turkey	1%
China	1%
Oman	1%
Russia	1%
Hungary	1%
Algeria	1%
Other countries	5%
TOTAL	100 %

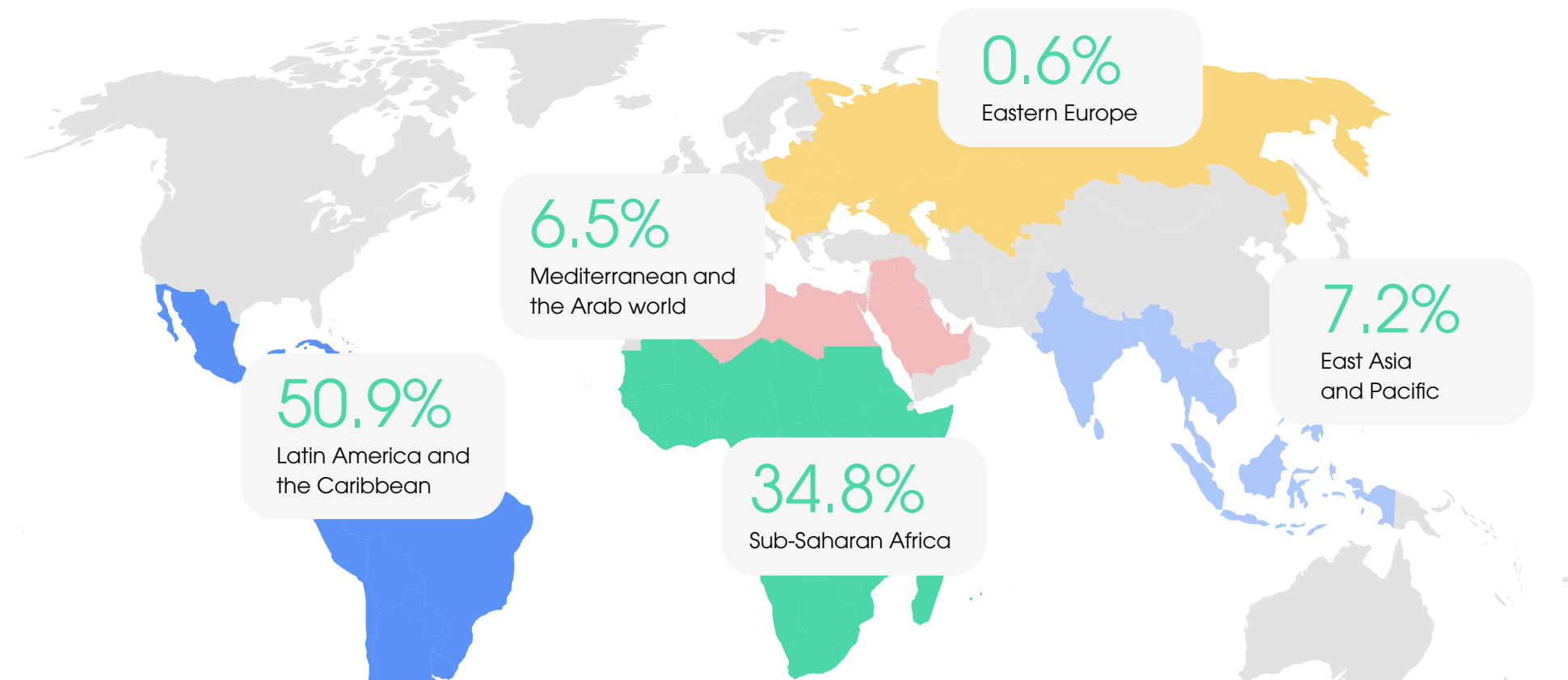
Sector	Total portfolio investment volume (%)
Transport	18%
Other	16%
Automotive	14%
Energy	10%
Intermediate financing	8%
Defence	7%
Hotels	6%
Engineering	5%
Agri-food	5%
Metal-mechanical industry	3%
Chemical and pharmaceutical industry	1%
Retail	1%
Construction	1%
Electronic and electrical products	1%
Capital goods	1%
Environment	1%
Water supply	1%
Textile and footwear industry	1%
Other sectors	1%
TOTAL	100 %

¹ The complete map of COFIDES's business history can be consulted in "Business History Map".

² Operations aimed at promoting the internationalisation of the sponsoring companies by granting financing directly in Spain.

³ Mainly FONREC.

Geographical distribution of the FONPRODE portfolio⁴



Euros 3,609.75 million⁵ of assets under management, of which 73.63% relate to COFIDES, FIEX, FONPYME and FONREC and 26.37% to FONPRODE.

⁴COFIDES provides management support to the Development Promotion Fund (FONPRODE). FONPRODE's net assets at 2022. Net assets of COFIDES, FIEX, FONPYME and FONREC at 2023.

Sustainability management

Achieving a positive impact is based on appropriate management of financial and ESG risks as part of the investment process. COFIDES conducts an **analysis of the socio-environmental and corporate governance aspects** of the operations, which is essential to promoting their long-term sustainability after COFIDES's temporary intervention in the investment has ended.

The 2023 edition of the GSR Scoreboard published by Global SWF placed COFIDES in **fifth position, with a score of 96% out of a total of more than 200 entities from**

across the globe. The GSR Scoreboard analyses governance, sustainability and resilience issues.

The company is among those that have most improved on its previous result (80%). It also obtained the **highest score for good governance practices and sustainability.** These results are not limited to its procedures and best practices, but are also evident in its financial performance, as the Company ranks third in terms of annual profitability in 2022 (as a result of its management of the FIEX).

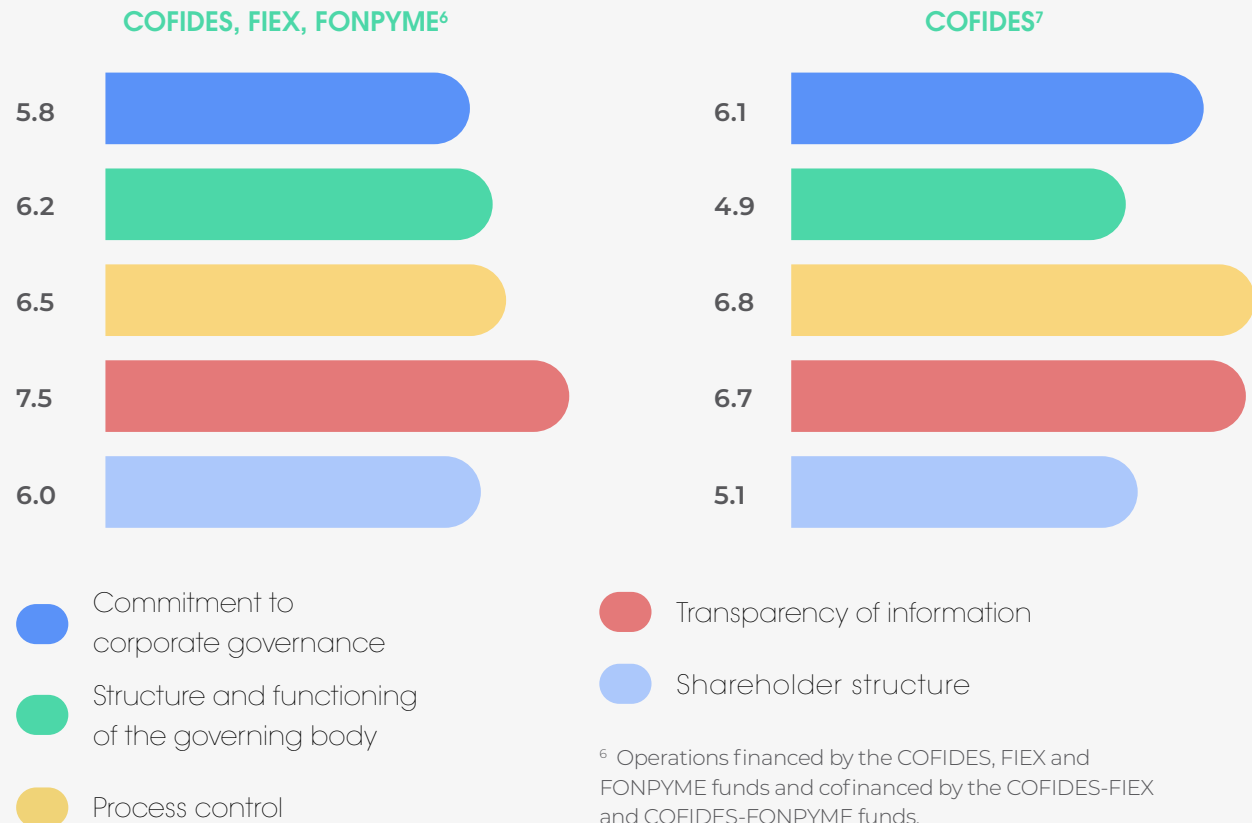


See the news
published on
the website.

Corporate governance

COFIDES promotes good corporate governance practices in the groups of companies it finances. In 2023, the development of these good practices by the Spanish sponsor has been assessed in the financing subscribed using COFIDES, FIEX and FONPYME funds. The evaluation criteria were similar to those of previous years.

GOOD PRACTICES ASSESSED



⁶ Operations financed by the COFIDES, FIEX and FONPYME funds and cofinanced by the COFIDES-FIEX and COFIDES-FONPYME funds.

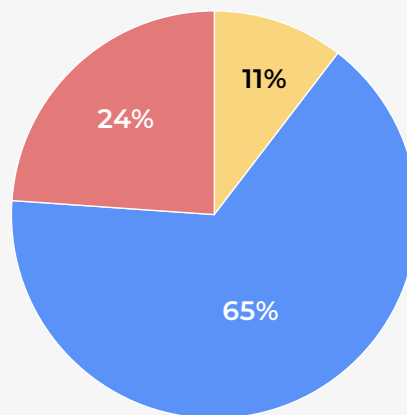
⁷ Operations wholly financed with COFIDES funds.

On the basis of the foregoing assessment, a rating has been assigned to the companies analysed. Each company has been placed in one of the following categories: initial, intermediate and advanced, depending on the level of its corporate governance development.

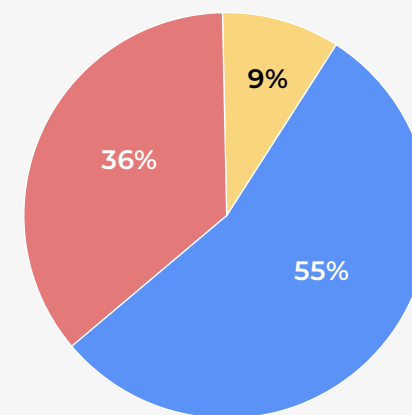
The objectives for 2024 are to review and update the corporate governance questionnaire and to strengthen the training of the corporate governance team.

FORMALISED TRANSACTIONS (RATING DISTRIBUTION BY NUMBER)

COFIDES, FIEX AND FONPYME⁸



COFIDES⁹



● Initial phase

● Intermediate phase

● Advanced phase

⁸Operations financed by the COFIDES, FIEX and FONPYME funds and cofinanced by the COFIDES-FIEX and COFIDES-FONPYME funds.

⁹Operations wholly financed with COFIDES funds.

Social and environmental considerations

Since 2001, COFIDES has had a **Social and Environmental Policy** in place, approved by its Board of Directors. In addition, it has had a **Gender Policy** in place since 2015. These policies include operating procedures covering the entire project life cycle and are aligned with international standards of reference at development finance institutions. They apply to all countries where operations are financed.

The **International Finance and Sustainability Manual** contains practical information on the scope and application of the Company's socio-environmental policies, contractual requirements and the reasons behind its content and application. It consists of five main chapters on human rights at work, occupational health and safety, environment

and climate change, anti-corruption and community relations.

Responsibility for managing socio-environmental risks lies with the **Sustainability and Impact Division**, which is also involved in identified sustainability-related projects. The outcome of the related evaluation is included in the project reports submitted for approval.

The **training of socio-environmental specialists and financial analysts** is a fundamental tool for incorporating new skills in analysis that are also aligned with national and international developments in this area. In 2023, it focused on sustainable finance, renewable energy, biodiversity, microfinance and human rights. In addition, one financial analyst and one socio-environmental analyst were certified in the ESG Investing course given by the CFA Institute. Lastly, horizontal training was provided

on the preparation of sustainability reports in accordance with the GRI standard.

Information on various conferences on sustainable investment and the fight against climate change is included under the heading *Commercial and Institutional Action*.



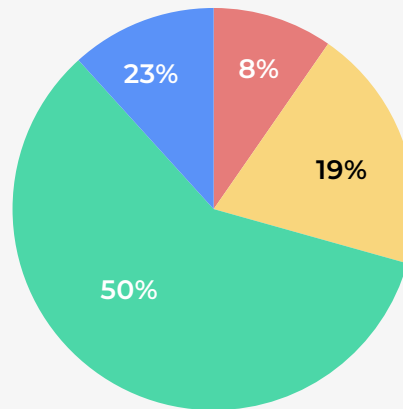
Socio-environmental risk profile of the Internationalisation portfolio

The process of analysing operations results in the assignment of a rating (A, B+, B and C) which classifies operations based on risk and/or potential environmental and social impact and determines the contractual clauses and their subsequent monitoring. The description of the four rating categories can be found in the Parameters section of the report.

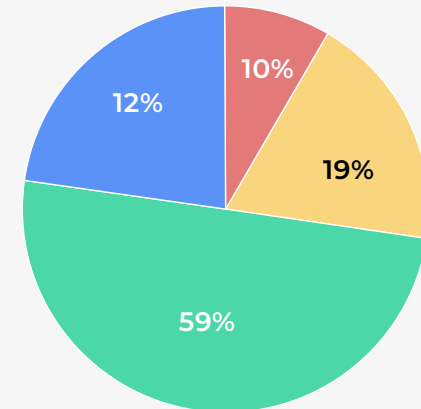
PORTFOLIO OPERATIONS (RATING DISTRIBUTION BY VOLUME)

COFIDES, FIEX AND FONPYME

Environmental rating



Social rating



- A - High risk/impact
- B+ - Medium-high risk/impact

- B - Medium risk/impact
- C - Low risk/impact

Socio-environmental risk profile of the FONREC portfolio

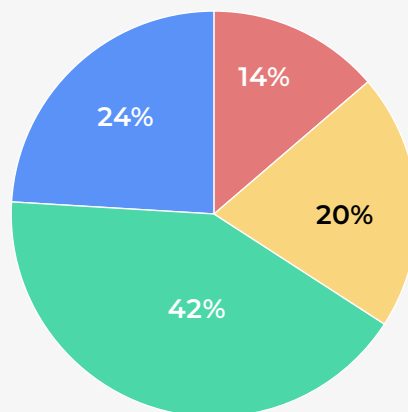
The approval and launch of FONREC in 2021 required the establishment of socio-environmental requirements to be met by the companies receiving financing from this fund. The analysis focused on the evaluation of business management in three areas: cross-cutting socio-environmental risk management, energy transition and adaptation to climate change, and decent work and gender equality.

In 2023, the socio-environmental monitoring of these operations was carried out in parallel to the economic and financial monitoring. Most of the companies that did not have the three programme action plans or other aspects required in the financing contracts had to submit them last year.

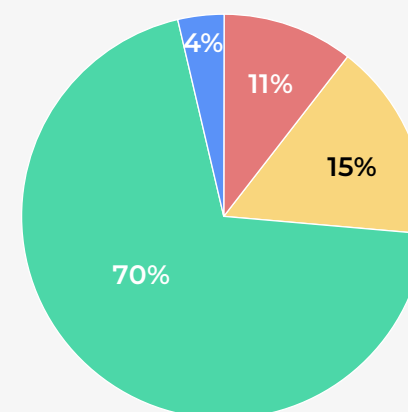
PORTFOLIO OPERATIONS (RATING DISTRIBUTION BY VOLUME)

FONREC

Environmental rating



Social rating



- A - High risk/impact
- B+ - Medium-high risk/impact

- B - Medium risk/impact
- C - Low risk/impact

Socio-environmental analysis in FONPRODE projects

In 2023, socio-environmental analysis and monitoring continued in the various FONPRODE instruments (microfinance, investment funds and state loans). Microfinance in relation to client protection has continued to be intensely analysed, as has the gender variable in investments, as a characteristic aspect of the AECID.

Also noteworthy is the final stretch of work for the approval of the operation of a new fund with resources from FONPRODE, the EU and the United Nations Green Climate Fund. Three requests and clarifications in the areas of social and environmental management and gender have been responded to in order to align the new fund to the Green Climate Fund criteria.

Report according to standard Task Force on Climate-related Financial Disclosures (TCFD)

COFIDES's activity is carried out under the conviction that the financial sector has a leading role to play in mobilising the significant amount of financing that is necessary to meet the SDGs by 2030 and the goals of reducing emissions and decarbonising economies by 2030 and 2050, respectively.

Climate change has major implications for financial institutions, whose investments are not only exposed to the potential consequences of global warming, but also to the regulatory and economic changes needed to combat its effects.

In 2022 COFIDES began to develop the approach to include climate risks in accordance with the recommendations of the four pillars of the Task Force on

Climate-related Financial Disclosures relating to governance, strategy, risk management and metrics and targets. It is the main international standard for the disclosure of climate change risks and opportunities in business.

This report includes actions carried out in 2023 as well as commitments to be met in the coming years.

Governance

In 2022, the COFIDES Board of Directors approved the 2022-2024 Strategic Plan, in which Axis 2 (Sustainability and Impact) includes climate targets to ensure that financing activity is aligned with the principles and objectives of the Paris Agreement by the end of the plan. The plan also aims to further

consolidate sustainability as a corporate value, using cross-cutting actions such as the inclusion of sustainability objectives among corporate objectives.

In 2023, the Sustainability Committee was created as an internal advisory body of the Board of Directors, the functions of which include advising, guiding and supervising sustainability-related issues, both at the business level and in terms of internal policies, procedures and corporate actions, as well as advising the highest governance body. The Audit and Risk Committee supports the Board of Directors in the control and management of financial and non-financial risks. The two committees coordinate to carry out, inter alia, the monitoring and management of sustainability-related risks, as well as the supervision of non-financial information.

The Sustainability and Impact Division, which is part one of the internal decision-making committees, is responsible for identifying, analysing and monitoring the socio-environmental risks of the projects financed, as well as supporting the identification of sustainability-related projects.

Strategy

The current Strategic Plan lays out the Company's commitments related to climate action, which include analysing the physical and/or transition risks associated with climate change of the projects in the portfolio, as well as identifying opportunities for climate finance and environmental sustainability in order to make the Company more proactive in project origination. COFIDES believes that through its funding it can make a positive contribution to SDG 7, Affordable and Clean Energy, and SDG 13, Climate Action.

In 2023, COFIDES finished developing of a carbon footprint estimation methodology based on the Partnership for Carbon Accounting Financials (PCAF) initiative, and the carbon footprint of operations with inventories at the end of 2021 was calculated. Guidelines for a greenhouse gas emission reduction framework in the internationalisation portfolio with a medium-term horizon to 2030 and a net-zero target for 2050 were also analysed. Based on this work and the commitments made in the framework of the EDFI partnership, a climate change strategy is being finalised in 2024 to achieve these objectives.

The Company is also committed to the Paris Agreement on Climate Change through the Declaration on International Public Support for the Clean Energy Transition adopted at COP26 in Glasgow in November 2021, along with other commitments at multilateral and EU level. It is also a signatory to the Harmonised EDFI Fossil

Fuel Exclusion List and the EDFI Statement on Climate and Energy Finance.

Climate change presents risks in the markets in which COFIDES operates and in the operations it supports. Financed projects may be impacted by acute or chronic physical risks and/or transition risks such as policy, regulatory, technology and reputational risks arising from the shift to a low-carbon, climate-resilient economy. A number of risks that may affect clients have been initially identified. The list is indicative only and non-exhaustive.

Physical risks

Type

Associated risk

Potential financial impact

Acute:

- Extreme weather events.

Chronic:

- Changes in precipitation patterns.
- Rise in average temperatures and sea levels.

Loss and damage to property and assets.

Rising cost of insurance.

Potential for reduced revenue due to reduced production capacity.

Business interruptions.

Depreciation and early asset disposals.

Changes in customers' repayment capacity.

Financial losses.

Impairment of financed assets.

Transition risks

Type	Associated risk	Potential financial impact
Political and legal	Increase in the cost of CO ₂ emissions.	
	Increased price of emissions to encourage a shift to renewables.	
	Increased regulatory requirements for risks associated with climate change.	
	Risks of environment-related lawsuits.	
Technological	Substitution of existing products and services with lower emission products and services.	Early disposal of existing assets due to regulatory changes.
	Failed investment in new technologies.	Lower profitability of assets and financed operations.
	Costs to transition to low-emission technology.	Decline in the creditworthiness of counterparties.
Market	Changing consumer preferences and demand for more sustainable products.	
	Greater market volatility and costs, supply constraints for coal-based raw materials.	
Reputation	Greater control by various stakeholders.	

The Strategic Plan also includes a commitment to earmark 30% of the volume of formalisations in the internationalisation portfolio to direct climate action and environmental sustainability projects during the 2022-2024 period. Accordingly, COFIDES joins the commitment adopted by Spain to mobilise funds for projects that foster the transition to a low-carbon economy.

The definition of climate finance used by COFIDES is based either on compliance with the Common Principles for Climate Mitigation Finance Tracking developed by a group of multilateral development banks together with the International Development Finance Club (IDFC) or with the European Union's Sustainable Finance Taxonomy Regulation.

