SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Half-Yearly Financial Statements and Management Report corresponding to the six months ending 30 June 2020
(Unaudited)

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Half-Yearly Financial Statements

(Unaudited)
30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
BALANCE SHEET AT 30 JUNE 2020 AND 31 DECEMBER 2019
(Euros)

ASSETS	Notes to the Report	30/06/2020	31/12/2019	EQUITY AND LIABILITIES	Notes to the Report	30/06/2020	31/12/2019
NON-CURRENT ASSETS		**351,958,288**	**351,030,367**	**EQUITY**		**292,155,171**	**302,099,432**
				OWN FUNDS			
Intangible fixed assets		**1,967**	**2,975**				
Software applications		1,967	2,975	**Capital**	12	**267,577,040**	**267,577,040**
Tangible fixed assets		**1,206**	**1,421**	Authorised capital		267,577,040	267,577,040
Plant and other tangible fixed assets		1,206	1,421	**Reserves**	12	**21,360,467**	**19,630,314**
Property investments	6	**349,648,061**	**348,959,971**	Legal and statuary		6,901,253	5,475,575
Net property investments		349,648,061	348,959,971	Other reserves		14,459,215	14,154,739
Long-term financial investments	8	**2,307,054**	**2,066,000**	**Profit/(Loss) for the year**	4	**2,614,914**	**14,256,779**
Other financial assets		2,307,054	2,066,000	**Valuation adjustments**		**-468,612**	**-465,934**
				Hedging operations	12 and 14	-468,612	-465,934
				Subsidies, donations and bequests received	12	**1,071,362**	**1,101,233**
				Subsidies, donations and bequests received		1,071,362	1,101,233
				NON-CURRENT LIABILITIES		**78,069,533**	**89,636,049**
				Long-term debts	13	**78,069,533**	**89,636,049**
				Debentures and bonds		2,000,000	10,000,000
				Debts with credit institutions		71,076,033	74,574,848
				Derivatives	12 and 14	468,612	465,934
				Other financial liabilities		4,524,888	4,595,267
CURRENT ASSETS		**56,616,594**	**52,132,277**				
Inventories		**980**	**2,291**	**CURRENT LIABILITIES**		**38,350,178**	**11,427,163**
Advance payments to suppliers		980	2,291	**Short-term debts**	13	**31,996,835**	**7,117,409**
Trade and other accounts receivable	9	**811,790**	**1,943,216**	Debentures and bonds		8,004,795	130,822
Accounts receivable for sales and services		624,566	1,635,701	Debts with credit institutions		13,590,739	6,897,835
Other credits with the public administration	9 and 17.1	187,224	307,515	Other financial liabilities		10,401,301	88,753
Short-term investments with Group and associated companies	8 and 19.2	**46,954,274**	**42,390,623**	**Short-term Group and associated companies debts**	19.2	**-**	**-**
Short-term loans to Group and associated companies		46,954,274	42,390,623	**Trade creditors and other accounts payable**		**6,353,343**	**4,309,754**
Short-term financial investments	8	**7,996,165**	**1,046,620**	Suppliers		3,544,610	3,735,431
Short-term equity instruments		7,756,534	1,046,620	Sundry creditors		234,160	306,296
Other financial assets		239,631	-	Other debts with the public administration	17.1	2,571,273	262,027
Cash and cash equivalents	10	**853,385**	**6,749,527**	Advance payments from customers		3,300	6,000
Cash and bank		853,385	6,749,527				
TOTAL ASSETS		**408,574,882**	**403,162,644**	**TOTAL EQUITY AND LIABILITIES**		**408,574,882**	**403,162,644**

Notes 1 to 25 set out in the annual report attached hereto form an integral part of the balance sheet at 30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
PROFIT AND LOSS ACCOUNT AT 30 JUNE 2020
(Euros)