Furthermore, in 2023, the [List of Activities Excluded from Financing](#) by FIEX and FONPYME funds, as well as COFIDES's own resources, were updated to exclude fossil fuels, such that projects relating to coal and

fossil fuels within the entire value chain are no longer supported as from approval of this list. This review places the Company at the forefront of the financial sector in terms of asset allocation towards activities aligned with the principles and objectives of the Paris Agreement and as a leading institution in the process of decarbonisation and ecological transition of the Spanish economy.

Climate change also presents opportunities for COFIDES in relation to financing resilient projects in various sectors and helping clients enhance resource efficiency and improve environmental management. Examples include projects in the renewable energy, electric transport, resilient agriculture and climate-resilient and low-carbon water infrastructure sectors, as well as green bonds.

Risk management

Climate and sustainability risk was added to the corporate risk map, enabling it to be managed and monitored as part of the corporate risk management system.

This risk is defined as "the risk of incurring costs and losses arising from the impact on counterparties or invested assets of: (i) poor social practices; (ii) physical impacts due to the increasing severity and frequency of extreme weather events and changes in climate; and/or (iii) aspects linked to the transition to a low-carbon economy in response to climate change (changes in legislation, technology and stranded assets, among others)".

With regard to the approach to identifying, analysing and managing the climate risks of

the projects financed, since 2001 COFIDES has had an environmental and social risk management system integrated into the due diligence process and aligned with international standards (World Bank Group and European counterparts). All financed operations have an environmental rating and a social rating. This categorisation reflects the potential impacts of operations and determines the contractually required environmental and social actions, as well as the level of monitoring of identified risks. The UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights provide the framework for the actions of financed companies.

COFIDES ensures that its activities do not cause significant harm (DNSH) to the cross-cutting environmental targets set out in the best market practices and comply with international standards of responsible conduct.

This approach has been developed taking into account the reference provided by the EU Taxonomy regulation.

The proposed criteria to ensure that projects contribute significantly and do not cause significant harm to climate change mitigation and adaptation objectives are particularly relevant as a starting point to technically assess projects and ensure that the financing activity is in line with the decarbonisation pathway contained in the Paris Agreement. In general, and with due flexibility, COFIDES considers these criteria as a "floor", i.e. the level below which a project could be considered to be rejected. On occasion, where justified, a stricter interpretation may be provided for.

With the aim of supporting companies in strengthening their socio-environmental capacities, which can lead to greater resilience, COFIDES launched the COFIDES Impact Programme to Boost Impact Investment in 2022, as part of the PRTR, the Spanish

strategy to channel EU funds from the RRM (one of the main instruments of the Next Generation EU instrument).

Its main objective is to promote and facilitate environmental and social management in the projects financed by COFIDES, FIEX and FONPYME and, accordingly, to shift their production and management approaches towards more sustainable models.

Metrics and targets

COFIDES uses and is developing metrics to assess risks and opportunities related to climate change in line with its strategy.

Category of metrics proposed by TCFD	Types of metrics used
<p>GHG emissions</p> <p>Scope 1, 2 and 3; emission intensity.</p>	<p>Total emissions financed (Scope 1, 2 and 3).</p> <p>Emission intensity.</p> <p>Total emissions from COFIDES facilities (Scope 1 and 2).</p>
<p>Transition risks</p> <p>Amount and scope of assets and business activities vulnerable to these risks.</p>	<p>Work in progress.</p>
<p>Physical risks</p> <p>Amount and scope of assets and business activities vulnerable to physical risks.</p>	<p>Work in progress.</p>
<p>Climate-related opportunities</p> <p>Proportion of revenues, assets or other business activities aligned with climate-related opportunities.</p>	<p>% of climate finance and environmental sustainability operations.</p> <p>% of operations with COFIDES Impact linked to climate change objectives.</p>
<p>Equity deployment</p> <p>Amount of equity, CAPEX, financing or investment earmarked for climate-related risks and opportunities.</p>	<p>Volume of investment of climate finance and environmental sustainability operations.</p> <p>Amount of the COFIDES Impact programme earmarked for actions to combat climate change in operations.</p>
<p>Remuneration</p> <p>Directors' remuneration linked to climate considerations.</p>	<p>Climate-related targets.</p>

Detailed information on the metrics used by COFIDES is provided below.

GHG emissions

For the first time, COFIDES measured and calculated the carbon footprint of its Internationalisation portfolio for 2021 using the methodology developed by the Partnership for Carbon Accounting Financials (PCAF) and following the Greenhouse Gas Protocol (GHG Protocol). For this purpose, it compiled information on all operations in the portfolio as at 31 December 2021. The result is a wide-ranging inventory with the objectives of obtaining a better picture of the impact its investments have on climate change, easily monitor both their attributed emissions and the effectiveness of future decarbonisation measures, and begin to engage all its assets in reducing emissions.

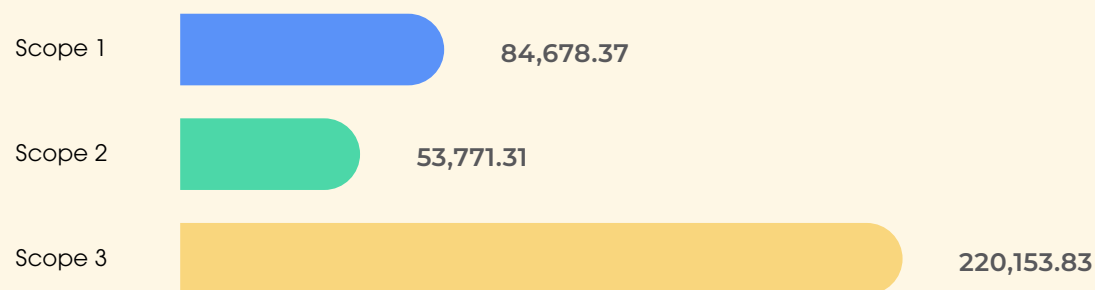
Emissions financed from the total portfolio amount to 358,603.51 tCO₂e, of which indirect Scope 3 emissions account for 61% of total emissions. Direct Scope 1 emissions account

for 24% and indirect Scope 2 emissions for 15% of the total. The intensity factor (GHG emissions per Euros million of outstanding

balance) is 333.84 tCO₂e/Euros million, which is significantly lower than other similar European entities.

2021	Total emissions financed tCO ₂ e (% portfolio)	Breakdown by scope			Emission intensity tCO ₂ e/MM EUR (GHG emissions per Euros million of portfolio balance)
		Scope 1	Scope 2	Scope 3	
Total portfolio	358,603.51 (100%)	24%	15%	61%	333.84
Project finance	290,634.11 (81% del total)	19%	15%	66%	325.28
Corporate finance	42,654.13 (12% del total)	25%	6%	69%	403.26

FINANCED EMISSIONS OF THE PORTFOLIO BROKEN DOWN BY SCOPE (tCO₂e)



COFIDES has also calculated the carbon footprint from its facilities since 2019 (Scope 1 and 2) and offsets emissions through collaboration with projects registered with the Spanish Office of Climate Change. The carbon footprint is calculated pursuant to the GHG Protocol.

	Type	tCO ₂ eq. 2021	tCO ₂ eq. 2022	tCO ₂ eq. 2023
Scope 1	Direct emissions from office and corporate vehicles	12.46	10.73	9.65
Scope 2	Indirect emissions from electricity consumption	80.33	74.43	33.68
TOTAL		92.79	85.16	43.33

For the fifth consecutive year, COFIDES will register the carbon footprint of the offices for the “calculation and offset” levels vis-à-vis the Ministry for Ecological Transition and the Demographic Challenge. The Company continues its reduction in absolute terms and in terms of emissions intensity by turnover, surface area and employee.

Climate-related opportunities and equity deployment

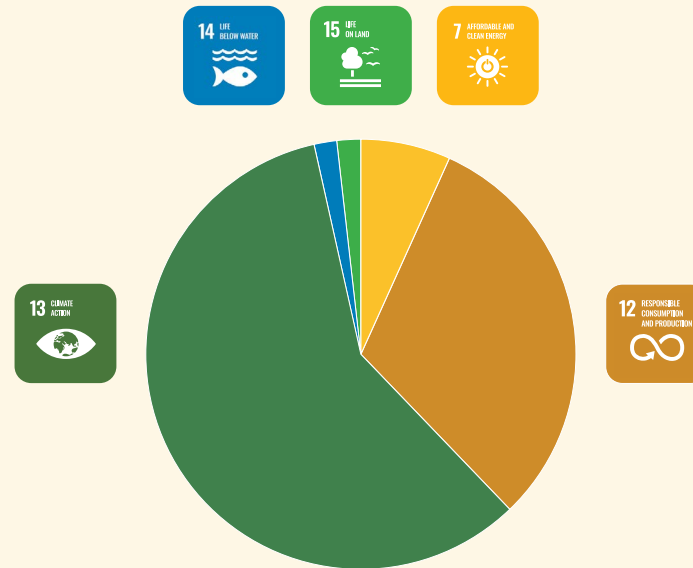
The amount of climate finance operations formalised in 2023 amounted to Euros 38.79 million, i.e. 28.76% of the volume of operations. The criteria for deciding that a project contributes to the fight against climate change are based on compliance with the Common Principles for Climate Mitigation Finance Tracking developed by a group of multilateral development banks together with the IDFC or with the European Union’s Sustainable Finance Taxonomy Regulation.

The Taxonomy Regulation establishes technical screening criteria for economic activities with the potential to contribute to climate change mitigation and adaptation in the most significant sectors, and the Common Principles set out principles for tracking climate change mitigation finance for development finance. Both standards consider an activity as mitigation if it involves an effort to reduce or limit GHG emissions or to enhance their sequestration or removal. The Taxonomy further classifies adaptation activities as those that provide solutions that reduce the risks of current or projected adverse climate impacts or reduce the consequent adverse impacts of such risks on people, nature or assets.

COFIDES contributes to and participates in Spain's reporting obligations in the context of the European Union and the United Nations Framework Convention on Climate Change (UNFCCC), in relation to climate finance to non-Annex I countries of the UNFCCC.

With regard to COFIDES Impact, 90% of the operations formalised under this programme in 2023 are linked to actions to combat climate change (considering SDG 7, 12, 13, 14 and 15 targets). A total of Euros 536.2 thousand from this programme were allocated to climate change actions in these beneficiary operations. The actions supported include securing internationally recognised certifications in environmental management, calculating the carbon footprint, reducing emissions, using renewable energy and contributing to the EU Taxonomy.

**CONTRIBUTION BY VOLUME OF OPERATIONS
FORMALISED IN 2023 WITH COFIDES IMPACT TO
SDGS 7, 12, 13, 14 AND 15**



Remuneration

In 2023, within the Company's corporate objectives and generally linked to its employees' variable remuneration, COFIDES maintained the two environmental sustainability objectives material to its activity (climate finance operations and MW installed of renewable energy) and also added the COFIDES Impact objective which, although it is a programme with a general sustainability objective, has had a special impact on actions relating to the fight against climate change, as mentioned above.

Climate-related issues	Corporate objectives	Result 2023
Climate change mitigation	MW installed of renewable energy	0.60
Climate finance	Formalised climate finance operations	29%
COFIDES Impact	Beneficiary operations	21



The Head of the Sustainability and Impact Unit, Regina Pálla, took part in the Galicia Forum on the Global Sustainability of Seafood Products.

Our organisation



04

Our organisation

Board of Directors and management team

Board of Directors*

Mr. José Luis Curbelo Ranero
Chairman and Chief Executive Officer

Ms. María Aparici González
Deputy Director-General for International
Trade in Services and e-Commerce
Ministry of Industry, Trade and Tourism

Ms. Eva Bueno Velayos
Global Head Cash Management
Banco Santander, Corporate &
Investment Banking

Ms. Silvia Díez Barroso
International Finance Director
Official Credit Institute (ICO)

Mr. Javier Estévez Zurita
Director of Solutions and Business Transformation
Banco Bilbao Vizcaya Argentaria, S.A.

Ms. Rocío Fernández Funcia
Independent director
Avanza Previsión, Compañía de Seguros, S.A.
Unicaja Banco

Mr. Gabriel Galán González,
Deputy Director-General for Programme
Management and Execution
Ministry of Industry, Trade and Tourism

Mr. Fernando Jiménez-Ontiveros Diego,
Director General for Multilateral, Horizontal and
Financial Cooperation
AECID

Mr. Pablo López Tallada,
Director of Global Trade Finance
Banco Bilbao Vizcaya Argentaria, S.A.

Mr. David Noguera Ballús
Sub Director General
Banco de Sabadell, S.A.

*At 31 December 2023.

Ms. Mercedes Storch de Gracia Calvo
Head of Fond-ICO Next Tech and
International Relations
Axis Participaciones Empresariales,
S.G.E.I.C., S.A., S.M.E.

Mr. Pablo de la Torre Rodríguez
Head of International Business
and Multinationals
Banco Santander España S.A.

Ms. Paula Novo Cuba,
Secretary of the Board of Directors

Ms. Ana Victoria Fernández Sáinz de la Maza
Deputy Secretary of the Board of Directors



Board of Directors meeting in April 2023.

Management team*



Mr. José Luis Curbelo Ranero
Chairman and Chief
Executive Officer



Ms. Ana Cebrián Parrondo
Head of the
Internationalisation Division



Mr. Rafael Matos Martín
Head of the Sustainability and
Impact Division



Mr. Miguel Tiana Álvarez
Director-General



Ms. Ana Victoria Fernández
Sainz de la Maza
Head of the Legal and General
Services Division



Mr. Raúl Moreno Castro
Head of the Chairman's Cabinet &
External Corporate Communications



Ms. Paula Novo Cuba
General Secretary



Ms. Carolina Fernández-Puebla Muñiz
Head of the Finance and Risk Division



Mr. Raúl Sánchez Fernández-Bernal
Head of the Social Impact
Fund Division



Mr. Miguel Ángel Ladero Santos
Head of the Investment Department



Mr. Román García Rodríguez
Head of the Co-investment
Fund Division



Mr. José Luis Ocasar Eusebio
Head of the Solvency Division



Mr. Fernando Aceña Moreno
Head of the Talent and
Technology Division



Ms. Mónica de Linos Escofet
Head of the Internal
Control Division



Mr. José Carlos Villena Pérez
Head of the Partnerships for
Development Division

*At 31 December 2023.

Team

For COFIDES, people are at the centre of its activities. They are **its main competitive advantage**, and it is responsible not only for attracting the best talent, but also for training, consolidating and retaining a committed and cohesive workforce.

Without neglecting attention to people in terms of compensation, training and personalised attention, this year has laid the negotiated foundations for **working more flexibly**, in terms of both time and space. To this end, we have negotiated with the workers' legal representatives and have implemented policies on remote working, digital disconnection and the provision of devices with positive effects both in terms of the work-life balance and improved productivity and the overall working environment.

Undoubtedly, the main challenge in 2023 has been the 12.7% increase in the Company's permanent workforce and the effort that has had to be made in terms of selection, recruitment and integration of

	Number	Women
Senior and technical managers	29	52%
Technical staff	60	65%
Support staff	10	90%
TOTAL	99	64%



SCHOOLING

4%

Four-year university degrees

83%

Five-year university degrees

62%

MScs/MBAs

13%

Other specialised courses

4%

PhDs



10.03

Average seniority



45.58

Average age

new staff. Added to this were the new hires in 2022, which has entailed an increase in the permanent workforce of 25.4% in two years, in accordance with the Strategic Plan 2022-2024. The recruitment of new staff, together with that planned for 2024, means that COFIDES will be in a position to adequately meet the new challenges arising from the growth of its activity and those arising from the management of the new FOCO and FIS funds.

Lastly, the efforts made in the area of equity, inclusion and diversity should be highlighted. In 2023 COFIDES received the **Diversity Award** granted by Fundación Diversidad and secured the **Equality Distinction** awarded by the Ministry of Equality of the Spanish government. The Company has an equality plan, and an executive summary of the [Equality, Diversity and Inclusion Report](#) is available on the website.



Presentation of the award to COFIDES by Fundación Diversidad in recognition of its work to promote diversity.

TYPE OF EMPLOYMENT CONTRACT

92%
Permanent

8%
Temporary

Permanent (full-time)

-  32 male employees
-  59 female employees

Temporary (full-time)

-  4 male employees
-  4 female employees

TRAINING

Average hours by category



1,743.70€

Investment (mean per employee)

60.13

Senior and
technical managers



100%

Staff covered by
training plan

63.19

Technical staff

12.55

Support staff

Average hours by sex



41.36%



58.64%

Remuneration at COFIDES is based on a salary grid drawn up by the Company in 2012 with the support of specialised external consultants. It includes the following categories: support staff, analyst, manager and head of unit, with seven salary levels per grade. The salary grid has been updated annually with the percentage salary increases set out in the successive General State Budget Laws. It also includes the maximum percentage (of fixed remuneration) of the variable remuneration or bonus that an employee may receive depending on the fulfilment of the individual, division and corporate targets set out in the Performance Appraisal System (SAR).

The remuneration of new employees is determined by applying the salary grid. The level is decided by the Selection Board with the approval of the Director-General at the end of the selection process on the basis of the experience, training, proven knowledge and skills of the successful candidate.

The ratio of the total remuneration (including fixed and variable remuneration) of the highest paid person at COFIDES (the chairman) to the median total compensation of all employees excluding the highest paid person is 0.32. In other words, the highest paid person receives a total remuneration of 3.27 times the median total remuneration of the Company's employees.

The total annual compensations (including fixed and variable remuneration) of the two highest paid persons at the Company (the chairman and the director-general) were set by Royal Decree 451/2012, of 5 March, which regulates the remuneration regime for senior managers and executives in the public business sector and other entities. The percentages of annual increases in their remuneration are set out in the successive General State Budget Laws, verified annually by the competent bodies of the General State Administration, and this percentage is identical to that of the rest of the workforce, such that the percentage increase ratio is the same for all persons working at the

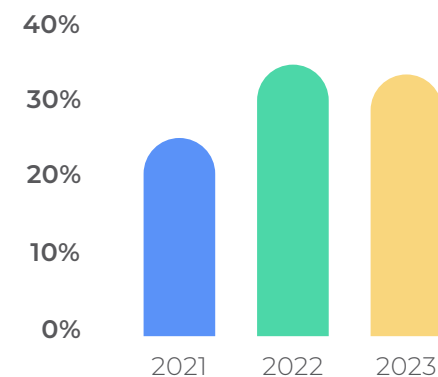
Company. In 2023 the percentage increase was legally set at 3.5%.

As regards workers who are not employees, in 2023 there were five people for IT, reception, messenger service and accounting positions. All were outsourced. In addition, there were 10 interns, 6 of which were working in business divisions.

In 2019 COFIDES joined the *#Dónde están ellas?* initiative led by the European Parliament's office in Spain. The manifesto promotes gender equality through the active participation of women in external events organised by the signatory institutions. Women were present as speakers at 32% of the events organised by COFIDES in 2023.



ACTS COFIDES - WOMEN SPEAKERS



Commercial and institutional action

Type of action. Institutions involved	Description
Institutional action	Association of Bilateral European Development Finance Institutions (EDFI)
Institutional action	Other international initiatives

- COFIDES actively participates in various working groups led by the association, such as the Chief Investment Officers Task Force and the Sustainable Finance Task Force, among others.
 - It is part of annual general meeting of the EDFI Association, held in Copenhagen.
 - It continues to sit on the Board of Directors of EDFI Management Company, which is of strategic importance to COFIDES since part of its decision-making process, and on the Boards of Directors of the EFP and ICCF investment facilities as an observer.
 - COFIDES has also joined the multilateral initiative to support the reconstruction of Ukraine and signed a memorandum of understanding with the main EDFIs and the European Bank for Reconstruction and Development (EBRD).
 - It continues to sit on the task force on “Responsible Financing and Impact Measurement”, where progress is being made in harmonising alignment with the Paris Agreement at project and portfolio level.
-
- COFIDES has consolidated its position as the main Spanish institution with direct relations with international sovereign wealth funds, and it participates in various meetings within the framework of the International Forum of Sovereign Wealth Funds (IFSWF) and the One Planet Sovereign Wealth Funds (OPSWF) initiative.
 - The company hosted the 15th IFSWF annual meeting in September 2023, coinciding with the Spanish presidency of the European Union, and consolidated its position as a leading player in the international investment ecosystem, strengthening its network of strategic partnerships.

Type of action. Institutions involved		Description
Institutional action	Sponsorships and participation in events	<ul style="list-style-type: none"> • COFIDES participated in the impact investment event organised by the AECID in the round tables on "The Impact Investment ecosystem, stakeholders and tools. The role of blended finance" and "Key factors: measurement and management of impact investment". • The company participates in the Finance in Common summit in Cartagena, Colombia, for the creation of a more sustainable financial system, which brings together public development banks, international organisations, development finance institutions, as well as the private and civil sectors. • COFIDES participated in the Africa high level meeting organised by the Spanish Confederation of Business Organisations (CEOE) in Madrid, where the Company's chairman moderated the roundtable on <i>Mobilizing Investments for Achieving a Sustainable Development in Africa</i>. • COFIDES contributes as a sponsor of the Spain Investors Day event, which brings together companies from the chief sectors of the Spanish economy, such as banking and technology, energy, security, infrastructure and tourism companies. • COFIDES also sponsors the Internationalisation Week organised by IMEX, in which the Director-general participated in the round table on aid for business internationalisation. • COFIDES continued its collaboration with the Spanish Exporters and Investors Club.
Institutional action	Other institutional activities	<ul style="list-style-type: none"> • Various events and presentations were held to disseminate information on the new instruments managed by COFIDES: the Coinvestment Fund (FOCO) and the Social Impact Fund (FIS). • The chairman of COFIDES presented the FIS at the GSG Global Impact Summit held in Malaga in October 2023.

Type of action. Institutions involved		Description
Institutional action	Other relations	<ul style="list-style-type: none"> COFIDES and Ithmar Capital, Morocco's strategic investment fund, signed a joint declaration to strengthen the existing bilateral relations between the two public-private financial institutions. COFIDES and Bpifrance announced their commitment to strengthen their cooperation to support and finance private sector projects in Spain and France. As a member of Spainsif, COFIDES plays an active part in the initiatives organised in 2023 by Spain's leading association for sustainable and responsible investment. Highlights include the conference "Sustainable Water Investment", the Spainsif SRI Week: "Sustainable Public Finance"; and the summer course "Impact Investment: Situation and Perspectives". It also participated for the first time in the Spainsif general assembly in June 2023. COFIDES participated on several panels and events at the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), which was held from 30 November to 12 December 2023 in Dubai (United Arab Emirates).
Business action	COFIDES business activity	<ul style="list-style-type: none"> COFIDES's Strategic Plan for the period 2022-2024 guided business development activity throughout 2023. The two fundamental pillars on which the commercial activity is based are promotional work and the commercial action carried out directly with companies likely to receive the company's financial support.

Type of action. Institutions involved	Description
<p>Business action</p> <p>COFIDES business activity</p>	<p>Dissemination and promotion in different forums:</p> <ul style="list-style-type: none"> • COFIDES continues to disseminate its financial offer and support for the internationalisation of Spanish companies in combination with in-person meetings. It participated in the IMEX conference held in February in Madrid, the National Conference of Industry and SMEs organised by the Ministry of Industry, Tourism and Trade in Málaga in October and the CapCorp event organised by IFAES in Madrid in November. • Collaboration continues with the autonomous community promotion agencies (ACCIÓ, Basque Trade) through participation in various conferences and seminars to publicise the financial instruments that COFIDES makes available to companies, as well as meetings to present cofinancing opportunities (Catalan Finance Institute, Basque Finance Institute, ELKARGI). It also collaborates closely with other institutions such as the Spanish Chamber of Commerce, Club de Exportadores, CEOE, Banco Sabadell (Export to Grow programme) and the FIAB. • ICEX Spain Trade and Investments and COFIDES continued to work together in 2023. The Company participates in business forums and meetings: Morocco-Spain Economic Forum and the Spain-Brazil Business Meeting. Coordination meetings are held with the Economic and Commercial Office of Mexico and Sao Paolo to identify investment projects. • COFIDES continues to promote international relations with various multilateral and bilateral development entities and institutions such as EDFI, CABEL, IDB and IDB Invest, among others, with the aim of expanding collaboration with these institutions in project cofinancing. Working meetings are held with investment promotion agencies and embassies of different countries. <p>Direct commercial action with companies:</p> <ul style="list-style-type: none"> • Major efforts were made throughout the year to identify new potential clients in order to expand the portfolio of internationalisation customers. • In 2023, some 200 meetings were held with potential new clients (63% SMEs) with internationalisation projects, and 25 operations with new clients were approved.



COFIDES's Corporate Head of the Investment Department, Miguel Ángel Ladero, presented the FOCO fund at the CAPCorp 2023 event.



Spain-Brazil business meeting, in which the Chairman of COFIDES, José Luis Curbelo, took part.

Carbon neutral office

Since 2019, the company has committed to calculating and offsetting the carbon footprint of COFIDES facilities vis-à-vis the Spanish Ministry of Ecological Transition and Demographic Challenge's Office of Climate Change (OECC). The 2022 compensatory seal is pending. Moreover, the mandatory report to obtain the seal for 2023 will be submitted to this ministry.

Emission data for 2021, 2022 and 2023 can be found under TCFD section.



Stakeholder relations

National and international private and public sectors are progressively joining forces with academia to rise to the world challenges identified in Agenda 2030. COFIDES, aligned with this trend, maintains working relations with a number of organisations in those realms. **Ongoing dialogue** is the basis of the relationship between the Company and its stakeholders.

STAKEHOLDER RELATIONS			
CATEGORIES	STAKEHOLDER	TYPE OF RELATIONSHIP	FREQUENCY
SHAREHOLDERS	Public and private shareholders	General Meeting of Shareholders	Yearly
		Board of Directors	Monthly
		Audit and Risk Committee	Periodically
		Sustainability Committee	
		Collaborative working meetings	Occasional
GENERAL STATE ADMINISTRATION	Secretary of State for Trade	FIEX and FONPYME Executive Committees	Monthly
	Directorate General of International Trade and Investment	FONREC Technical Investment Committee	Periodic
		Institutional issue-based meetings	Occasional
	Secretary of State for International Cooperation AECID	FONPRODE Executive Committee	Quarterly
		Bilateral meetings	Periodic
	Ministry for Ecological Transition and the Demographic Challenge Spanish Office of Climate Change	Meetings	Occasional
	Ministry of Finance	IGAE audits	Annual
Court of Auditors	Audit reports	Occasional	

STAKEHOLDER RELATIONS			
CATEGORIES	STAKEHOLDER	TYPE OF RELATIONSHIP	FREQUENCY
BUSINESS PARTNERS	Companies	Negotiation	Permanent
		Integrated analysis	
		Business meetings, investment forums and seminars	Occasional
		Satisfaction surveys	Annual
	AGE public entities		
	Other public bodies	Meetings at different levels	
	Private associations	Seminars and forums	Occasional
	Impact investment funds		
	Regional agencies	Partnership agreements	
		Board of Directors	Periodic
		Annual General Meeting	Annual
		EFP/ICCF investment committees	
	EDFI	Issue-based working groups	Periodic
		Task Force - Harmonisation Initiative on Responsible Financing and Impact Measurement	
	European Commission (DG INTPA and DG NEAR)	Blending meetings	
	UN (Green Climate Fund)	Meetings	Occasional

STAKEHOLDER RELATIONS			
CATEGORIES	STAKEHOLDER	TYPE OF RELATIONSHIP	FREQUENCY
BUSINESS PARTNERS	Other multilateral organisations	Meetings Seminars and forums	Occasional
	Sovereign wealth funds	Meetings Conventions and agreements	Periodic
	Consulting	Meetings	Occasional
THINK TANKS	Academics	Reports Conferences and seminars	Occasional
	Foundations and associations		
THIRD SECTOR	NGO		
TEAM	Employees	Notes from internal committees	Weekly
		Internal meetings	Periodic
		Workers' committee	
		Welcome days	Occasional
MEDIA	National and regional newspapers. Specialised journals	Press releases	Occasional
		Social media	Permanent
		Advertising	Occasional

In addition, both the [Suggestions Box](#) and the [Integrity Channel](#) are available to all stakeholders.

Annual accounts



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Audit report issued by an independent auditor

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**Compañía Española de
Financiación del Desarrollo,
COFIDES, S.A., S.M.E.**

**Informe de Auditoría emitido por un
Auditor Independiente**

Cuentas Anuales e Informe de Gestión del
ejercicio terminado el 31 de diciembre de 2023

Oficinas en: Alicante, Barcelona, Bilbao, Madrid, Málaga, Valencia, Vigo.

MAZARS Auditores, S.L.P. Domicilio Social: Calle Diputació, 260 - 08007 Barcelona
Registro Mercantil de Barcelona, Tomo 30.734, Folio 212, Hoja B-180111, Inscripción 1ª, N.I.F. B-61922262
Inscrita con el número S1189 en el Registro Oficial de Auditores de Cuentas (ROAC)



Alcalá, 63
28014 - Madrid
+34 915 624 030
www.mazars.es

Informe de Auditoría de Cuentas Anuales emitido por un Auditor Independiente

A los accionistas de **Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E.:**

Opinión

Hemos auditado las cuentas anuales de **Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E.** (la Entidad), que comprenden el balance a 31 de diciembre de 2023, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Entidad a 31 de diciembre de 2023, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales* de nuestro informe.

Somos independientes de la Entidad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Estimación de las pérdidas por deterioro por riesgos de la cartera de préstamos y partidas a cobrar – créditos a empresas

En la nota 4.6.5 de la memoria adjunta se expone la política de cobertura de riesgos por deterioro de la cartera. La aplicación de política supone principalmente la asunción de las siguientes líneas de actuación:

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- La Política de Cobertura de Riesgos por deterioro de valor es de aplicación para todas ellas con la única excepción de las operaciones de capital a precio abierto que se valoran a valor razonable.
- Dicha Política se basa en el análisis singularizado del riesgo de cada una de las operaciones cuyas conclusiones se concretan en la asignación de un determinado rating, salvo en el caso de operaciones dudosas por morosidad en las que la variable a considerar es la antigüedad de la deuda. Una vez calificadas, con carácter general el nivel de deterioro de valor se estima colectivamente para cada categoría de rating y se presenta mediante una parrilla que asigna un porcentaje determinado de dotación para cada categoría de rating.

El cálculo deterioro de los instrumentos financieros es la principal estimación realizada por la dirección de la entidad. Por ello, consideramos este aspecto como relevante en nuestra auditoría.

Nuestros procedimientos de auditoría han incluido, entre otros, los siguientes:

- Comprobación de los ratings establecidos en base a las políticas de la entidad.
- Verificación del cumplimiento de las políticas establecidas por la entidad a lo largo de la vida de las operaciones (estudio, aprobación y seguimiento).
- Comprobación de la realización de los estudios pertinentes previa a la autorización de la operación, así como la correcta aprobación de las operaciones por los órganos competentes.
- Cuadre del inventario extracontable con los registros contables.
- Comprobación de la razonabilidad de los ratings aplicados a través de pruebas de detalle, así como la verificación de los datos clave para el cálculo del deterioro en base a la política establecida en la entidad.
- Obtención de confirmación externa por parte de los acreditados de la deuda pendiente a la fecha solicitada.
- Revisión del cálculo de la estimación del deterioro de la cartera de préstamos realizada por la entidad.

Se ha verificado que la información contenida en las notas 4.6.5 y 10 es correcta, adecuada y suficiente respecto a la estimación de las pérdidas por deterioro por riesgos de la cartera de préstamos y partidas a cobrar

Ingresos por comisiones

Tal y como se describe en la nota 18.1, la remuneración a favor de la Entidad por la gestión y el asesoramiento de fondos públicos viene determinada por distintas Órdenes Ministeriales. Como consecuencia de los cambios que se han producido a lo largo de los últimos 20 años, tanto en el entorno, como en los instrumentos financieros en los que participan los fondos FIEX y FONPYME, con fecha 16 de junio de 2022, la Ministra de Industria, Comercio y Turismo firmó la «Orden por la que se regula la remuneración que ha de percibir la Compañía Española de Financiación del Desarrollo, CÓFIDES, S.A. como gestora del Fondo para Inversiones en el Exterior (FIEX) y el Fondo para operaciones de Inversión en el Exterior de la Pequeña y Mediana Empresa (FONPYME)», sustituyendo a la Orden Ministerial de 28 de julio de 1999 que había venido regulando la remuneración a la Gestora. Asimismo, se informa en esta misma nota que el 1 de julio de 2023 entró en vigor una nueva orden ministerial que regula la remuneración de la Entidad por la gestión del Fondo de Recapitalización de las Empresas Afectadas por la COVID-19 (FONREC), que sustituye a la establecida en el año 2021.

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La nueva Orden mantiene los principios de la anterior —la remuneración debe incentivar la eficiencia en la gestión, debe ser diferenciada por fases de la inversión y debe ser suficiente para remunerar el capital de la Gestora— pero ajusta las comisiones a percibir por COFIDES.

Se considera a su vez la importancia de los ingresos por las comisiones dentro de la cuenta de pérdidas y ganancias. Por todo ello, consideramos este aspecto como relevante en nuestra auditoría.

Nuestros procedimientos de auditoría han incluido, entre otros, los siguientes:

- Mantenimiento de reuniones con la dirección de la entidad para el entendimiento de la evolución de los ingresos en el ejercicio 2023, de aplicación para el ejercicio completo de las Órdenes Ministeriales vigentes para las comisiones cobradas a FIEX y FONPYME desde 16 de junio de 2022, y a partir del 1 de julio de 2023 para las comisiones cobradas al FONREC.
- Análisis a través de test de detalle que las condiciones establecidas en las diferentes Órdenes Ministeriales atribuibles a cada Fondo se aplican de forma adecuada a la prestación de servicios de la Entidad.
- Recálculo para una muestra estadística de operaciones de las comisiones aplicables para cada tipo de servicio y para cada Fondo.

Se ha verificado que la información contenida en la nota 18.1 "importe neto de la cifra de negocios" es correcta, adecuada y suficiente respecto a los ingresos por comisiones obtenidas por la entidad.

Otra información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2023, cuya formulación es responsabilidad de los administradores de la Entidad y no forma parte integrante de las cuentas anuales.

Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión con las cuentas anuales, a partir del conocimiento de la Entidad obtenido en la realización de la auditoría de las citadas cuentas y sin incluir información distinta de la obtenida como evidencia durante la misma. Asimismo, nuestra responsabilidad consiste en evaluar e informar de si el contenido y presentación del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2023 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad de los administradores en relación con las cuentas anuales

Los administradores son responsables de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Entidad, de conformidad con el marco normativo de información financiera aplicable a la Entidad en España, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

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En la preparación de las cuentas anuales, los administradores son responsables de la valoración de la capacidad de la Entidad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si los administradores tienen intención de liquidar la Entidad o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión. Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la Entidad.
- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por los administradores.
- Concluimos sobre si es adecuada la utilización, por los administradores, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Entidad para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que la Entidad deje de ser una empresa en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales, incluida la información revelada, y si las cuentas anuales representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.

Annual accounts

For the financial year ending 31 December 2023

Balance sheet at 31 December 2023 (expressed in thousands of euros)

ASSETS	Notes	2023	2022
NON-CURRENT ASSETS		92,896	99,285
Intangible fixed assets	5	-	-
Software		-	-
Tangible fixed assets	6	354	490
Other fixtures		199	283
Furniture		66	93
Information processing equipment		89	114
Long-term financial investments	10	92,542	98,795
Equity instruments		9,193	7,523
Loans to companies		76,319	78,280
Debt securities		3,500	3,500
Other financial assets		141	136
Funds receivable		3,389	9,356
CURRENT ASSETS		128,659	94,615
Non-current assets kept for sale	7	446	446
Trade and other receivables	10	29,133	12,950
Accounts receivable		366	507
Funds receivable		27,067	11,571

Balance sheet at 31 December 2023 (expressed in thousands of euros)

ASSETS	Notes	2023	2022
Other receivables		-	22
Credit with the Public Authorities		-	-
Grant receivables		1,700	850
Short-term financial investments	10	71,001	48,895
Loans to companies		21,193	12,474
Loans to companies, interest receivable		1,364	749
Other financial assets		-	5,047
Debt securities		48,444	30,625
Short-term accruals		120	143
Cash and other equivalent liquid assets	11	27,959	32,181
Liquid assets		12,959	32,181
Other equivalent liquid assets		15,000	-
TOTAL ASSETS		221,555	193,900
Receivable memo account liquid assets	19	1,025	854

Balance sheet at 31 December 2023 (expressed in thousands of euros)

NET WORTH & LIABILITIES	Notes	2023	2022
NET WORTH		215,864	189,344
Authorised capital	12	39,396	39,396
Reserves		147,475	128,938
Legal and statutory		7,879	7,879
Other reserves		139,596	121,059
Financial year income (loss)	3	27,404	20,334
Value change adjustments		1,589	676
Financial assets at fair value with adjustments in net worth		1,589	676
NON-CURRENT LIABILITIES		2,230	1,075
Long-term payables	14	1,700	850
Other financial liabilities		1,700	850
Deferred tax liabilities		530	225
CURRENT LIABILITIES		3,461	3,481
Liabilities linked to non-current assets kept for sale	7	573	588
Trade and other payables		2,666	2,603
Sundry payables	14	442	506
Employee payables (remunerations pending payment)	14	429	486
Current tax liabilities	16	1,265	923
Other payables to the public authorities	16	530	688
Other financial liabilities		-	-
Short-term accruals	15	222	290
TOTAL NET WORTH & LIABILITIES		221,555	193,900
Payable memo account EU Liabilities Liquid assets	19	1,025	854

Profit and Loss Account for financial year ending 31 December 2023 (expressed in Thousands of euros)

ONGOING OPERATIONS	Notes	2023	2022
Net turnover	18.1	45,322	37,303
Other operating revenues		208	189
Personnel expenses	18.2	(8,122)	(6,926)
Wages, salaries and similar expenses		(6,261)	(5,399)
Employee welfare expenses		(1,861)	(1,527)
Other operating expenses		(5,687)	(4,329)
Outside services	18.3	(4,962)	(3,766)
Taxes	18.3	(105)	(109)
Losses, impairment and variation of provisions for trade operations	10.2	(609)	(439)
Other current management expenses		(11)	(15)
Depreciation of fixed assets	5, 6	(159)	(174)
Other income		-	-
OPERATING INCOME (LOSS)		31,562	26,063
Financial revenues	18.4	1,919	139
From negotiable securities and other financial instruments			
From third parties		1,919	139
Financial expenses	18.5	(105)	(213)
Amounts payable to credit institutions	-	-	-
Amounts payable to third parties		(105)	(213)
Exchange rate differences		1,121	(178)
FINANCIAL INCOME (LOSS)		2,935	(252)
PRE-TAX INCOME (LOSS)		34,497	25,811
Corporation tax	16.1	(7,093)	(5,477)
FINANCIAL YEAR INCOME (LOSS)	3	27,404	20,334

Statement of Changes in Net Worth for financial year ending 31 December 2023 (expressed in thousands of euros)

A) Statement of Recognised Revenues and Expenses for financial year year ending 31 December 2023.

	Notes	2023	2022
A) Income(loss) as per the profit and loss account	3	27,404	20,334
Revenues and expenses allocated directly to net worth			
I. Valuation of financial instruments		913	(1,774)
1. Financial assets at fair value with adjustments in net worth		913	(1,774)
B) Total revenues and expenses allocated directly to net worth		913	(1,774)
TOTAL OF RECOGNISED REVENUES AND EXPENSES (A+B)		28,317	18,560

B) Total Statement of Changes in Net Worth for financial year ending 31 December 2023.

	Authorised capital	Legal reserve	Voluntary reserves	Financial year income (loss)	Dividends	Value change adjustments	Total
	(Note 12.1)	(Note 12.2)	(Note 12.3)	(Note 3)	(Note 3.1)		
BALANCE AT 31 DECEMBER 2021	39,396	7,879	101,814	21,113	-	2450	172,652
Total recognised revenues and expenses in 2022	-	-	-	20,334	-	(1,774)	18,560
Allocation of profit for financial year 2021:							-
To reserves	-	-	19,245	(19,245)	(1,868)		(1,868)
To dividends	-	-		(1,868)	1,868		-
BALANCE AT 31 December 2022	39,396	7,879	121,059	20,334	0	676	189,344
Total recognised revenues and expenses in 2023	-	-	-	27,404	-	913	28,317
Allocation of profit for financial year 2022:							-
To reserves	-	-	18,537	(18,537)	(1,797)		(1,797)
To dividends	-	-		(1,797)	1,797		-
Other variations in net worth							-
BALANCE AT 31 December 2023	39,396	7,879	139,596	27,404	-	1,589	215,864

Cash Flow Statement for financial year ending 31 December 2023 (expressed in Thousands of euros)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax financial year income(loss)		34,497	25,811
Adjustments to income(loss)		-1,046	687
Amortisation of fixed assets (+)	5, 6	159	174
Impairment corrections (+/-)			
Variation of provisions (+/-)	10.2	609	439
Income from the disposal and sale of fixed assets (+/-)			
Financial revenues (-)		-1,919	-139
Financial expenses (+)		105	213
Working capital changes		-17,514	5,152
(Increase)/Decrease in Debtors and other receivables		-15,333	1,337
(Increase)/Decrease in Other current assets		-9,311	1,821
Increase/(Decrease) in Creditors and other payables		-305	-1,363
Increase/(Decrease) in Other current liabilities		-83	-893
Other non-current assets (+/-)		7,518	4,250
Other cash flows from operating activities		-4,445	-4,997
Interest paid (-)		-105	-213
Interest received (+)		1,919	139
Receipts (payments) from corporate income tax (+/-)		-6,259	-4,923
Cash flows from operating activities		11,492	26,653

	Notes	2023	2022
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments for investments (-)		-17,843	-30,775
Intangible fixed assets	5	0	0
Tangible fixed assets	6	-24	-125
Other financial assets		-17,819	-30,650
Receipts from divestitures (+)		5,047	10,002
Other financial assets		5,047	10,002
Cash flows from investment activities		-12,796	-20,773
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts and payments for financial liability instruments		-	-
Payments for dividends and remunerations from other equity instruments	3.1	-1,797	-1,868
Dividends		-1,797	-1,868
Cash flows from financing activities		-1,797	-1,868
EFFECT OF CHANGES IN EXCHANGE RATES		-1,121	178
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		-4,222	4,190
Cash and equivalents at the start of the financial year	11	32,181	27,991
Cash and equivalents at the end of the financial year	11	27,959	32,181

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Report on the Annual Accounts for financial year ending 31 December 2023

1. Nature and activities of the company

Compañía Española de Financiación del Desarrollo, COFIDES, S.A., S.M.E. (hereinafter referred to as the company or COFIDES) is a state-owned enterprise, the corporate purpose of which is to promote the economic and social development of emerging and developing countries on the basis of profitability criteria, mainly through the granting of funding to private projects with Spanish interests that are implemented in those countries.