	Notes to the Report	30/06/2020	30/06/2019
CONTINUED OPERATIONS			
Net turnover	18.1	**7,478,070**	**9,172,188**
Lease of property		7,478,070	9,172,188
Other operating income	18.1	**1,028**	**148,883**
Non-core and other current management income		1,028	148,883
Procurements		**-2,616**	**-**
Consum. raw mater. & other consumable mat.		-2,616	-
Personnel expenses	18.2	**-196,882**	**-114,209**
Wages, salaries and similar outgoings		-162,798	-88,262
National Insurance contributions		-34,083	-25,947
Other operating expenses		**-1,044,568**	**-1,057,419**
Outside services	18.3	-1,020,106	-905,105
Taxes and similar levies	18.3	-26,073	-157,040
Losses, impairment and changes in provisions for trade transactions	9	1,611	4,726
Fixed asset depreciation	6	**-2,772,933**	**-2,552,821**
Allocation of non-financial fixed asset subsidies and others	12 and 18.1	**29,871**	**29,871**
Impairments and gains (losses) on fixed asset disposals	6	**-75,233**	**1,503,873**
Impairments and losses in value		26,758	-
Gains (losses) on disposals and others		-101,991	1,503,873
Other gains/(losses)		**-7,310**	**6,061**
Exceptional income and expenses		-7,310	6,061
OPERATING PROFIT/(LOSS)		**3,409,426**	**7,136,427**
Financial income		**456,270**	**443,381**
From transferable securities and other financial instruments		456,270	443,381
- In Group and associated companies	19.1	408,247	397,306
- In third parties		48,023	46,075
Financial expenses		**-868,727**	**-868,273**
From debts with third parties	13	-868,727	-868,273
Change in fair value of financial instruments	9	**-382,056**	**-81,216**
FINANCIAL PROFIT/(LOSS)		**-794,513**	**-506,108**
PROFIT/ (LOSS) BEFORE TAX		**2,614,914**	**6,630,319**
Tax on profits	17	-	-
PROFIT/ (LOSS) FOR THE YEAR	4	**2,614,914**	**6,630,319**

Notes 1-25 to the attached half-yearly financial statements are an integral part of the income statement at 30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2020 (UP TO 30 JUNE 2020)
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES
(Euros)

	Notes to the Report	30/06/2020	30/06/2019
PROFIT/ (LOSS) OF THE PROFIT AND LOSS ACCOUNT (I)	4	**2,614,914**	**6,630,319**
Income and expenses directly attributed to equity			
- For cash flow hedges (Note 12)		-2,678	-
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (II)		**-2,678**	**-**
Transfers to the profit and loss account			
- Subsidies, donations and bequests received		-29,871	-29,871
TOTAL AMOUNTS TRANSFERRED TO PROFIT AND LOSS ACCOUNT (III)		**-29,871**	**-29,871**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**2,582,365**	**6,600,448**

Notes 1-25 to the attached interim half-yearly financial statements are an integral part of the statement of recognised income and expenses at 30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2020 (UP TO 30 JUNE 2020)
B) FULL STATEMENT OF CHANGES IN EQUITY
(Euros)

	Capital	Legal Reserve	Other reserves	Profit (Loss) for the year	Subsidies, donations and bequests	Valuation adjustments	TOTAL
CLOSING BALANCE OF 2018	**267,577,040**	**4,020,151**	**14,154,738**	**14,554,246**	**1,160,976**	**-276,013**	**301,191,138**
Recognised total income and expense	**-**	**-1**	**1**	**14,256,779**	**-59,743**	**-189,921**	**14,007,115**
Other changes in equity	**-**	**1,455,425**	**-**	**-14,554,246**	**-**	**-**	**-13,098,821**
- Distribution of profit in 2018	-	1,455,425	-	-14,554,246	-	-	-13,098,821
CLOSING BALANCE OF 2019	**267,577,040**	**5,475,575**	**14,154,739**	**14,256,779**	**1,101,233**	**-465,934**	**302,099,432**
Recognised total income and expense	**-**	**-**	**-**	**2,614,914**	**-29,871**	**-2,678**	**2,582,365**
Other changes in equity	**-**	**1,425,678**	**304,475**	**-14,256,779**	**-**	**-**	**-12,526,626**
- Distribution of profit in 2019	-	1,425,678	304,475	-14,256,779	-	-	**-12,526,626**
BALANCE AT 30 JUNE 2019	**267,577,040**	**6,901,253**	**14,459,214**	**2,614,914**	**1,071,362**	**-468,612**	**292,155,171**