The corporate purpose of COFIDES also includes the management of any state funds assigned to it by law, as well as support for the management of state funds or the provision of advisory services in relation to the management of state funds, also assigned to it by law.

Law 66/1997 of 30 December 1997 appointed COFIDES as manager of the Fund for Foreign Investment, F.C.P.J. (hereinafter referred to as FLEX) and the Fund for SME Foreign Investment Operations (F.C.P.J.) (hereinafter referred to as FONPYME), in its own name and on behalf of said Funds. Additionally, their activities and operation are regulated by Royal Decree 1226/2006 of 27 October 2006, repealing the previous Royal Decree 2815/1998 and which, in turn, was amended by Royal Decree 862/2010 of 2 July 2010, Royal Decree 321/2015 of 24 April 2015, and Royal Decree 72/2016 of 19 February 2016. These funds are allocated each year to the General State Budget and their purpose is to promote the internationalisation of the activity of companies and, in general, of the Spanish economy, through participative financial instruments, co-financed with the firm promoting the project.

In addition to amending Law 66/1997 on the creation of FLEX and FONPYME, Law 14/2013 on support for entrepreneurs and their internationalisation included the power of COFIDES to collaborate in the identification and analysis of investment projects that could be financed by the Corporation Internationalisation Fund (hereinafter referred to as FIEM), managed by the Ministry of Industry, Trade and Tourism through the State Secretariat for Trade.

The second final provision of Law 8/2014 of 22 April 2014 on hedging on behalf of the State of the risks of the internationalisation of the Spanish economy provides that the management of the Development Promotion Fund (hereinafter referred to as FONPRODE), including the study, planning, negotiating and monitoring of the aid allocated to it, is the responsibility of the Ministry of Foreign Affairs

and Cooperation, through the State Secretariat responsible for international development cooperation, and of the Spanish Agency for International Development Cooperation, with the support of COFIDES.

Approval of Law 8/2014 meant a new recognition of COFIDES as a Spanish Development Finance Institution, in addition to its membership of the European Association of Development Finance Institutions (hereinafter referred to as EDFI). The functions corresponding to COFIDES in terms of supporting the management of FONPRODE are regulated in Article 8 of Royal Decree 597/2015 of 3 July 2015 approving the Regulations of this Fund.

Since May 2016, COFIDES has been accredited by the European Commission (hereinafter referred to as the EC), enabling it to indirectly manage funds from the EU budget. COFIDES can assume the role of main co-financier in blending operations, a financing instrument that combines European Union subsidies with financing from accredited public and private financial institutions.

In October 2018, COFIDES was designated as an accredited entity with the Green Climate Fund (hereinafter referred to as the GCF), a Fund created by the United Nations Framework Convention on Climate Change at the end of 2010. Accreditation with the GCF enables COFIDES to mobilise resources from the Fund to finance public or private climate change mitigation and/or adaptation projects in developing countries. COFIDES may structure projects of up to USD 250 million and with any level of environmental and social risk (including Category A). The resources of the GCF, which are combined with reimbursable financing from borrowers, can take the form of concessional loans, equity investments, guarantees, and grants.

Royal Decree-Law 5/2021 of 12 March 2021 on extraordinary measures to support corporate solvency in response to the Covid-19 pandemic implemented the Fund for the recapitalisation of companies affected by Covid-19, F.C.P.J. (hereinafter referred to as FONREC), with a budgetary provision of 1 billion euros, and assigns its management to COFIDES.

By way of Resolution of 13 June 2016, the State Secretariat for Trade transferred 850 thousand euros to the company for the Programme for the Promotion of Impact Investment Projects -COFIDES Impact- as part of the Recovery, Transformation and Resilience Plan. Law 31/2022 of 23 December 2022 on the General State Budget for the year 2023 contains an additional 850 thousand euros for this Programme, also corresponding to funds from the Recovery, Transformation and Resilience Plan.

Within the context of promoting the internationalisation of Spanish companies, COFIDES Impact aims to create a link between funding and the impact of investments through key project indicators or management procedures that improve the contribution of companies to the Sustainable Development Goals set out in the 2030 Agenda, and the operations financed by COFIDES both from its own resources and from FLEX and FONPYME funds are potentially eligible.

This year, to attract foreign investment and promote productive modernisation, sustainable growth, and the ecological and digital transition of the Spanish economy, Royal Decree-Law 8/2023 of 27 December 2023 created the Co-investment Fund (F.C.P.J.). (hereinafter referred to as FOCO), with an initial budgetary provision of up to 2 billion euros, and assigns its management to COFIDES.

The registered office and tax domicile of the company is located at Paseo de la Castellana, 278, planta 3, Madrid, Spain.

2. Basis for presentation

The annual accounts were produced by the company directors for approval by the General Meeting of Shareholders, in the belief that they will be approved without any modification.

The figures included in the annual accounts are expressed in thousands of euros, except where indicated otherwise.

2.1. True Image

The annual accounts for the year ending 31 December 2023 were produced on the basis of the company's accounting records and are presented in accordance with current business law and the General Chart of Accounts approved by Royal Decree 1/2021 of 12 January 2021, in order to give a true and fair view of the manager's equity and financial position, the earnings from its operations, the changes in net worth, and the cash flows that have occurred during the financial year.

There are no mandatory accounting principles of a significant effect that have not been applied when producing these annual accounts. Furthermore, no non-mandatory accounting principles have been applied.

2.2. Comparison of information

The annual accounts present the figures corresponding to the previous financial year for comparison with each of the entries on the

balance sheet, the profit and loss account, the statement of changes in net worth, the cash flow statement, and the report, in addition those for financial year 2023, which formed part of the annual accounts for the financial year 2022, approved by the General Meeting of Shareholders on 31 May 2023.

2.3. Critical aspects of evaluating and estimating significant uncertainties and judgements in the application of accounting policies

Preparing the annual accounts requires the application of relevant accounting estimates and the providing of judgements, estimates and hypotheses in the process of applying the accounting policies of the company. Along these lines, details of the aspects involving a higher degree of judgement, complexity or in which the hypotheses and estimates are significant for preparation of the annual accounts are given below,

Impairment corrections

The company has an Impairment Hedging Policy based on the historical analysis of the behaviour of transactions according to their credit rating. The result of the analysis is the estimate of the recoverable value of the assets for each rating category, which serves as the basis for determining impairment percentages. Annually, the company verifies the suitability of the established impairment percentages with regard to the updating of the recoverable value information.

The company has an Investment Department and a Risk Department, the specific tasks of which include the risk supervision and management of its commercial financial transactions. The result of their analysis and assessment of the risks assumed is summarised in the rating of the transaction).

2.4. Functional and reporting currency

The annual accounts are presented in thousands of euros, rounded off to the nearest thousand, which is the functional and reporting currency of the company.

3. Distribution of earnings

3.1. Distribution of earnings

The distribution of profit for the year ending 31 December 2022, formulated by the Directors and approved by the General Meeting of Shareholders on 31 May 2023, consisted of:

	2022
Basis of distribution	
Profit for the financial year	20,333
Distribution	
Distribution of dividends	1,796
Legal reserve	
Capitalisation reserve (*)	1,924
Voluntary reserve	16,613
Total	20,333

The proposed distribution of profit for the year ending 31 December 2023, formulated by the Directors and pending approval by the General Meeting of Shareholders, consists of:

	2023
Basis of distribution	
Profit for the financial year	27,404
Distribution	
Distribution of dividends	2,412
Legal reserve	
Capitalisation reserve (*)	1,854
Voluntary reserve	23,138
TOTAL	27,404

(*) In compliance with the requirements set forth in Article 25 of Law 27/2014 of 27 November 2014 on Corporate Income Tax, and in relation to the capitalisation reserve, an allocation from the income for the financial year for the sum of 1,854 thousand euros (1,924 thousand euros in 2022) to the Capitalisation Reserve is proposed as part of the distribution of earnings for financial year 2023. (Note 16.1).

3.2. Limitations for the distribution of dividends

The company's legal reserve is set at 20% of its shareholder capital at 31 December 2023 and 2022.

Once the benefits set forth by the Law or the articles of association are covered, only dividends charged to financial year profit or to unrestricted reserves can be distributed if the value of net worth as a result of the distribution is not below the capital stock. To this end, the profits allocated directly to net worth cannot be either directly or indirectly distributed. In the event of losses from prior years, meaning that the value of the net worth of the company is lower than the capital stock, the profit will be allocated to offsetting said losses.

4. Dispositions of registration and valuation

The main criteria for registration and valuation used by the Company when preparing these annual accounts are as follows:

4.1. Intangible fixed assets

Intangible assets are initially valued at cost, either their acquisition price or production cost.

Following their initial recognition, intangible fixed assets are valued at cost, minus the accumulated amortisation and, where appropriate, the accumulated amount of impairment corrections recorded.

For each intangible asset, an analysis is performed to determine whether the useful life is definite or indefinite.

4.1.1. Industrial property

This item includes the activation of the amount corresponding to the name or corporate name of the company.

4.1.2. Software

Software is recorded at acquisition cost. Software maintenance costs are recorded as expenses in the profit and loss account as they are incurred.

4.1.3. Useful life and Amortisations

Intangible fixed assets are amortised by distributing the amortisable amount systematically throughout their useful life by applying the following criteria:

	Amortisation Method	Years of estimated useful life
Industrial property	Linear	10
Software	Linear	4

To this end, an amortisable amount is considered the acquisition cost minus its residual value, where applicable.

The company reviews the residual value, the useful life, and the amortisation method for intangible fixed assets at least at the end of every financial year. Changes in the criteria initially established, if any, are recognised as a change in estimate.

4.1.4. Impairment of fixed assets

The Company evaluates and determines the impairment corrections and the reversals of impairment losses of intangible fixed assets according to the criteria mentioned in Note 4.3.

4.2. Tangible fixed assets

4.2.1. Initial recognition

Assets included in tangible fixed assets are posted at acquisition price or production cost, and are presented in the balance sheet at said value minus any the amount of the amortisations and, where appropriate, any accumulated impairment corrections.

4.2.2. Depreciation

Tangible fixed assets are depreciated by distributing their depreciable amount systematically throughout their useful life. To this end, a depreciable amount is considered the acquisition cost minus its residual value. The company determines the depreciation expense for each item of fixed assets.

Depreciation of tangible fixed assets is determined by applying the following criteria:

	Amortisation Method	Years of estimated useful life
Other fixtures	Linear	10
Furniture	Linear	10
Data processing equipment	Linear	4

The company reviews the residual value, the useful life, and the amortisation method for tangible fixed assets at the end of each financial year. Changes in the criteria initially established are recognised as a change in estimate.

4.2.3. Subsequent costs

Subsequent to the initial recognition of the asset, costs incurred are capitalised only to the extent that they result in increased capacity, productivity or a lengthening of the useful life of the asset. To this end, costs arising from the everyday maintenance of tangible fixed assets are recognised as an expense in the profit and loss account, as they are incurred.

4.2.4. Impairment of assets

The company evaluates and determines the impairment corrections and the reversals of impairment losses of tangible fixed assets according to the criteria mentioned in Note 4.3.

4.3. Impairment of non-financial assets subject to amortisation or depreciation

The company follows the criterion of evaluating the existence of signs that might indicate the potential impairment of non-financial assets subject to amortisation or depreciation in order to verify whether the book value of said assets exceeds their recoverable value, this being considered the greatest between the fair value, minus sales costs, and their in-use value.

Once the impairment correction or its reversal is recognised, the amortisations for the following financial years are adjusted considering the new book value.

Notwithstanding the above, where the specific circumstances of the assets show an irreversible loss, this is recognised directly in fixed asset losses in the profit and loss account.

Impairment losses are recognised in the profit and loss account.

4.4. Non-current assets kept for sale

Under "Non-current assets kept for sale", the company classifies those assets with a book value that will be recovered primarily through their sale rather than through their ongoing use, when they meet the following requirements:

- They are available in their present condition for immediate sale, subject to the usual and customary terms of sale.
- Their sale is highly likely.

Non-current assets kept for sale are valued at the lower of their book value and fair value

minus sales costs, except for deferred tax assets. These assets do not depreciate and, if necessary, appropriate value corrections are made so that the book value does not exceed the fair value minus sales costs.

The related liabilities are classified under "Liabilities linked to non-current assets kept for sale".

4.5. Leaseholds

Leaseholds in which the contract materially transfers all the risks and benefits inherent to ownership of the assets are classified as finance leaseholds; otherwise, they are classified as operating leaseholds.

The entity has no contracts as a lessor.

4.5.1. Lessee accounting

The company leases from third parties, under operating leaseholds, the properties where it conducts its usual business activities, along with electronic devices.

Lease payments made under operating leaseholds, net of the incentives received, are recognised as an expense on a linear basis throughout the term of the lease.

4.6. Financial instruments

A financial instrument is a contract that leads to a financial asset in one entity and, at the same time, a financial liability or equity instrument in another. The company recognises financial instruments in the balance sheet only when it becomes a party to the contract in accordance with the contractual specifications.

Financial assets and liabilities are classified as current or non-current in the attached

balance sheet, depending on whether their due date is equal to or less than or over twelve months, respectively, as of the date of financial year end.

The most common financial assets and liabilities held by the company are as follows:

- Trade receivables and payables.
- Loans to third-parties.
- Securities, both debt securities (bonds and bills) and equity instruments of other entities (shares) or units in collective investment undertakings.
- Cash and other equivalent liquid assets.
- Other financial assets: such as deposits with credit institutions, guarantees, etc.
- Other financial liabilities: debts with third parties arising from the normal operations of the company.

Financial assets

For the purposes of their valuation, the financial assets are included in one of the following categories:

- a. Financial assets at amortised cost.
- b. Financial liabilities at fair value with adjustments in the profit and loss account.
- c. Financial assets at fair value with adjustments in net worth.
- d. Financial assets at cost.

At year-end, the company has no assets classified at fair value in the profit and loss account or at cost.

4.6.1. Financial assets at amortised cost

A financial asset is included in this category, even if it is accepted for trading on an organised market, if the company has the

capacity and the intention to hold the investment for the purpose of receiving cash flows arising from the performance of the contract, and the contractual terms of the financial asset result, on specified dates, in cash flows that are solely collections of the principal and interest on the principal amount outstanding.

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

In general, receivables from trade and non-trade transactions are included in this category:

- Receivables from trade transactions: Financial assets arising from the sale of goods and the rendering of services in connection with company trade transactions with deferred payment, and

- Receivables from non-trade transactions: Financial assets that are not equity instruments or derivatives and are not of a trade origin, the collections of which are of a determined or determinable amount and which result from loan or credit transactions granted by the company.

Initial valuation

The financial assets classified in this category are initially valued at their fair value which, except where proven otherwise, is the price of the transaction and is equivalent to the fair value of the consideration provided, plus any costs of the transaction that can be directly attributed.

However, receivables from trade transactions due within one year that have no explicit contractual interest rate, and loans to personnel, dividends receivable, and share capital called up, the payment of which is expected in the short term, are valued at their nominal value when the effect of not updating cash flows is insignificant.

Subsequent valuation

The financial liabilities included in this category are subsequently valued at their amortised cost. Any interest accrued is accounted for in the profit and loss account, applying the effective interest rate method.

However, receivables due within one year that, as indicated in the above section, are initially valued at their nominal value, will still be valued at that amount, except where they have been impaired.

Impairment

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer, the company analyses whether to post an impairment loss.

At least at financial year end, the necessary value corrections are made provided there is objective evidence of the value of a financial asset, or of a group of financial assets with similar risk characteristics valued jointly, having been impaired as a result of one or more events occurring after its initial recognition and resulting in the reduction or delay in estimated future cash flows, which may be due to the insolvency of the debtor.

The impairment loss of these financial assets will be the difference between their book value and the real value of future cash flows including, where appropriate, those from the execution of liens and personal guarantees that are thought will be generated, subtracting the effective interest rate calculated at the time of initial recognition. When calculating impairment losses of a group of financial assets, models based on formulas or statistical methods are used.

Impairment corrections, and their reversal when the amount of said loss is decreased for reasons related with a subsequent event, are recognised as an expense or a

revenue, respectively, in the profit and loss account. The limit placed on the reversal of impairment is the book value of the asset that would be recognised on the date of reversal had the value impairment not been recorded.

The recognition of default interest on credit-impaired financial assets will follow the general rules, regardless of the simultaneous assessment by the company of whether the amount will be recoverable and, if so, the posting of the corresponding impairment loss.

4.6.2. Financial assets at fair value with adjustments in net worth

A financial asset is included in this category when the contractual terms of the financial asset result, at specified dates, in cash flows that are solely collections of the principal and interest on the principal amount outstanding, and it is neither held for trading nor classified as a financial asset at amortised cost (it being held in a management model that includes both holding the asset for the purpose of receiving cash flows and selling it).

Also included in this category are investments in equity instruments that are neither held for trading nor required to be valued at cost, and for which the company has exercised an irrevocable option at initial recognition to present subsequent changes in fair value directly in net worth.

Initial valuation

The financial assets included in this category are initially valued at their fair value which, except where proven otherwise, will be the price of the transaction and will be equivalent to the fair value of the consideration provided, plus any costs of the transaction that can be directly attributed.

The amount of any pre-emptive stock rights and similar that might have been acquired will form part of the initial valuation.

Subsequent valuation

The financial assets included in this category are subsequently valued at their fair value, without deducting the

transaction costs that might be incurred upon their disposal.

The changes arising in the fair value are recorded directly in the net worth until the financial asset is removed from the balance sheet or is impaired, which is when the amount recognised as such will be allocated to the profit and loss account.

However, impairment corrections and profits and losses resulting from exchange rate differences in monetary financial assets denominated in foreign currencies will be recognised in the profit and loss account.

The total amount of interest, calculated according to the effective interest rate method, and of the accrued dividends are also recorded in the profit and loss account.

Impairment

At least at the end of each financial year, the necessary value corrections must be made whenever there is objective evidence that a financial asset, or group of financial assets included in this category with similar risk characteristics valued collectively, is impaired as a result of one or more events that occurred after initial recognition and that result in:

- In the case of acquired debt instruments, a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency; or
- In the case of investments in equity instruments, the lack of recoverability of the book value of the asset, as evidenced, for example, by a prolonged or significant decline in its fair value. In

any case, it will be assumed that the instrument has been impaired following a drop of one and a half years or of forty percent of its listed value without any recovery of its value, regardless of the fact that the posting of an impairment loss might be required before said term has elapsed or the listed value has dropped by said percentage.

The impairment correction on these financial assets is the difference between their cost or amortised cost minus, where appropriate, any impairment correction previously recognised in the profit and loss account and the fair value at the time of valuation.

Accumulated losses posted to net worth due to a decrease in fair value, provided there is objective evidence of impairment in the value of the asset, are posted to the profit and loss account.

Where the fair value increases in subsequent financial years, the value correction recognised in prior periods is reversed with a credit to the profit and loss account for the financial year. However, in the event of an increase in the fair value corresponding to an equity instrument, the value correction posted in prior years is not reversed with credit to the profit and loss account and the increase in fair value is recorded directly against net worth.

4.6.3. Interest and dividends received from financial assets

The interest and dividends from financial assets accrued after the time of purchase are included as earnings in the profit and loss account. The interest received from financial assets valued at amortised cost is included using the effective interest rate method and the dividends when the company is declared entitled to receive them.

For these purposes, the amount of accrued interest not yet due at that time and the amount of dividends approved by the competent body at the time of acquisition are recorded separately in the initial valuation of the financial assets on the basis of their maturity.

If the distributed dividends are clearly from earnings generated prior to the date, because amounts above the profits earned by the investee company since the purchase have been distributed, these will not be recognised as revenues, the book value of the investment will be reduced.

4.6.4. Writing off financial assets

Financial assets are written off when the rights to receive cash flows related to them fall due or have been transferred, and the company has substantially transferred the risks and profits arising from their ownership.

The writing off of a financial asset in its entirety involves the recognition of earnings as the difference between its book value and the sum of the consideration received, net of any transaction costs, including any assets obtained or liabilities assumed and any deferred profit or loss in revenues and expenses recognised in net worth.

4.6.5. Impairment of financial assets

On 29 November 2013, the Board of Directors approved the Impairment Hedging Policy. In financial year 2021, it approved the update of the allowance percentages applicable to the groups of impaired assets, which have been in force since then.

Application of the Transaction Impairment Hedging Policy involves assuming the following lines of action:

- The Impairment Hedging Policy applies to all of them, with the sole exception of open price capital transactions which are measured at fair value.
- This policy is based on the individualised analysis of the risk of each transaction, the conclusions of which lead to the assignment of a specific rating, except in the case of doubtful transactions past due, where the variable to be considered is the age of the debt. Once rated, the level of impairment is generally estimated collectively for each rating category, and is presented using a grid that assigns a certain percentage of allowance for each rating category.

Impairment

% in relation to balance not covered by guarantees

Normal Asset Portfolio

Ordinary Assets

≥ bb	0.0%
bb-	0.7%
b+	1.3%
b	1.8%
b-	4.0%
ccc+	7.5%

Special Watch Assets

ccc / ccc-	24.0%
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Impairment hedging on doubtful assets follows the general treatment of collective estimation based on the statistical analysis of the entity's database.

Impairment

% in relation to balance not covered by guarantees

Doubtful Asset Portfolio

DM3	40%
DM6	50%
DM9	60%
DM12	70%
DM15	80%
DM18	100%

- The policy also provides for the possibility of estimating the impairment amount on an individual basis (individual risk estimation) for portfolio transactions classified as Special Watch and Doubtful, so classified in accordance with the company's Asset Classification Policy. In this case, the applicable impairment will be determined on the basis of a specific report issued by the Investment area supporting as such, once validated by the Risk area.
- In the case of collateral, provided its valuation and enforceability are considered acceptable, the applicable provisioning will take into account the amount of the risk minus the value of the collateral.

The impairment loss or reversal is recognised in the profit and loss account.

4.6.6. Fair value

Based on the factors used for the valuation, the fair values are ranked according to the following levels:

- Level 1: listed prices (unadjusted) within prevailing markets for assets or liabilities identical to those under consideration.
- Level 2: estimates using listed prices in active markets for similar instruments or other valuation methods in which all significant variables are based on directly or indirectly observable market data.
- Level 3: factors not based on direct market data.

If the factors used in determining the fair value of an asset or liability are included in different levels of hierarchy, the fair value will be determined entirely based the significant component at the lowest level of hierarchy.

The company estimates the fair value of its assets classified as "financial assets at fair value with changes in net worth" using level 3 valuations. Basically, the company includes in this classification equity instruments in funds and in other companies in which it has an interest. For funds, the net present value of the Fund at

year-end is used, and for investee companies it is based on the valuation of an independent expert, who uses market variables and the entity's own data (sales, budgets, etc.) to estimate the return on these investments.

4.7. Financial liabilities

For the purposes of their valuation, financial liabilities are included in the following categories:

- Financial liabilities at amortised cost.
- Financial liabilities at fair value with adjustments in the profit and loss account.
- Financial liabilities at cost.

The company only holds financial liabilities at amortised cost at year-end.

4.7.1. Financial liabilities at amortised cost

The company classifies all financial liabilities in this category, except when they must be valued

at their fair value with adjustments in the profit and loss account.

This category generally includes trade and non-trade payables:

- Trade payables: These are financial liabilities arising from the purchase of goods and services through company trade operations with deferred payment, and
- Non-trade payables: These are financial liabilities that are not derivative instruments and are not from trade operations, but are from loan or credit transactions received by the company.

Deposits given as a result of lease agreements are valued using the same criteria as for financial assets at amortised cost.

Initial valuation

The financial liabilities included in this category will be initially valued at their fair value which, except where proven otherwise, will be the

price of the transaction and will be equivalent to the fair value of the consideration received, adjusted by any costs of the transaction that can be directly attributed.

However, trade payables due within one year that do not have a contractual interest rate and share capital called up by third parties, the payment of which is expected in the short term, are valued at their nominal value when the effect of not updating cash flows is insignificant.

Subsequent valuation

The financial liabilities included in this category are valued at their amortised cost. Any interest accrued is accounted for in the profit and loss account, applying the effective interest rate method.

However, payables due within one year that, as indicated above, are initially valued at their nominal value will still be valued at that amount.

4.7.2. Write-offs and changes in financial liabilities

A company writes off a financial liability or a part thereof when it has either fulfilled the obligation contained in the liability or is legally released from the primary responsibility contained in the liability, either by process of law or by the creditor.

The company recognises the difference between the book value of the financial liability or a part thereof cancelled or transferred to a third party and the consideration paid, including any asset transferred other than the cash or liability assumed, as debit or credit in the profit and loss account.

4.8. Transactions, balances and flows in foreign currency

Transactions in foreign currency have been converted into euros by applying the cash exchange rate to the amount in foreign

currency on the dates when the transactions took place.

Monetary and non-monetary assets and liabilities denominated in foreign currencies were converted into euros at the financial year-end rate.

Non-monetary assets measured at fair value were converted into euros at the financial year-end exchange rate.

In the presentation of the cash flow statement, flows from transactions in foreign currency were converted into euros by applying the cash exchange rate to the amount in foreign currency on the dates when the transactions took place.

The positive and negative differences shown in the settlement of the transactions in foreign currency and in the converting into euros of monetary assets and liabilities denominated in foreign currency are recorded as earnings.

Profits or losses due to exchange rate differences on non-monetary financial assets and liabilities measured at fair value are recognised together with the variation in fair value. The remaining variation in fair value is recognised as described in Note 4.6 Financial instruments.

4.9. Cash and other equivalent liquid assets

This heading includes petty cash, current bank accounts and deposits, and temporary purchases of assets that meet all of the following requirements:

- They are convertible into cash.
- At the time of their purchase, their due date was no more than three months away.
- They are not subject to a significant risk with regards a change in their value.

- They form part of the normal treasury management policy of the company.

For the purposes of the cash flow statement, the occasional overdrafts that form part of the cash management of the company are included as minus cash and other equivalent liquid assets.

4.10. Short-term employee remunerations

The company recognises the expected cost of short-term employee remunerations as employees perform the services that entitle them to receive them.

The company recognises the expected cost of profit-sharing or employee incentive plans when a present legal or constructive obligation exists as a result of past events and a reliable estimate of the liability can be made.

4.11. Severance payments

Severance payments are recognised at the time when a detailed, formal plan exists and a valid expectation that employment will be terminated has been generated among the personnel involved, either by having started to implement the plan or by having announced its main characteristics.

In accordance with current labour law, the company is obliged to pay severance payments to employees with whom, under certain conditions, it terminates its employment relationship. Severance payments that can be reasonably quantified are recorded as an expense for the financial year in which there is a valid expectation created by the company with regard to the third parties involved.

4.12. Provisions

Provisions are recognised whenever the company has a present liability, either legal, contractual, implicit or tacit, as a result of a past event; there is likely to be an outflow of resources that include future financial profits to cancel this liability; and a reliable estimate can be made of the sum of the liability.

The financial effect of provisions is recognised as financial expenses in the profit and loss account.

Provisions do not include the tax effect or expected profits on the disposal or retirement of assets.

Provisions are reversed against income when there is not likely to be an outflow of resources to cancel this liability.

4.13. Corporate income tax

The expenditure or revenue from corporate income tax includes current tax and deferred tax.

Current corporate income tax assets or liabilities are valued at the amounts which are expected to be paid to or recovered from the tax authorities, using the regulations and taxation rates in force or approved and pending publication at financial year end.

Current or deferred corporate income tax is recognised as income, except where there is a transaction or economic event that has been recorded during the same financial year or in a different year against net worth or from a business combination.

Taxable timing differences are recognised in all but exceptional cases, as determined by current regulations, while deductible timing differences are recognised provided that it is probable that sufficient future taxable profit will be available against which they can be offset.

Deductible timing differences are recognised if it is probable that sufficient future taxable profit will be available against which they can be offset.

Deferred tax assets and liabilities are measured at the tax rates that will apply in the financial years in which the assets are expected to be realised or the liabilities are expected to be settled.

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

The tax effect related to items directly recorded in equity accounts is recorded in net worth.

4.14. Classification of assets and liabilities as current and non-current

The company classifies assets and liabilities as current when they are expected to be realised or settled over the course of the company's normal operating cycle.

Financial liabilities are classified as current when they must be settled within the twelve months following financial year end, even where the original term is for a period of over twelve months and there is a long-term refunding or payment restructuring agreement that has concluded after financial year end and before the annual accounts are prepared.

4.15. Revenues and expenses

Revenues and expenses are recognised in the period to which the annual accounts refer and on an accruals basis, as a result of an increase or decrease in company resources, provided the amount can be reliably determined.

Current management revenues are recognised at the fair value of the consideration received or receivable for them, taking into account the stage of completion at the reporting date.

The company recognises ordinary revenues and their associated costs from in-house credit assignment transactions, recording both fees and interest.

4.16. Related-party transactions

Related-party transactions are recorded in accordance with the valuation standards indicated above.

The prices of related-party transactions are adequately supported, and the company's directors therefore believe that there are no risks that could give rise to significant tax liabilities.

5. Intangible fixed assets

The cost of intangible assets that are fully amortised and still in use at 31 December stands at 973 thousand euros (equal to FY2022).

At 31 December 2023, there are no purchase commitments relating to intangible assets, nor were there any at 31 December 2022.

6. Tangible fixed assets

The details and movements of the different items comprising tangible fixed assets are as follows:

	Other fixtures	Furniture	Data processing equipment	Items of Transport	Total
Thousands of euros					2023
Cost as at 1 January 2023	880	401	427	-	1,708
Additions	-	-	24	-	24
Write-offs	-	-	(10)	-	(10)
Transfers	-	-	-	-	-
Cost as at 31 December 2023	880	401	441	-	1,722
Accumulated depreciation as at 1 January 2023	(597)	(308)	(313)	-	(1,218)
Additions	(84)	(27)	(49)	-	(160)
Write-offs	-	-	10	-	10
Transfers	-	-	-	-	-
Accumulated depreciation as at 31 December 2022	(681)	(335)	(352)	-	(1,368)
Net book value at 31 December 2023	199	66	89	-	354
Thousands of euros					2022
Cost as at 1 January 2022	833	393	359	-	1,585
Additions	48	8	69	-	125
Write-offs	(1)	-	(1)	-	(2)
Transfers	-	-	-	-	-
Cost as at 31 December 2022	880	401	427	-	1,708
Accumulated amortisation as at 1 January 2022	(516)	(281)	(266)	-	(1,063)
Additions	(81)	(27)	(48)	-	(156)
Write-offs	-	-	1	-	1
Transfers	-	-	-	-	-
Accumulated amortisation as at 31 December 2022	(597)	(308)	(313)	-	(1,218)
Net book value at 31 December 2022	283	93	114	-	490

The cost of fully depreciated tangible fixed assets still in use at 31 December is as follows:

Thousands of euros	2023	2022
Other fixtures	34	34
Furniture	138	135
Data processing equipment	255	246
TOTAL	428	415

6.2. Insurance

The company has taken out various insurance policies to cover the risks to which the tangible fixed assets are subject. The coverage of these policies is considered sufficient.

6.3. Other information

At 31 December 2023, there are no commitments to purchase tangible fixed assets, nor were there any at financial year-end 2022.

7. Non-current assets kept for sale

On 28 February 2012, Bilbao Commercial Court no. 2 issued an order in favour of the company for adjudication of a property located in the municipality of Munguía (Vizcaya) to conclude a mortgage foreclosure procedure as payment for a loan. The adjudication value of this property amounted to 1,327 thousand euros. The property was not being leased to third parties.

On 19 April 2012, possession of the aforementioned property was granted to the company by public deed, and this deed was listed in the Gernika-Lumo land registry. On that date, the property was recorded in the accounts at its fair value (1,356 thousand euros).

As the company's management is actively promoting the sale of these assets, they were recorded under the heading Non-current assets kept for sale and remain under this heading at 31 December 2023.

The estimated sales costs related to this asset are recorded under Liabilities linked to non-current assets kept for sale, the amount recorded under this heading at 31 December 2023 being 573 thousand euros (588 thousand euros in 2022).

During financial year 2021, the company requested a new valuation from a specialised company, as a result of which the valuation of the property was reduced to 446 thousand euros, as reflected in the accounts as of 31 December 2021.

In March 2023, the work on "Groundwater Quality Control and Steam Measurements" started by the company EMGRISA in September 2022 was completed. The work conducted an assessment of pollution and its risk to health in both dry and rainy seasons. EMGRISA concludes that there is no risk outside the facilities, although there is a risk inside them and, therefore, the pollution control objective must be maintained.

8. Risk policy and management

8.1. Financial risk factors

The company activity is exposed to different financial risks: credit risk, exchange rate risk, liquidity risk, social, environmental and governance risks, and interest rate risk. The overall risk management of the company focuses on the uncertainty of the economic environment, and seeks to minimise the potentially adverse effects on the company's financial return.

Active risk management is the responsibility of the company's Investment Area and Risk Area, in accordance with the policies approved by the Board of Directors and, more specifically, the Company's Operating Criteria. The Investment Area identifies, evaluates and details the financial risks of new operations proposed to the company, and also manages the credit risk of current operations so that it can anticipate future contingencies. The Risk Area manages the risk of the portfolio as a whole,

and monitors compliance with the company's internal risk criteria at both individual and global level. All of the above, for accounting purposes, is in accordance with the provisions of Section 4.6.7.

8.1.1. Credit risk

In line with its own operating criteria, the company has no significant concentrations of credit risk. The company has policies and tools in place to properly assess that its financing transactions are carried out with customers with a credit history that is appropriate to the level of risk to be assumed.

Value correction for customer insolvencies involves greater judgement by Management, and the review of individual balances based on the credit quality of customers, current market trends, and historic analysis of insolvencies on an aggregate level. In relation to the value correction resulting from the aggregate analysis of the past experience of outstanding items, a reduction in the volume

of balances implies a reduction in value corrections and vice versa.

8.1.2. Exchange rate risk

The exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investments in businesses abroad. The company operates internationally and, therefore, some of its operations are exposed to an exchange rate risk, specifically the US dollar and Colombian peso.

8.1.3. Interest rate risk

In general, the company assumes no interest rate risk as it grants financing at variable interest rates. In financing operations in which, due to their structure, financing is required at a fixed rate, the company cautiously manages the interest rate risk by ensuring a significant spread between the agreed rate and the rates considered to be market rates at the time the operation is approved.

8.1.4. Liquidity risk

The company manages liquidity risk cautiously by maintaining sufficient cash and marketable securities and by regularly estimating its maximum financing activity based on an analysis of its expected cash flows.

8.1.5. Social, Environmental and Governance Risk

The risk of incurring losses by not incorporating social, environmental and governance aspects into the analysis that may negatively affect the viability and sustainability of projects.

The company has an environmental and social policy for the management of credit and reputational risks associated with these matters in the operations financed, in line with the international parameters on the subject (group standards of the World Bank and European counterparts).

The company evaluates the governance of the financed developers and rates them using the corporate governance rating system.

8.2. Operational risk factors

Operational risk can result in losses due to human error, inadequate or faulty internal processes, systems failures and those resulting from external events. This definition includes the legal risk and excludes the strategic and/or business risk and reputational risk of the company.

Operational risk is inherent in all activities, products, systems and processes, and its origins are varied (processes, internal and external fraud, technology, human resources, business practices, suppliers). Operational risk management is integrated into the company's overall risk management structure.

In this respect, the company has an integrated internal control methodology

with policies covering personnel management and training, investment in information technology and policies for monitoring credit operations, along with other management methodologies developed by the different areas of the company under the impetus of senior management. The Internal Control Area supervises the internal control model and conducts regular internal audits of these established policies and processes. This area reports directly to the Chairman's Office and functionally to the Audit and Risk Committee.

9. Operating Leaseholds - Lessee

The company leases from third parties, under operating leaseholds, the properties where it conducts its usual business activities. Others include the leasing of computer equipment.

The amount of operating leasehold payments recognised as expenses is as follows:

Thousands of euros	2023	2022
Buildings	989	959
Other	22	24
TOTAL	1,011	983

Minimum future payments from non-cancellable operating leaseholds in euros are as follows:

Thousands of euros	2023	2022
Up to one year	1,022	987
Between one and five years	2,044	2,960
Over five years	-	-
TOTAL	3,066	3,947

10. Financial assets

Financial assets, net of impairment, are formed as follows at 31 December:

Thousands of euros	Equity instruments		Loans to companies		Receivables from funds and other financial assets		Total	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Financial year 2023:								
Financial assets at amortised cost	-	-	79,819	21,193	3,530	78,941	83,349	100,134
Financial assets at fair value with adjustments in net worth	9,193	-	-	-	-	-	9,193	-
Total	9,193	-	79,819	21,193	3,530	78,941	92,542	100,134
Financial year 2022:								
Financial assets at amortised cost	-	-	81,780	12,474	9,492	44,324	91,272	56,798
Financial assets at fair value with adjustments in net worth	7,523	5,047	-	-	-	-	7,523	5,047
Total	7,523	5,047	81,780	12,474	9,492	44,324	98,795	61,845

Financial assets at fair value with changes in net worth are valued using Level 3 methods, as mentioned in Note 4 above. No financial assets were reclassified during financial year 2023, and remain in the categories established in the previous financial year.

Financial assets are itemised on the balance sheet as follows:

Thousands of euros	Equity instruments		Loans to companies		Receivables from funds and other financial assets		Total	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Financial year 2023:								
Long-term financial investments								
Equity instruments	9,193	-	-	-	-	-	9,193	-
Loans to companies	-	-	76,319	-	-	-	76,319	-
Bonds	-	-	3,500	-	-	-	3,500	-
Other financial assets	-	-	-	-	141	-	141	-
Funds receivable	-	-	-	-	3,389	-	3,389	-
Trade and other receivables								
Accounts receivable	-	-	-	-	-	366	-	366
Funds receivable	-	-	-	-	-	27,067	-	27,067
Other receivables	-	-	-	-	-	1,700	-	1,700
Short-term financial investments								
Equity instruments	-	-	-	-	-	-	-	-
Loans to companies	-	-	-	21,193	-	-	-	21,193
Accrual of interest on loans to companies and bonds	-	-	-	-	-	1,364	-	1,364
Other financial assets	-	-	-	-	-	48,158	-	48,158
Accrual of interest on other financial assets	-	-	-	-	-	286	-	286
Total	9,193	-	79,819	21,193	3,530	78,941	92,542	100,134

Thousands of euros	Equity instruments		Loans to companies		Receivables from funds and other financial assets		Total	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Financial year 2022:								
Long-term financial investments								
Equity instruments	7,523	-	-	-	-	-	7,523	-
Loans to companies	-	-	78,280	-	-	-	78,280	-
Bonds	-	-	3,500	-	-	-	3,500	-
Other financial assets	-	-	-	-	136	-	136	-
Funds receivable	-	-	-	-	9,356	-	9,356	-
Trade and other receivables								
Accounts receivable	-	-	-	-	-	507	-	507
Funds receivable	-	-	-	-	-	11,571	-	11,571
Other receivables	-	-	-	-	-	872	-	872
Short-term financial investments								
Equity instruments	-	5,047	-	-	-	-	-	5,047
Loans to companies	-	-	-	12,474	-	-	-	12,474
Accrual of interest on loans to companies and bonds	-	-	-	-	-	749	-	749
Other financial assets (Bills)	-	-	-	-	-	30,545	-	30,545
Accrual of interest on other financial assets (Bills)	-	-	-	-	-	80	-	80
Total	7,523	5,047	81,780	12,474	9,492	44,324	98,795	61,845

During financial years 2023 and 2022, no financial assets were reclassified among the different existing categories.

The company has no plans to dispose of the financial assets valued at amortised cost at 31 December 2023.

At financial year-end 2023, there are financial assets with amounts executed and pending disbursement to the sum of 28,704 thousand euros (27,085 thousand euros at financial year-end 2022).

10.1. Equity Instruments

The itemised information on investments in equity instruments and classified as financial assets at fair value with changes in net worth, valued using Level 3 methods, is as follows:

Company	Country	% Shareholding 2023	2023		2022	
			Cost	Fair Value	Cost	Fair Value
EDFI MANAGEMENT COMPANY S.V.	Luxembourg	12.5	40	40	40	40
INTERACT CLIMATE CHANGE FACILITY, S.A.	Luxembourg	7.69	6	6	6	6
EUROPEAN FINANCING PARTNERS	Luxembourg	7.63	6	6	6	6
AURICA GROWTH FUND III, FCR	Spain	3.14	1,867	2,316	1,867	2,223
AURICA GROWTH FUND IV, FCR	Spain	1.98	1,458	1,335	932	916
SPAIN OMAN PRIVATE EQUITY FUND, FC.R.	Spain	0.49	574	812	736	1,052
HURUMA FUND S.C.A., SICAR	Luxembourg	1.43	885	911	852	884
SPAIN OMAN PRIVATE EQUITY FUND II, FC.R.	Spain	4.90	8	8	-	-
AUTOPISTA DEL NORDESTE, S.A.S	Colombia	0.07	148	232	148	152
CONCESIÓN TRASVERSAL DEL SISGA, S.A.S	Colombia	3.75	298	537	298	446
PROMOTORA HOSPITAL DE BOSÁ, S.A.S.	Colombia	22.5	1,157	1,876	1,157	1,170
ENERGÍA DE COLOMBIA STR SAS ESP	Colombia	1.38	627	1,114	627	628
Thousands of euros		TOTAL	7,074	9,193	6,669	7,523

Although some shareholdings in companies are over 20%, they are not considered associated companies, as they are supporting investments for which there are agreed repurchasing terms. Therefore, they are neither considered to be permanent investments nor are they subject to overall management integrated into company strategy, and as such it is considered that no significant influence is exercised over them and their operating decisions.

The functional currency of foreign shareholdings is the currency of the countries in which they are domiciled.

The following investments relate to the shareholding of COFIDES in EDFI:

EDFI MANAGEMENT COMPANY S.V.

Investment of an institutional nature, whereby a minority stake in the Belgian company EDFI Management Company, S.A. ("EDFIMC") is

acquired for an indefinite term to implement the corporate purpose of COFIDES indirectly through this entity as a bilateral development finance institution. It is not, therefore, a financial investment in execution of its mandate and, as such, is not subject to the intrinsic transient nature of the usual operations of COFIDES.

EDFIMC was established in 2016 by European Development Financial Institutions ("EDFI ASBL"), an association that brings together most of the European bilateral development finance institutions, of which COFIDES is a member, with the aim of becoming a new European development finance institution. Currently, the main activity of EDFIMC is sub-delegated the management and administration of Electrifi and AgriFi, two facilities funded primarily by the European Union, with a presence in markets in which COFIDES has little experience of direct financing to date. EDFIMC intends to continue to increase its financing activity in developing countries, particularly by managing European

funds on its own account. In addition, EDFIMC acts as the operational manager of the ICCF and EFP facilities that are funded by the main European DFIs.

The investment by COFIDES, made alongside the other partners, was formalised in October 2020 through the subscription of 261 EDFIMC shares, equivalent to 12.5% of its shareholder capital, and payment of EUR 40,130.06 (25% of the nominal value of the capital increase subscribed). COFIDES was also appointed as a member of the new board of directors of EDFIMC.

EUROPEAN FINANCING PARTNERS, S.A. (EFP) and INTERACT CLIMATE CHANGE FACILITY, S.A. (ICCF)

The initial focus of EFP was to finance private sector projects in ACP (Africa, Caribbean, Pacific) countries, which was later extended to include countries on the OECD/DAC list of Official Development Assistance recipients.

The Interact Climate Change Facility (ICCF) was created by the French Development Agency (AFD), the European Investment Bank (EIB), and the Association of Bilateral European Development Finance Institutions (EDFI) to finance viable private investment projects that help mitigate climate change and foster energy efficiency in countries receiving Official Development Assistance.

In 2022, COFIDES signed a new MIA with two windows, one for the EFP VI facility and the other for the ICCF II facility. The new Amended and Restated Master Investment Agreement is a joint agreement involving the extension of both facilities, which will remain valid for a further three years, to 31 October 2025. No new investment proposals may be made after this date. The amount entered by COFIDES/ FIEX in the modification and novation of EFP VI is EUR 30 million, of which EUR 10 million will go to the EFP window and EUR 20 million to the ICCF window. AFD has not participated in these extensions.

COFIDES has holdings in the following investment funds:

AURICA GROWTH FUND III, FCR

Managed by Aurica Capital Desarrollo, SGEIC, S.A., this fund is designed to provide financing through expansion capital operations to Spanish companies with a profile oriented towards international expansion.

The fund, established in 2016, has a life of 10 years. The investment period, extended by 1 additional year, ended in July 2022. The target return is 20%.

AURICA GROWTH FUND IV, FCR

This fund, established in 2022 and managed by Aurica Capital Desarrollo, SGEIC, S.A., follows the same investment thesis as the previous fund: taking significant minority stakes - at least 20% - assuming leadership as the main institutional investor, which provides them with an active presence in the governing bodies. Entry into Aurica IV will be aimed at financing growth plans with a focus on international expansion. Priority will be given to investment in companies that can become leaders in the sector through acquisitions.

The expected life of the fund is 10 years, with an investment period of 5 years. The target return is 20%.

SPAIN OMAN PRIVATE EQUITY FUND, FCR

Fund set up as a result of the agreement between COFIDES and Oman's sovereign wealth fund, the Oman Investment Authority, OIA (formerly the State General Reserve Fund, SGRF). OIA is the result of the reorganisation of SGRF, founded in 1980 with the goal of obtaining sustainable returns on the investments made from the surplus generated from oil sales after meeting the Government's budgetary needs, in order to secure funds for future generations. OIA manages and invests these funds in a diversified portfolio in more than 25 countries around the world. It is supervised by the Ministry of Economic Affairs and Energy.

The management of the SPAIN OMAN PRIVATE EQUITY FUND was entrusted to a private fund manager, selected through an open award procedure during the first half of 2018, within the context of the public

sector contract regulations applicable to COFIDES for service contracts, respecting the principles of publicity, concurrence, transparency, confidentiality, equality and non-discrimination provided for in Article 192 of the Consolidated Text of the Public Sector Contracts Act in force at the time the contract process started.

MCH Private Equity Investments, S.G.E.I.C., S.A., a prestigious private equity manager, was awarded the management service of the Fund.

The CNMV registered the Fund in its register of Venture Capital Funds on 13 July 2018.

The fund is designed to invest in minority equity stakes in subsidiaries of Spanish groups or in the Spanish parent company in order to support their international development.

The fund amounts to 204.4 million euros; FIEX has invested 99 million euros in it, and COFIDES 1 million euros. The remainder is provided by OIA.

HURUMA FUND, SCA, SICAR

Fund aimed at financing agricultural producers, with a system for measuring social impact.

The purpose of the Fund is to invest in venture capital in its broadest sense, ensuring the investee qualifies at all times as an eligible investment for a social entrepreneurship fund through equity shares (15%), equity debt (15%) and senior debt (70%), aimed at:

- Microfinance entities.
- Other financial institutions, min. 70% of investments will be between both headings.
- Small and medium-sized business organisations, with a maximum of 30% of the portfolio.

All must invest in expanding operations in the rural sector, with low-income clients, in emerging markets - the main areas of investment being Latin America, Asia and

Africa - and their operations must have a positive social impact on low-income communities.

This is the first operation led by COFIDES in the framework of EU blending.

SPAIN OMAN PRIVATE EQUITY FUND II, FCR.

The project, proposed by the fund manager MCH, is based on the team's experience in the region as part of the SPAIN OMAN PRIVATE EQUITY FUND, FCR. Like that one, this will involve FIEX / COFIDES as an anchor investor alongside OIA.

A fund with an investment policy focusing on medium-sized companies with a family shareholding, undergoing expansion, and with a clear internationalisation strategy, with the ultimate aim of contributing to the internationalisation of the Spanish economy and companies and to the development of the countries receiving said strategy. Internationalisation and priority implementation

in the geographical area of the Middle East, Southeast Asia, East Africa, India and Latin America.

The fund amounts to 102 million euros; FIEX has invested 45 million euros in it, and COFIDES 5 million euros. The remainder is provided by OIA and the management team (with a minority shareholding).

The expected life of the fund is 8 years (with an extension of one year), with an investment period of 3 years (extendable by one year). The target return is 20%.

The direct holdings of COFIDES in the capital of companies abroad are as follows:

AUTOPISTA DEL NORDESTE, S.A.S.

Concession Contract awarded in 2014 as part of the bidding process for the first wave of Colombia's fourth generation of 4G road concessions (4G Programme). The term of the concession is 25 years, extendable for a further

4 years if the expected volume of revenues stipulated in the Concession Contract is not met. The construction period is 5-6 years.

The concession was awarded in December 2014 to a consortium formed by Ortiz Construcciones y Proyectos (25%), KMA (25%), Valorcon (25%) and Equipo Universal (25%).

The operation consists of providing financial support to the Ortiz Group through the provision of funds to the concession company Autopistas del Noreste in the form of capital, subordinated debt, and counter-guarantees of capital and subordinated debt.

COFIDES/FIEX became shareholders of the concessionaire in July 2017, at the time of the purchase and payment of shares.

CONCESION TRASVERSAL DEL SISGA, S.A.S.

This consists of financing the construction, improvement, operation and maintenance of the existing Transversal del Sisga corridor

(137 km), almost all of which involves improvement works through three instruments: equity capital, subordinated debt, and counter-guarantees (equity and subordinated debt).

The financial support of COFIDES consisted of acquiring a shareholding from Grupo Ortiz of up to 15% (with FIEX and COFIDES funds), and a similar percentage of subordinated debt of the concessionaire company, for a maximum sum of EUR 14 million (85% FIEX), subsequently increased to a maximum of EUR 25 million. The financial close of the concession took place in May 2018, and the conditions precedent to FIEX disbursement were fulfilled in October 2018.

PROMOTORA HOSPITAL DE BOSA S.A.S.

Concession contract awarded in 2019 to the consortium headed by Grupo Ortiz, consisting of the design, financing, construction, provision, operation, replacement, maintenance and reversion of a hospital infrastructure. The term of the contract is

18 years, and payments are committed through postdated payment periods (fixed availability payments).

The Project is defined as essential for the Capital District of Bogotá, and is included in the 2016-2020 District Development Plan (PDD), the objectives of which include improvement of the provision of health services, a consequence of current health deficiencies.

The operation consists of providing financial support to Grupo Ortiz through the provision of funds to the concessionaire Promotora Hospital de Bosa, S.A.S. in the form of capital, subordinated debt, and counter guarantees of capital and subordinated debt.

COFIDES/FIEX became shareholders of the concessionaire in September 2021, at the time of the purchase and payment of shares.

ENERGÍA DE COLOMBIA STR S.A.S. ESP

Contract similar to a concession, but without the reversion of assets, awarded in 2020 to a consortium headed by Grupo Ortiz, consisting of the design, acquisition of equipment, construction and operation and maintenance of works associated with substations located in the department of Atlántico (Colombia), as well as 23 km of new lines.

The term of the contract is 25 years of operations, and payments are committed through Expected Annual Revenue (fixed availability payments).

This is a strategic project in the city of Barranquilla, defined as an Urgent Project to eliminate voltage problems and meet the growing demand from users.

The operation consists of providing financial support to Grupo Ortiz

through the contribution of funds to the concessionaire Energía de Colombia in the form of capital, subordinated debt, and counter guarantees of capital and subordinated debt.

COFIDES/FIEX became shareholders of the project company in December 2021, at the time of the purchase and payment of shares.

10.2. Loans to companies and debt securities

The loans granted correspond to financing agreements signed with third parties in order to promote private projects with Spanish interests that are implemented in developing countries. In addition to its own resources, these loans can be granted through financing agreements with other financial institutions. The company also finances the internationalisation of various Spanish developers through the

acquisition of bonds (debt securities). The conditions regarding the term of the financing, as well as the interest rate to be charged

and any collateral thereon, are stipulated individually in the agreements signed for each operation.

The changes in loans and bonds granted during the year are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Cost at 1 January	81,780	12,474	86,606	15,032
Increases	22,251	-	11,800	-
Decreases	(251)	(12,474)	(1,844)	(15,032)
Short-term transfers	(21,490)	21,490	(13,021)	13,021
Cost at 31 December	82,290	21,490	83,541	13,021
Accumulated impairment at 31 December	(2,471)	(297)	(1,761)	(547)
Net book value at 31 December	79,819	21,193	81,780	12,474

Details of the annual maturities of loans and bonds are as follows:

Thousands of euros	2023	2022
2023	21,490	13,021
2024	14,096	14,441
2025	12,088	11,136
2026	21,417	9,432
2027 and later (for 2022)	11,092	48,532
2028 and later	23,597	-
Total	103,780	96,562

The financial revenues and accrued interest receivable from these assets during financial years 2023 and 2022 are as follows:

Thousands of euros	2023	2022
Accrued finance revenues (Note 18.1)	6,410	3,300
Of which, receivables (Note 10.2)	1,364	749

The movements in the amount of impairment corrections on loans at 31 December are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Impairment of 1 January	(1,761)	(547)	(1,765)	(611)
Net increases	(710)	-	-	-
Net decreases		250	4	64
Cancellations	-	-	-	-
Transfers	-	-	-	-
Withdrawal of provisions	-	-	-	-
Short-term/long-term transfers	-	-	-	-
Accumulated impairment at 31 December	(2,471)	(297)	(1,761)	(547)

The value corrections indicated in the table above are calculated based on the Impairment Policy for transactions mentioned in Note 4.6.5.

Some of these debt instruments are formalised through the acquisition of shares in the companies that COFIDES finances; however, given the repurchasing conditions

established, these operations are considered debt instruments and not equity instruments. Details of loans executed as such are as follows:

Thousands of euros			2023			2022		
Company	Country	% Shareholding	Balance	Impairment	Net value of the shareholding	Balance	Impairment	Net value of the shareholding
Electrón Investment S.A. (*)	Panama	2.30%	3,184	(23)	3,161	3,024	(39)	2,972
Globalvia Chile SpA	Chile	8.17%	6,462	(45)	6,417	6,054	(42)	6,012
Globalvía Licitaciones e Infraestructura Chile SpA	Chile	12.5%	5,526	(39)	5,487	5,182	(36)	5,146
TOTAL			15,172	(107)	15,065	14,260	(117)	14,143

(*) The sum of 1,650 thousand euros and a value adjustment of 12 thousand euros are included in this shareholding in the short term, which are expected to be received in financial year 2024. At financial year-end 2022, the sum of 1,008 thousand euros and a value adjustment of 13 thousand euros were included in the short term, which were expected to be received in financial year 2023. In addition, there is a sum of 50 thousand euros in uncollected overdue debt corresponding to taxes paid in the country of operation which are pending justification.

10.3. Trade and other financial investments

Details of this classification at 31 December are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Trade	3,389	29,133	9,356	12,950
Other financial investments:				
Accrual of interest on loans to companies	-	1,364	-	749
Other financial assets and debt securities	141	48,158	136	35,592
Accrual of interest on other financial assets	-	286	-	80
Total	3,530	78,941	9,492	49,371

10.3.1. Trade

The heading "Trade" in the above table includes:

- "Accounts receivable" includes amounts due and receivable on loans to third parties, relating to those indicated in Note 10.2 above.
- "Funds receivable" includes the amount of fees accrued and receivable for the management of FONREC, FONPYME and FLEX funds and European Union programmes, as well as for FONPRODE management support services.
- "Grant receivables" corresponds to the amount of the Programme for the Promotion of Impact Investment Projects -COFIDES Impact- as part of the Recovery, Transformation and Resilience Plan included in the General State Budget for 2022 and 2023 (see Note 1).

Details of trade are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Accounts receivable	-	4,290	-	8,695
Funds receivable	3,389	27,067	9,356	11,571
Grant receivables	-	1,700	-	872
Total	3,389	33,057	9,356	21,138
Trade impairment	-	(3,924)	-	(8,188)
Total trade	3,389	29,133	9,356	12,950

Details of movements in trade impairment in financial year 2023 and 2022 are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Balance at 1 January	-	(8,188)	(434)	(7,742)
Net provisions	-	(148)	-	(446)
Transfers	-	-	-	-
Uncollectable losses	-	4,412	434	-
Applications	-	-	-	-
Balance at 31 December	-	(3,924)	-	(8,188)

During financial year 2023, six fully impaired transactions amounting to 4,412 thousand euros were written off, as they were considered uncollectable.

10.3.2. Other financial investments

Non-current

Other financial assets includes 141 thousand euros as non-current at financial year-end 2023 (136 thousand euros at financial year-end 2022), corresponding mainly to the guarantees deposited in relation to the rentals held by the company, as indicated in Note 9.

Current

This mainly includes investments relating to the management of the company's liquidity:

- Investments in Spanish Treasury Bills with a term of less than one year: at financial year-end 2023, the company has 48,444 thousand euros (of which 286 thousand euros correspond to accrued interest

pending collection) in different issues at an average rate of 3.57% and an average term of six months. At 31 December 2022, the balance amounted to 30,625 thousand euros (of which 80 thousand euros related to interest).

- Finally, in financial year 2023, the company liquidated an investment fund with an acquisition cost of 5,000 thousand euros and a liquidation value of 5,050 thousand euros.

10.4 Amounts denominated in foreign currency

Details of monetary financial assets denominated in foreign currency are as follows:

Thousands of euros	2023	2022
Long-term financial investments:		
Loans to companies	15,881	13,265
Total non-current assets	15,881	13,265
Trade and other short-term receivables:		
Accounts receivable	330	732
Short-term financial investments:		
Loans to companies	965	580
Accrual of interest on loans to companies	205	165
Cash and other equivalent liquid assets		
Liquid assets in banks	1,043	384
Other equivalent liquid assets	-	-
Total current assets	2,543	1,861
Total financial assets in foreign currency	18,424	15,126

The exchange rates used at financial year-end 2023 and 2022 were as follows:

	2023	2022
EUR/USD	1.105	1.0666
EUR/COP	4,222.0275	5,133.686

11. Cash and other equivalent liquid assets

Details of cash and other equivalent liquid assets at 31 December are as follows:

Thousands of euros	2023	2022
Liquid assets	12,959	32,181
Highly liquid short-term investments	15,000	-
Total	27,959	32,181

Term deposits: The company has a placement of liquid assets amounting to 15,000 thousand euros, maturing on 3 January 2024 with a yield of 4%. The bank with which the deposit was made has an investment grade credit rating.

12. Shareholder equity

The composition and movement of shareholder equity are included in the statement of changes to net worth.

12.1. Capital

The company's share capital at 31 December 2023 and 2022 is represented by 6,555 registered shares of 6,010.12 euros each, subscribed and paid up; all shares have equal voting and dividend rights.

There are no restrictions on their free transferability.

The companies with a direct holding in the company's share capital are as follows:

Shareholder	% Shareholding	Amount
ICEX España Exportación e Inversiones	25.74%	10,139
Instituto de Crédito Oficial	20.31%	7,999
Banco Santander, S.A.	20.17%	7,952
Banco Bilbao Vizcaya Argentaria, S.A.	16.68%	6,569
Banco Sabadell, S.A.	8.33%	3,281
Empresa Nacional de Innovación, S.A.	7.63%	3,005
Corporación Andina de Fomento	1.14%	451
Total	100%	39,396

12.2. Legal reserve

Pursuant to Article 274 of the Capital Companies Act, companies must set aside 10% of their profits from each financial year to a reserve fund until it reaches at least 20% of their share capital.

It cannot be distributed and, if used to offset losses, if there are no other available reserves sufficient for that purpose, it should be replaced with future profits.

At 31 December 2023, the company had set aside this reserve to the maximum amount indicated by law and, therefore, the distribution of profits for financial year 2023 proposed by the directors (Note 3) does not include a distribution to the Legal Reserve.

12.3. Voluntary reserves

Voluntary reserves are unrestricted.

12.4. Capitalisation reserve

At 31 December 2023, the company has a capitalisation reserve of 7,441 thousand euros (5,516 thousand euros in 2022). Its increase, amounting to 1,925 thousand euros, is itemised in Note 3 of this report.

12.5. Information in relation to the shareholder's right of withdrawal due to non-distribution of dividends (Article 348 bis of the consolidated text of the Capital Companies Act)

Over the past five financial years, dividends of between 9% and 16% of each financial year's earnings have been paid out. In addition, for financial year 2023, the company proposed distributing a dividend of 2,412 thousand euros (Note 3).

At the ordinary general meeting of shareholders held on 31 May 2023, which approved the proposed application of earnings for financial year 2022, no shareholder voted against the proposal.

13. Contingent assets and liabilities

The company, along with its legal advisors, has assessed the likelihood of success of the claim of a number of pending lawsuits, mainly for outstanding receivables, as probable or possible, and has therefore recorded a provision for these outstanding receivables at 31 December 2023 and 2022 as part of impairment of receivables.

14. Financial liabilities

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

Thousands of euros	Payables to loan institutions		Other financial liabilities		Total	
	Non-current	Current	Non-current	Current	Non-current	Current
Financial year 2023:						
Liabilities at amortised cost	-	-	1,700	871	1,700	871
Total	-	-	1,700	871	1,700	871
Financial year 2022:						
Liabilities at amortised cost	-	-	850	992	850	992
Total	-	-	850	992	850	992

14.1. Other financial liabilities

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Sundry payables	-	442	-	506
Employee payables (remunerations pending payment)	-	429	-	486
Other financial liabilities	1,700	-	850	-
Total	1,700	871	850	992

The balance recorded as “non-current” includes the sum of 1,700 thousand euros of long-term debt, corresponding to the COFIDES Impact programme (Note 1). This programme provides the companies financed either by the entity or by the internationalisation funds it manages with a rebate on the interest rate applied if they meet a series of requirements, and technical assistance for the establishing of

management procedures that improve their contribution to the SDGs. Consequently, this amount will be applied as they are fulfilled and the financed companies benefit from the rebate.

The balance recorded as “current” basically comprises the balance payable to sundry creditors and outstanding remuneration to the entity’s personnel.

Amounts denominated in foreign currency

At 31 December 2023 and 2022, there are no financial liabilities denominated in foreign currency.

14.2. Information on the average payment period to suppliers

The average payment period to suppliers during the financial year stood at 20.59 days (22.41 days in 2022). The following are the different indicators on the payment period to suppliers:

	2023	2022
(Days)		
Average payment period to suppliers	20.59	22.41
Ratio of operations paid	92.95%	95.30%
Ratio of transactions pending payment	7.05%	4.70%
(Thousands of euros)		
Total payments made	5,744	4,555
Total payments pending	436	224
Amount paid within the maximum term set out in delinquency regulations	5,452	4,322
(No. of invoices)		
Invoices paid within the maximum term set out in delinquency regulations	1,566	1,233
(Percentage)		
Amount paid within the maximum term set out in delinquency regulations in relation to the total amount of payments to suppliers	95%	95%
Invoices paid within the maximum term set out in delinquency regulations in relation to total supplier invoices	88%	90%

14.3. Classification by maturity

The classification of financial liabilities by maturity is as follows:

Thousands of euros	2023					Indefinite maturity	Total
	2024	2025	2026	2027			
Payables to loan institutions	-	-	-	-	-	-	-
Trade accounts payables	442	-	-	-	-	-	442
Personnel	429	-	-	-	-	-	429
Other Financial Liabilities	-	-	-	-	-	1,700	1,700
Total	871	-	-	-	-	1,700	2,571

Thousands of euros	2022				Indefinite maturity	Total
	2023	2024	2025	2026		
Payables to loan institutions	-	-	-	-	-	-
Trade accounts payables	506	-	-	-	-	506
Personnel	486	-	-	-	-	486
Other Financial Liabilities	-	-	-	-	850	850
Total	992	-	-	-	-	1,842

15. Short-term accruals

At 31 December 2023, this heading includes the fees to be received by COFIDES as remuneration for the management of the TIF and PIP programmes.

16. Tax situation

Details of the credit balances with the Public Authorities at 31 December are as follows:

Thousands of euros	2023		2022	
	Non-current	Current	Non-current	Current
Assets				
Current tax assets	-	-	-	-
Withholdings and payments on account	-	-	-	-
Value added tax	-	-	-	-
Total	-	-	-	-
Liabilities				
Deferred tax liabilities	530	-	225	-
Current tax liabilities	-	1.265	-	923
Social Security	-	161	-	123
Value added tax	-	203	-	451
Withholdings	-	166	-	114
Total	530	1.795	225	1.611

Pursuant to current tax provisions, taxes cannot be considered fully settled until they have been inspected by the tax authorities or until the limitation period, currently set at four years, has expired. The company has the last four financial years open to tax inspection, as of their submission, for all taxes applicable. In the opinion of the company and its tax advisors, there are no significant tax contingencies that might result, in the event of inspection, from any different interpretations of the tax regulations applicable to the transactions performed by the company.

As a result, of the different possible interpretations of current tax law, among others, additional liabilities may arise as a result of an inspection. In any case, based on the information available, its analysis method, and specific advice received by the company, the company believes that such liabilities, should they arise, would in no way significantly affect the annual accounts.

16.1. Corporate income tax

The reconciliation between the net amount of income and expenses for the financial year and the tax base (tax income) for Corporate Income Tax is as follows:

Thousands of euros	2023	2022
Financial year profit	27,404	20,334
Corporate Income Tax	7,093	5,477
Pre-tax profit	34,497	25,811
Permanent differences	9	12
Temporary differences treated as permanent due to reversal of amortisation expenses	(16)	(16)
Capitalisation reserve	(1,854)	(1,924)
Temporary differences treated as permanent due to trade losses, impairment and provisions	(3,803)	379
Other corrections to the income(loss) of the profit and loss account	(444)	(2,332)
Tax base (Taxable income)	28,389	21,930
25% tax	7,097	5,482
Prior years' adjustments	-	-
Foreign earnings tax expense	27	18
Current financial year deductions	(31)	(23)
Corporate income tax expense	7,093	5,477

In compliance with the requirements set forth in Article 25 of Law 27/2014 of 27 November 2014 on Corporate Income Tax, and in relation to the capitalisation reserve, an allocation from the income for the financial year for the sum of 1,853,739 euros (1,924, 463 euros in 2022) to the capitalisation reserve is proposed as part of the distribution of earnings for financial year 2023.

The estimated corporate income tax payable is as follows:

Thousands of euros	2023	2022
Tax base (Taxable income)	28,389	21,930
25% corporate income tax	7,097	5,482
Deductions	(31)	(23)
Payments on account	(5,336)	(4,381)
Withholdings	(465)	(155)
Corporate income tax payable	1,265	923

Deferred tax liabilities

As a result of the valuation of financial assets at fair value with changes in net worth, performed at financial year-end, the sum of 530 thousand euros (225 thousand euros in 2022) has been recognised as a deferred tax liability.

17. Environmental information

At 31 December 2023, there were no significant assets earmarked for environmental protection and improvement, nor were there any significant expenses of this nature incurred during the financial year.

No grants of an environmental nature were received during financial years 2023 and 2022.

18. Income and expenditure

18.1. Net turnover

The main activity of the company, as set out in its corporate purpose, is (i) to grant financing from its own resources on a profitable basis, with the aim of contributing to the economic and social development of developing or emerging countries, and (ii) the management

of any public funds attributed to it by law, as well as support for the management of public funds or the provision of advisory services in relation to the management of public funds, which are also attributed to it by law.

Remuneration to the company for managing and advising on public funds is determined by different Ministerial Orders. On 16 June 2022, as a result of the changes of the past 20 years in both the environment and the financial instruments in which the FIEX and FONPYME funds participate, the Minister of Industry, Trade and Tourism signed the "Order regulating the remuneration to be received by Compañía Española de Financiación de Desarrollo, COFIDES, S. A., as manager of the Fund for Foreign Investment (FIEX) and the Fund for SME Foreign Investment Operations (FONPYME)", replacing Ministerial Order dated 28 July 1999, which had previously regulated the remuneration of the manager.

On 1 July 2023, a new ministerial order (OM) came into force to regulate the remuneration received by Cofides for management of the Fund for the Recapitalisation of Companies Affected by COVID-19 (FONREC), replacing the one established in 2021. This order involves a reduction in the management fee from 1.25% to 1%, and an increase in the recovery fee from 1% to 1.25%.

The new Order maintains the principles of the previous one - remuneration must encourage efficient management, must be distinguished by investment phase, and must be sufficient to remunerate the manager's capital - yet it adjusts the fees to be received by COFIDES.

The Net turnover item includes the financial revenues and fees received by the company in

connection with its independent activity, as well as fees accrued as a result of the company's activity as manager of FIEX, FONPYME, FONREC and programmes from the European Union budget (Note 1). Revenues from FONPRODE management support are also included. Details are as follows:

Thousands of euros	2023				2022			
COFIDES Interest	6,410				3,300			
Profit from equity investments	467				2,454			
Own fees	235				157			
Total COFIDES Revenues	7,112				3,100			
	FIEX	FONPYME	FONREC	Total	FIEX	FONPYME	FONREC	Total
Starting Fee				-			3,719	3,719
Study Fees	204			204	887			887
Formalisation Fees	835	28		863	248	95		343
Disbursement Fees				-		35		35
Management Fees	8,411	663	6,817	15,891	10,243	374	2,828	13,445
Performance Fees			3,598	3,598	3,282	179	643	4,104
Settlement Fees			803	803	741		27	768
Share of Earnings Fee	11,222	777		11,999	3,777	211		3,988
Other management and advisory fees				4,852				4,103
Total Fund Management	20,672	1,468	11,218	38,210	19,178	894	7,217	31,392
Total	45,322				37,303			

18.2. Personnel expenses

Details of personnel expenses, in thousands of euros, are as follows:

Thousands of euros	2023	2022
Wages and Salaries	6,176	5,314
Board Allowances	85	85
Social Security payable by the company	1,409	1,154
Other personnel costs	452	373
Total	8,122	6,926

18.3. External services and taxes

Details of the "External services" and "Taxes" accounts are as follows:

Thousands of euros	2023	2022
Advertising, publicity and public relations	733	255
Leaseholds	1,012	983
Repairs and upkeep	254	299
Independent professional services	1,336	932
Insurance premiums	163	183

Thousands of euros	2023	2022
Training expenses	184	149
Travel and transportation expenses	364	210
Other Expenses	916	755
Total External Services	4,962	3,766
Taxes	105	109
Total Taxes	105	109
Total	5,067	3,875

Independent professional services mainly include the cost of external consultancy services associated with various projects carried out by the company in financial years 2023 and 2022.

18.4. Financial revenues

This account includes the total sum of financial revenues from the company's liquid investments accrued in financial year 2023 and 2022, in relation to the returns on the purchase of Treasury Bills kept as other financial assets, and other placements of liquid assets.

18.5. Financial expenses

This item includes expenses of a financial nature relating to the management of VET and IICF facilities in which the company does not act as the promoting partner.

18.6. Other operating revenues

This heading includes small items that do not form part of the company's current activity and which mainly correspond to the re-invoicing of expenses included under the heading of other current management expenses.

19. Memo accounts

These group together accounts that reflect events or circumstances that may result in rights or obligations affecting the financial structure of the company. Also included are control accounts used for the internal control of assets or liabilities and equity, management information or control of future financial positions.

The memo accounts of the company record the current account balances to be applied to expenditure and technical assistance for the EU budget programmes, Triple Inclusive Finance (TIF), and the Renewable Energy Programme for Sub-Saharan Africa (PIP), for which the management agreements were executed in financial year 2020.

20. Related-party transactions

The related parties with which the company has made transactions and the nature of this relationship are as follows:

Financial years 2023 - 2022	
	Nature of the relationship
FIEX	Fund managed by the company
FONPYME	Fund managed by the company
FONREC	Fund managed by the company
EC/Huruma	EU programme managed by the company
ICEX	Company shareholder
Senior management:	Directors
	Chairman
	Director-general

20.1. Related entities

Details of balances held with related entities are as follows:

Thousands of euros	FIEX	FONPYME	FONREC	EC/ HURUMA	Total
2023					
ASSETS:					
Long-term financial investments					
Funds receivable (Note 10.3.1)	3,329	60	-	-	3,389
Trade and other receivables					
Funds receivable	18,069	1,100	3,975	-	23,144
LIABILITIES:					
Long-term payables					
	-	-	-	-	-
Short-term payables					
	-	-	-	-	-
2022					
ASSETS:					
Long-term financial investments					
Funds receivable (Note 10.3.1)	9,097	259	-	-	9,356
Trade and other receivables					
Funds receivable	6,238	467	2,258	16	8,979
LIABILITIES:					
Long-term payables					
	-	-	-	-	-
Short-term payables					
	-	-	-	-	-

Details of related-party transactions are as follows:

Thousands of euros	FIEX	FONPYME	FONREC	EC/ HURUMA	Total
					2023
Net turnover	20,673	1,468	11,218	64	33,423
	20,673	1,468	11,218	64	33,423
					2022
Net turnover	19,178	894	7,217	64	27,353
	19,178	894	7,217	64	27,353

20.2. Directors and senior management

During financial year ending 31 December 2023, the company directors received remuneration for allowances amounting to 85 thousand euros (85 thousand euros in 2022).

Similarly, for informative purposes only in this Report on the Annual Accounts, the following table shows the remuneration received for all items by the company's Senior Management, with the exception of the directors mentioned in the previous paragraph:

Thousands of euros	Salary remuneration		Other remuneration	
	Fixed	Variable	Benefits	Other
Financial Year				
2023	250	67	-	-
2022	241	64	-	-

At 31 December 2023, no advances on remuneration to employees have been granted, and at financial year-end 2022 this amount stood at 22 thousand euros. Furthermore, the company has no liabilities regarding pensions and life insurance in relation to former or current company directors.

The members of the Board of Directors of COFIDES have declared their compliance with the provisions of Article 229 of the Capital Companies Law. Details of shareholdings, positions or roles, whether on a self-employed or employed basis, in companies engaging in the same type of activity as that of the company are included in Annex I attached.

21. Employee information

The number of company employees and directors in the last two financial years, itemised by category, is as follows:

Thousands of euros	2023	2022
Directors	12	12
Senior Management + Technical Management	29	25
Technical team	60	57
Support personnel	10	10
Total	111	104

In 2023, new employees were hired under Additional Provision twenty-one, "Hiring of personnel of public trading enterprises and public business enterprises Law 31/2022 of 23 December 2022", of the General State Budget for the year 2023. Temporary recruitment was only carried out on an exceptional basis to cover urgent and unforeseeable needs that could not be postponed or to cover temporary leave through substitution agreements. In all cases,

prior authorisation was obtained from the Ministry of Finance and the Civil Service, through the State Secretariats for Budgets and Expenditure and for the Civil Service, and from the majority shareholder, as stipulated in the aforementioned Additional Provision.

The distribution of personnel and directors by gender at financial year-end is as follows:

	Women	Men	Total	Average number of people with disabilities >33%
				2023
Directors	5	7	12	-
Senior Management + Technical Management	15	14	29	
Technical team	40	20	60	1
Support personnel	9	1	10	
Total	69	42	111	1
				2022
Directors	5	7	12	-
Senior Management + Technical Management	13	12	25	-
Technical team	34	23	57	1
Support personnel	9	1	10	-
Total	61	43	104	1

22. Audit fees

The fees accrued for services rendered by the auditor amount to:

Miles de euros	2023	2022
Audit	32.00	28.00
Other services	-	-
Total	32.00	28.00

In addition, the services of the auditor were contracted for the sum of 4,200 euros not including VAT for the audit of the financial statements of EC/FI HURUMA FUND (2,397 euros in financial year 2022).

23. Subsequent events

From 31 December 2023 to the preparation of these annual accounts by the company Board of Directors, no events have occurred that significantly affect these annual accounts and that should be mentioned.

Details of shareholdings and positions in other companies of company directors at 31 December 2023

Directors	Positions and roles company	Equity interest in companies with similar/ supplementary activities to COFIDES	
		% shareholding Director / related parties	Company
Mr. José Luis Curbelo Ranero	Chairman and CEO. COFIDES	-	
Ms. María Aparici González	Deputy Director-General for International Trade in Services and Digital Trade. Ministry of Industry, Trade and Tourism	-	
Ms. Eva Bueno Velayos	Global Head Cash Management. Banco Santander	-	
Ms. Silvia Díez Barroso	International Finance Director. ICO Secretary. FEIM Committee	-	
Mr. Javier Estévez Zurita	Director of Business Transformation and Solutions. BBVA	-	
Ms. Rocío Fernández Funcia	Independent Director. Unicaja Banco S.A. Director. Avanza Previsión, Compañía de Seguros, S.A.	Less than 0.01%	BBVA Banco Santander Caixa Bank

		Equity interest in companies with similar/ supplementary activities to COFIDES	
Directors	Positions and roles company	% shareholding Director / related parties	Company
Mr. Gabriel Galán González	Deputy Director-General for Programme Management and Implementation. Ministry of Industry, Trade and Tourism	-	
Mr. Fernando Jiménez-Ontiveros Diego	Director-General of Multilateral, Horizontal and Financial Co-operation. AECID	-	
Mr. Pablo López Tallada	Head of International and Crossborder Solutions. BBVA Spain	-	
Mr. David Noguera Ballús	Deputy Director-General. Banco de Sabadell, S.A.	Less than 0.005%	Banco Sabadell
Ms. Mercedes Storch de Gracia Calvo	Head of Fond-ICO Next Tech and International Relations. Axis Participaciones Empresariales, SGEIC, S.A., S.M.E.	-	
Mr. Pablo de la Torre Rodríguez	Commercial Director International Business. Banco Santander	Less than 0.01%	Banco Santander

Details of shareholdings and positions in other companies of company directors at 31 December 2022

Directors	Positions and roles Company	Equity interest in companies with similar/ supplementary activities to COFIDES	
		% shareholding Director / related parties	Company
Mr. José Luis Curbelo Ranero	Chairman and CEO. COFIDES	-	
Ms. María Aparici González	Deputy Director-General for International Trade in Services and Digital Trade. Ministry of Industry, Trade and Tourism	-	
Ms. Eva Bueno Velayos	Global Head Cash Management. Banco Santander	-	
Ms. Silvia Díez Barroso	International Finance Director. ICO Secretary. FEIM Committee	-	
Mr. Javier Estévez Zurita	Director of Business Transformation and Solutions. BBVA	-	
Ms. Rocío Fernández Funcia	Director. Avanza Previsión, Compañía de Seguros, S.A.	Less than 0.01%	BBVA Banco Santander Caixa Bank

		Equity interest in companies with similar/ supplementary activities to COFIDES	
Directors	Positions and roles Company	% shareholding Director / related parties	Company
Mr. Gabriel Galán González	Deputy Director-General for Programme Management and Implementation. Ministry of Industry, Trade and Tourism	-	
Mr. Fernando Jiménez-Ontiveros Diego	Director-General of Multilateral, Horizontal and Financial Co-operation. AECID	-	
Mr. Pablo López Tallada	Director of Global Trade Finance. BBVA	-	
Mr. David Noguera Ballús	Deputy Director-General. Banco de Sabadell, S.A.	Less than 0.005%	Banco Sabadell
Ms. Mercedes Storch de Gracia Calvo	Head of Fond-ICO Next Tech and International Relations. Axis Participaciones Empresariales, SGEIC, S.A., S.M.E.	-	
Mr. Pablo de la Torre Rodríguez	Commercial Director International Business. Banco Santander	Less than 0.01%	Banco Santander

Supplementary information



06

Supplementary information

Parameters of the report

This Activity and Sustainability Report is limited in time to 2023. Prior annual reports are available on the [COFIDES website](#).

This report and the Corporate Governance Report have been prepared **in accordance with the GRI Standards**. Links to the COFIDES website are also included for further information. The report has been externally verified by an independent entity (AENOR).

Materiality analysis. Process and definition of the content of the report

The **materiality analysis** has been prepared following the guidelines of GRI 3: Material Topics 2021 and the reporting principles of GRI 1: Foundation. External sources dealing with socio-environmental impacts (including human rights) most commonly associated with the financial sector were also considered: various working groups with peer organisations (social, environmental, effects on development, governance, sustainable financing, responsible financing and harmonisation of standards), OECD sectoral guides, associations in the field of sustainability (Global Compact and Spainsif) of which COFIDES is a member, reports from peer organisations, ESG standard setters (GRI and TCFD), training courses and bulletins from

third sector organisations. The current context plays a key role, given the socioeconomic and environmental conditions in which the organisation's activity is framed.

Based on the list of material topics in the prior report, on previous studies and on the 2022-2024 Strategic Plan, an internal review process was carried out, which culminated in the approval by the Ordinary Management Committee of a set of material topics. These topics represent the most significant current and potential positive and negative impacts on the economy, the environment and people.

COFIDES lends importance to and works simultaneously on all the topics, which is why they are presented in alphabetical order (according to topic's names in Spanish).

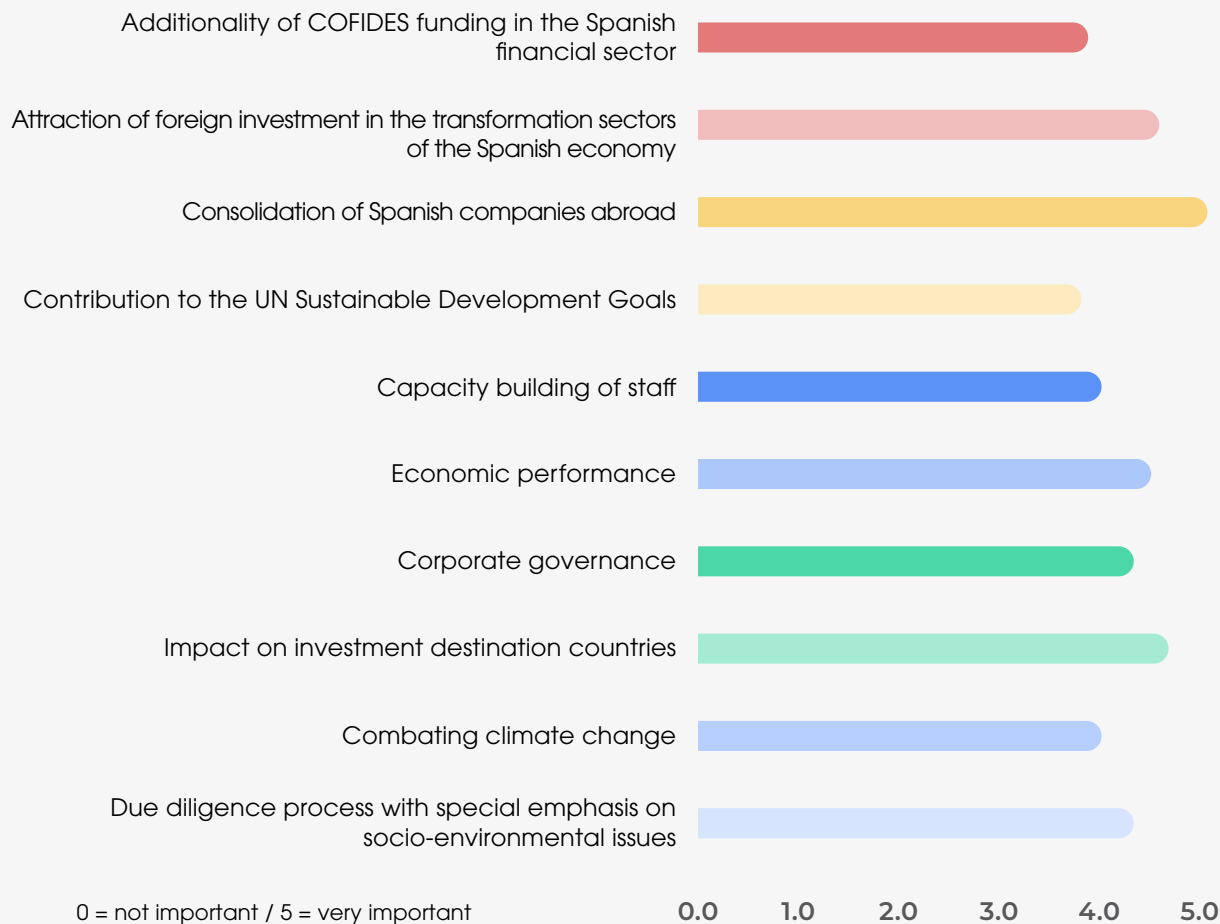
There are newly added topics and others that are already consolidated in the Company's management. There are also topics that are crosscutting and others that serve to reinforce the other issues. Definitions of the material topics are included at the end of this section.

- **Additionality of COFIDES funding in the Spanish financial sector.**
- **Attraction of foreign investment in the transformation sectors of the Spanish economy.**
- **Consolidation of Spanish companies abroad.**
- **Contribution to the SDGs.**
- **Capacity building of staff.**
- **Economic performance.**
- **Corporate governance.**
- **Impact on investment destination countries.**
- **Combating climate change.**
- **Comprehensive due diligence process (with special emphasis on socio-environmental issues).**

Once this list was approved internally, a consultation was carried out with various stakeholders on the importance they attached to each of the issues.

The stakeholders consulted were the members of the Board of Directors, members of the FIEX and FONPYME Executive Committees, clients, staff, public authorities and associations.

MATERIAL TOPICS - STAKEHOLDER CONSULTATION



All topics scored above 3.5. Notable are the topics that have been COFIDES’s mission since its foundation, such as the consolidation of Spanish companies abroad and the generation of positive effects in the destination countries. The creation and future implementation of the FOCO is also considered very important. Below 4 are topics that are not explicitly part of its mission, but to which the Company is committed, such as the fight against climate change and the contribution to the SDGs. This group also includes the management of FONREC, a fund created on an ad hoc basis and now in the portfolio monitoring phase and, finally, the development of staff capacities, a matter that COFIDES considers of paramount importance to continue offering the best service.

As a financial institution, the Company's most important impact is the external dimension, i.e. relating to the projects supported, such that the volume of information and data on this dimension is higher. Since COFIDES is a small entity, the data considered relevant for understanding internal management are provided.

The most significant changes with respect to the previous list included in the Activity and Sustainability Report 2022 are the inclusion of the topic of attracting foreign investment to the transformation sectors of the Spanish economy, arising as a result of COFIDES's appointment as the management company of the FOCO. The topic of strategic partnerships, included in the foregoing list, is considered to be subsumed under several of the other topics.

Definitions of material topics

Additionality of COFIDES funding in the Spanish financial sector

The Company manages the Fund for the Recapitalisation of Companies Affected by COVID-19 (FONREC), which aims to support the solvency of medium-sized companies in financial difficulty, with the ultimate aim of avoiding the destruction of jobs and production at national and regional level.

Attraction of foreign investment in the transformation sectors of the Spanish economy

With the creation of the Coinvestment Fund (FOCO), endowed with Euros 2 billion and managed by COFIDES, the Company seeks to contribute to the transformation of the Spanish productive model by attracting foreign investment in companies that carry out productive activities and investments

aligned with the PRTR objective, in support of the ecological and digital transition. The FOCO seeks to support projects that by their very nature entail specific risks for investors, either for technological reasons or due to their size, regulatory framework and/or the need to optimise coordination between administrations and private promoters, among other factors. In this connection, the FOCO will play the role of reducing the perception of risk and fostering aligned interests between market participants and the public sector in order to encourage the promotion of foreign direct investment.

Consolidation of Spanish companies abroad

COFIDES provides support to Spanish companies by implementing a financial offer tailored to their needs. The internationalisation of the Spanish private sector has a positive impact on the strength of the national business community. If this process is carried out with appropriate and

responsible management, it contributes to the socio-economic growth of the investment countries, as well as Spain.

Contribution to the SDGs

Financial institutions are strategically positioned to promote the financing needed to meet global challenges. The impact of the international development agenda involves all the Company's activities. The investments and programmes in which COFIDES participates contribute to the achievement of the SDG goals and targets, both directly and indirectly.

Capacity building of staff

COFIDES's human capital is made up of multidisciplinary teams, is highly qualified and has a notable capacity within the Spanish public sector to analyse and structure financing and investment operations. Ongoing training is considered an essential pillar to adequately

address the Company's various mandates and challenges.

Economic performance

COFIDES's various mandates must be implemented under criteria of profitability, risk, impact and legal compliance, and it is committed to properly handling all these, which will enable it to generate and distribute value to its stakeholders.

Corporate governance

COFIDES is committed to continue adopting good governance practices in relation to the creation of committees, appointment of independent directors, reinforcement of the internal audit function and its independence, implementation of anti-corruption control systems, management of the crime risk map and ethical commitment. The coordination and joint work of the Audit and Risk Committee and the Sustainability

Committee is considered essential for the control and management of sustainability-related risks, as well as the monitoring of non-financial information.

Impact on investment destination countries

COFIDES promotes the establishment of partnerships with the private sector to finance projects that help generate positive and lasting effects in the countries where the investment is made. It has a long track record in measuring the impact of financed projects and is involved in a number of international initiatives.

Combating climate change

COFIDES's activity is carried out under the conviction that the financial sector has a leading role to play in meeting the goals of reducing emissions and decarbonising economies by 2030 and 2050, respectively. The 2022-2024 Strategic Plan includes climate targets to ensure that financing activity is

aligned with the principles and objectives of the Paris Agreement by the end of the plan. COFIDES is also an accredited entity of the Green Climate Fund.

Due diligence process with special emphasis on socio-environmental issues

The risk management culture is internalised throughout the organisation and is a key issue throughout the due diligence process, including the analysis of social and environmental aspects. It has a socio-environmental policy and a gender policy applicable to operations with the main aim of avoiding negative impacts of the financed projects on the environment and people, including human rights.

The COFIDES Sustainability Committee has reviewed the content of this report, including the material issues.

Coverage, scope and limitations of the report

The report includes information on projects approved and formalised in 2023, as well as the project portfolio at 31 December 2023. COFIDES Impact data relate to operations formalised under this programme in 2023. The data relating to the carbon footprint of the internationalisation portfolio relates to the project portfolio at 31 December 2021. The internationalisation portfolio includes projects financed using COFIDES, FIEX and FONPYME resources. The indicators currently obtained relating to the non-financial aspects of projects (aggregate impact of investments) are mainly based on information provided by project sponsors during the various due diligence phases. Although project analysts in various specialties are responsible for cross-checking the information received, this information cannot currently be accepted with the same guarantees as audited project financial information. Data from previous

years are not included, as the portfolio profile changes annually with new investments and divestments. The collection of impact data is necessarily limited to direct investment with underlying projects and excludes international financing and funds.

The reference to the contribution of 2023 operations to corporate objectives included in the subsection on the aggregate impact of investments includes data on COFIDES formalised operations and FONPRODE operations approved in the areas of employment and investment in countries that are not members of the OECD's Development Assistance Committee (DAC).

By maintaining a permanent focus not only on the financial aspects of the projects but also on the other aspects that guarantee their sustainability, the aim of COFIDES is to systematise the information that allows these issues to be highlighted, both in the internationalised companies and in COFIDES itself.

As indicated above, the data on projects and companies financed are based on information provided by the companies. No sampling techniques are used, and no assumptions are made. The effort is concentrated on obtaining as many responses as possible and then carrying out a data collection exercise and a linear aggregation of the data. Indicators relating to human resources are collected by the relevant division and aggregated linearly.

Additional information

This table contains the description of the four rating categories included under "Social and Environmental Considerations".

Risk/Impact	Description
A: High	Risks and/or potential negative impacts of a diverse nature, severe, extensive, generally irreversible or unprecedented.
B+: Medium – high	Moderate risks and/or potential negative impacts, mostly localised and reversible, but with specific aspects that may generate risks or impacts of greater magnitude and scope.
B: Medium	Moderate, localised and reversible risks and/or potential negative impacts which can be effectively mitigated through well-known and proven measures.
C: Low	Low or non-existent risks and/or potential negative impacts.

GRI content index

Declaration of use	COFIDES has prepared this chapter in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023
GRI 1 used	Foundation 2021
Applicable GRI Sector Standard(s)	

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1 Organizational details	<p>CGR chapters:</p> <ol style="list-style-type: none"> 1. Data identifying the organisation 2. Nature of the organisation, mandate and structure of ownership <p>ASR headings:</p> <p>Business history map Portfolio by region and sector</p> <p>Website:</p> <p>https://www.cofides.es/en/financing/internacionalization/countriesinternacionalizacion/paises https://www.cofides.es/en/financing/blending/countries https://www.cofides.es/en/financing/green-climate-fund/countries</p>		

GRI Standard / Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting		COFIDES has no controlling interests in portfolio companies, and these companies are not consolidated in the financial statements.	
	2-3 Reporting period, frequency and contact point	Annual frequency 01/01/2023-31/12/2023. Financial report same period Date of publication: July 2024 Point of contact: sostenibilidad.impacto@cofides.es GCR chapter: 1. Data identifying the organisation		
	2-4 Restatements of information		No significant changes.	
	2-5 External assurance	ASR headings: Report parameters External assurance report	Procurement is carried out in accordance with the internal procurement procedure pursuant to the Public Sector Contracts Law. AENOR certifies the quality management system. Senior management has approved the request for external assurance of the report.	
	2-6 Activities, value chain and other business relationships	CGR chapters: 2. Nature of the organisation, mandate and structure of ownership		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
	2-6 Activities, value chain and other business relationships	ASR headings: Operational and management capacity Approvals, formalisations and disbursements Portfolio by region and sector Commercial and institutional action Stakeholder relations https://www.cofides.es/en/financing https://www.cofides.es/en/financing/internacionalization/sectors https://www.cofides.es/en/financing/blending/eligibility	COFIDES purchases products and services for the Company's headquarters.	
GRI 2: General Disclosures 2021	2.7 Employees	ASR heading: Team	Personnel data are at 31/12/23. There are no employees hired for non-guaranteed hours. The indicators relating to human resources are presented as personnel.	
	2-8 Workers who are not employees	ASR heading: Team	The data are presented for personnel at 31/12/23.	
	2-9 Governance structure and composition	CGR chapters: 3. Decision-making bodies 4.1. Audit and Risk Committee 4.2. Sustainability Committee		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	CGR chapters: 3.1. General Meeting of Shareholders 3.2.5. Board of Directors. Procedure for determining composition, training, compatibility and diversity indicators 4.1. Audit and Risk Committee 4.2. Sustainability Committee		
	2-11 Chair of the highest governance body	CGR chapters: 3.3. Chairman and Chief Executive Officer		
	2-12 Role of the highest governance body in overseeing the management of impacts	CGR chapters: 3.2. Board of Directors 3.3.3. Chairman and Chief Executive Officer. Functions 3.3.8. Chairman and Chief Executive Officer. Stakeholder relations 4.1.3. Audit and Risk Committee. Functions 4.2.3. Sustainability Committee. Functions 5.2.1. Code of Ethics 5.2.6. Social and environmental risk control system 6. Internal audits ASR heading: Boosting sustainable financing and investment impact Creation of the Sustainability Committee Sustainability management. Social and environmental considerations		

GRI Standard / Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	<p>CGR chapters: 3.2.10. Board of Directors. Meeting notices. Procedures. Reserved matters and proxy voting 3.2.12. Board of Directors. Number of meetings and main agreements 4.1.3. Audit and Risk Committee. Functions 4.2.3. Sustainability Committee. Functions</p> <p>ASR headings: Sustainability management. Social and environmental considerations</p>		
	2-14 Role of the highest governance body in sustainability reporting	<p>CGR chapters: 3.2.12. Board of Directors. Number of meetings and main agreements 4.1.3. Audit and Risk Committee. Functions 4.2.3. Sustainability Committee. Functions</p> <p>ASR headings: Materiality analysis</p>		
	2-15 Conflicts of interest	<p>CGR chapters: 3.2.5. Board of Directors. Procedure for determining composition, training, compatibility and diversity indicators 3.2.7. Board of Directors. Other positions held by directors on other administrative bodies or management bodies of other companies 3.3.7. Chairman and Chief Executive Officer. Management of conflicts of interest</p>		
	2-16 Communication of critical concerns	<p>CGR chapters: 5.2.2. Crime risk control system</p>		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	CGR chapters: 4.1.11. Audit and Risk Committee. Training 4.2.11. Sustainability Committee. Training		
	2-18 Evaluation of the performance of the highest governance body	CGR chapters: 3.2.14. Board of Directors. Self-assessment 4.1.10. Audit and Risk Committee. Self-assessment 4.2.10. Sustainability Committee. Self-assessment		
	2-19 Remuneration policies	CGR chapters: 3.2.3. Board of Directors. Functions 3.2.8. Board of Directors. Remuneration of directors 3.3.4. Chairman and Chief Executive Officer. Remuneration 4.1.6. Audit and Risk Committee. Remuneration 4.2.6. Sustainability Committee. Remuneration ASR headings: Team Boosting sustainable financing and investment impact Aggregate impact of investments		
	2-20 Process to determine remuneration	CGR chapters: 3.2.8. Board of Directors. Remuneration of directors 3.3.4. Chairman and Chief Executive Officer. Remuneration ASR headings: Team		
	2-21 Annual total compensation ratio	ASR headings: Team		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	ASR heading: Letter from the Chairman		
	2-23 Policy commitments	GCR chapters: 3.2.12. Board of Directors. Number of meetings and main agreements 3.5.2. Compliance Unit. Functions 4.2.3. Sustainability Committee. Functions 5.2.1. Code of Ethics https://www.cofides.es/en/about-us/governance ASR heading: Sustainability management. Social and environmental considerations https://www.cofides.es/en/our-work/sustainable-investments		
	2-24 Embedding policy commitments	ASR heading: Boosting sustainable financing and investment impact Creation of the Sustainability Committee Sustainability management. Social and environmental considerations https://www.cofides.es/en/our-work/sustainable-investments GCR chapters: 3.5.2. Compliance Unit. Functions 4.1.3. Audit and Risk Committee. Functions 4.2.3. Sustainability Committee. Functions 5.2.1. Code of Ethics 5.2.6. Crime risk control system 6. Internal audits		

GRI Standard / Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	<p>CGR chapters: 3.3.8. Chairman and Chief Executive Officer. Stakeholder relations 3.5.2. Compliance Unit. Functions 5.2.2. Crime risk control system https://www.cofides.es/en/integrity https://www.cofides.es/en/suggestion</p>		
	2-26 Mechanisms for seeking advice and raising concerns	<p>CGR chapters: 3.3.8. Chairman and Chief Executive Officer. Stakeholder relations 3.5.2. Compliance Unit. Functions 3.5.5. Compliance Unit, Operation and most relevant issues in 2023 5.2.2. Crime risk control system https://www.cofides.es/en/integrity https://www.cofides.es/en/suggestion</p>		
	2-27 Compliance with laws and regulations		In 2023, no breaches of this type that led to fines or penalties were recorded.	
	2-28 Membership associations	<p>ASR headings: Letter from the Chairman Milestones Operational and management capacity Commercial and institutional action</p>	ALIDE, ASCRI, EDFI, APD, REDI, Instituto auditores internos, Pacto Mundial Red Española, Club de Exportadores e Inversores Españoles, IFSWF, SPAINSIF, OPSWF, Global Impact Investing Network	

GRI Standard / Other source	CONTENT	LOCATION	COMMENTS	OMISSION
GRI 2: GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	ASR headings: Stakeholder relations CGR chapters: 3.3.8. Stakeholder relations 8.2. Corporate communications unit		
	2-30 Collective bargaining agreements		All COFIDES staff (100%) are covered by the Madrid Offices Collective Agreement.	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ASR headings: Materiality analysis. Process and definition of the content of the report		
	3-2 List of material topics			
Additionality of financing in the Spanish financial sector				
GRI 3: Material Topics 2021	3-3 Management of material topics	ASR headings: Letter from the Chairman Activity milestones Operational and management capacity Sustainability management. Social and environmental considerations Stakeholder relations CGR chapters: 2. Nature of the organisation, mandate and structure of ownership 3.3.8. Stakeholder relations 5.2.6. Financial risk control system https://www.cofides.es/biblioteca-de-documentos/ejes-plan-estrategico-cofides-2022-2024		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Additionality of financing in the Spanish financial sector				
GRI 201: Economic Performance 2016	GRI 203: Indirect Economic Impacts 2016	ASR headings: Activity milestones High impact undertakings. Boosting internationalisation from FONREC Approvals, formalisations and disbursements Social and environmental considerations. Socio-environmental risk profile of the FONREC portfolio https://www.cofides.es/biblioteca-de-documentos/ plan-estrategico-cofides		
Attraction of foreign investment in the transformation sectors of the Spanish economy				
3-3 Management of material topics	3-3 Management of material topics	ASR headings: Letter from the Chairman Activity milestones Article by the Director-General Institutional action Stakeholder relations CGR chapters: 2. Nature of the organisation, mandate and structure of ownership https://www.cofides.es/biblioteca-de- documentos/ejes-plan-estrategico-cofides-2022-2024 https://www.cofides.es/en/financing/financial-instruments/ co-investment-fund-foco		
GRI 203: Indirect Economic Impacts 2016	203-2: Significant Indirect Economic Impacts		Information not available for 2023. Information on this disclosure will start to be collected from 2024 onwards.	YES

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Consolidation of Spanish companies abroad				
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>ASR headings: Letter from the Chairman High impact undertakings Operational and management capacity Our management Sustainability management. Social and environmental considerations</p> <p>GCR chapters: 2. Nature of the organisation, mandate and ownership structure 3.3.8. Stakeholder relations 5.2.6. Financial risk control system https://www.cofides.es/biblioteca-de-documentos/plan-estrategico-cofides</p>		
GRI 203: Indirect Economic Impacts 2016	203-2: Significant Indirect Economic Impacts	<p>ASR headings: Activity milestones High impact undertakings. Boosting internationalisation through FONREC. Women and internationalisation Operational and management capacity Approvals, formalisations and disbursements Portfolio by region and sector</p>		
Contribution to the SDGs				
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>GCR chapters: 3.3.8. Stakeholder relations https://www.cofides.es/biblioteca-de-documentos/plan-estrategico-cofides</p>		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Contribution to the SDGs				
GRI 3: Material Topics 2021	3-3 Management of material topics	ASR headings: Letter from the Chairman Activity milestones High impact undertakings Boosting sustainable financing and investment impact Implementation of COFIDES Impact. Aggregate impact of investments Sustainability management. Social and environmental considerations TCFD		
GRI 203: Indirect Economic Impacts 2016	203-2: Significant Indirect Economic Impacts	ASR headings: Activity milestones High impact undertakings Boosting sustainable financing and investment impact Implementation of COFIDES Impact. Aggregate impact of investments		
Capacity building of staff				
GRI 3: Material Topics 2021	3-3 Management of material topics	ASR headings: Team https://www.cofides.es/biblioteca-de-documentos/ejes-plan-estrategico-cofides-2022-2024		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ASR headings: Team. Training		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Economic performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>ASR headings: High impact undertakings Boosting sustainable financing and investment impact Approvals, formalisations and disbursements Team</p> <p>GCR chapters: 5.1. Risk map 5.2. Control systems 6. Internal audits 7. External audits</p>		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<p>ASR headings: Boosting sustainable financing and investment impact Approvals, formalisations and disbursements Team</p> <p>AA: Financial statements</p>		
Corporate governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>GCR chapters: 3. Decision-making bodies 5.2. Control systems</p> <p>ASR headings: Corporate milestones Boosting sustainable financing and investment impact. Creation of the Sustainability Committee Sustainability management Stakeholder relations</p>		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Corporate governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	https://www.cofides.es/biblioteca-de-documentos/plan-estrategico-cofides https://www.cofides.es/en/about-us/governance		
Organisation- specific content	Decision-making bodies	GCR chapters: 3. Decision-making bodies 4. Advisory and internal management committees		
	Control systems	GCR chapters: 5.2. Control systems		
Impact on investment destination countries				
GRI 3: Material Topics 2021	3-3 Management of material topics	ASR headings: Letter from the Chairman High impact undertakings Boosting sustainable financing and investment impact Portfolio by region Sustainability management. Social and environmental considerations GCR chapters: 3.3.8. Stakeholder relations 5.2.3. Crime risk control system https://www.cofides.es/biblioteca-de-documentos/ejes-plan-estrategico-cofides-2022-2024		
GRI 203: Indirect Economic Impacts 2016	203-2: Significant Indirect Economic Impacts	ASR headings: High impact undertakings Boosting sustainable financing and investment impact		

GRI Standard/ Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Combating climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	<p>ASR headings: Letter from the Chairman Corporate milestones High impact undertakings. Supporting the paradigm shift in the fight against climate change. Sustainability management. Social and environmental considerations Boosting sustainable financing and investment impact TCFD Operational and management capacity Carbon neutral office</p> <p>GCR chapters: 2. Nature of the organisation, mandate and structure of ownership https://www.cofides.es/biblioteca-de-documentos/ejes-plan-estrategico-cofides-2022-2024</p>		
GRI 201: Economic Performance 2016	201-2: Financial implications and other risks and opportunities due to climate change	<p>ASR headings: Boosting sustainable financing and investment impact TCFD High impact undertakings. Supporting the paradigm shift in the fight against climate change. Clean energy: commitment to sustainability and innovation</p>		
GRI 305: Emissions 2016	305-3: Other indirect (Scope 3) GHG emissions	<p>ASR headings: TCFD</p>		

GRI Standard / Other source	CONTENT	LOCATION	COMMENTS	OMISSION
Comprehensive due diligence process (with special emphasis on socio-environmental issues)				
GRI 3: Material Topics 2021	3-3 Management of material topics	ASR headings: Letter from the Chairman Sustainability management. Social and environmental considerations TCFD GCR chapters: 3.3.8. Chairman and Chief Executive Officer. Stakeholder relations 5.2.5. Socio-environmental risk control system 5.2.6. Financial risk control system https://www.cofides.es/biblioteca-de-documentos/ejes-plan-estrategico-cofides-2022-2024		
Organisation-specific content	Socio-environmental policies and procedures	ASR headings: Sustainability management. Social and environmental considerations		

Legend:	CA: Annual Accounts
	GCR: Annual Corporate Governance: https://cofides.es/en/documents
	ASR: Activity and Sustainability Report

AENOR



The organization for which this certificate is being issued has commissioned AENOR to carry out a verification under a limited level of assurance of its Sustainability Report in accordance with Sustainability Reporting Standards (SRS) GRI in relation to the information referenced in the publish GRI content index and for the reporting period.

In order to issue this certificate AENOR has evaluated report comply with all nine requirements GRI1 to report in accordance with the SRS GRI, except for requirement 9 - Notification to GRI, which should be made by the organization after the issuance of this certificate.

As a result of the verification carried out, AENOR issues this Certificate, of which the verified Sustainability Report forms part. The Certificate is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

Responsibility of the organization. The organization had the will for reporting its Sustainability Report in accordance with GRI SRS. The approval of the Sustainability Report, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the Sustainability Report is free from material misstatement due to fraud or error, as well as the management systems from which the information required for the preparation of the Sustainability Report is obtained. The organisation has informed AENOR that no events have occurred, from the date of the close of the reporting period in Sustainability Report until the date of verification, that might require corrections to be made to the report.

Verification program in accordance with ISO/IEC 17029:2019 AENOR, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

The personnel involved in the verification process, the review of findings and the decision to issue this Statement have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this statement.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the report and reviewed evidence relating to:

- Activities, products and services provided by the organization.
- Consistency, accuracy and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the Sustainability Report in order to ensure the completeness, accuracy and veracity of its content.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.



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