Notes 1-25 to the attached interim half-yearly financial statements are an integral part of the overall statement of changes in equity to 30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
CASH FLOW STATEMENT FOR 2019
(Euros)

	Notes to the Report	30/06/2020	30/06/2019
A) CASH FLOWS FROM OPERATING ACTIVITIES		**6,344,834**	**9,388,948**
1. Profit/ (loss) before tax for the year	**4**	**2,614,914**	**6,630,319**
2. Adjustments to profit/(loss):		**3,611,196**	**1,520,459**
a) Amortisation of fixed assets (+)	6	2,772,933	2,552,821
b) Valuation corrections due to impairment (+/-)	6	-26,758	-
c) Variation in provisions (+/-)	10	-1,611	-4,726
d) Allocation of subsidies (-)	12	-29,871	-29,871
e) Income from elimination and sales of fixed assets (+/-)	6	101,991	-1,503,873
g) Financial income (-)	19	-456,270	-443,381
h) Financial expenses (+)	13	868,727	868,273
j) Variation in fair value of financial instruments (+/-)	9	382,056	81,216
3. Changes in current capital:		**652,427**	**1,830,500**
a) Inventory (+/-)		1,312	-959
b) Trade and other receivables (+/-)	9	1,012,746	1,015,948
c) Other current assets (+/-)		120,291	-
d) Creditors and other accounts payable (+/-)		-262,958	2,815
e) Other current liabilities (+/-)		-73,512	812,696
f) Other non-current assets and liabilities (+/-)		-145,452	-
4. Other cash flows from operating activities		**-533,702**	**-592,330**
a) Payments of interests (-)		-989,972	-638,405
c) Collection of interests (+)		456,270	46,075
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**-10,866,633**	**-22,099,945**
6. Investment payments (-):		**-11,502,633**	**-27,777,447**
c) Property, plant and equipment		-85	-662
d) Real estate investments	6	-4,170,947	-26,773,999
e) Other financial assets		-	-1,002,786
f) Non-current assets kept for sale.	8	-7,331,601	-
7. Proceeds from divestments (+):		**636,000**	**5,677,502**
d) Real estate investments	6	636,000	5,677,502
C) CASH FLOWS FROM FINANCING ACTIVITIES		**-1,374,344**	**14,971,164**
10. Receivables and payables from financial liability instruments		**-1,374,344**	**28,069,986**
a) Issue:		**3,189,307**	**28,069,986**
2. Bank borrowings (+)	13	3,189,307	19,097,354
3. Payables with group and associated companies (+)	8	-	8,972,632
b) Return and amortisation of:		**-4,563,651**	**-**
3. Payables with group and associated companies (-)	8	-4,563,651	-
11. Dividend payments		**-**	**-13,098,822**
a) Dividends (-)	4	-	-13,098,822
D) EFFECT OF CHANGES IN INTEREST RATES		**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND EQUIVALENTS		**-5,896,142**	**2,260,167**
Cash or equivalent at start of year.		**6,749,527**	**684,700**
Cash or equivalent at end of year.	**10**	**853,385**	**2,944,865**

Notes 1-25 described in the notes to the attached financial statements are an integral part of the statement of cash flows for the six months ending on 30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Explanatory notes to the Half-Yearly Financial Statements
at 30 June 2020 (unaudited)

1. Company Activity

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A (hereinafter the Company), previously named SAINT CROIX HOLDING IMMOBILIER, S.A, was formed on 1 December 2011 in Luxembourg. It registered office is at Boulevard Prince Henri 9b, L-1724 Luxembourg, Grand Duchy of Luxembourg and was registered in the Mercantile Registry of Luxembourg (Registre de Commerce et des Sociétés) under number B165103. Amongst its other agreements, on 10 June 2014, the Extraordinary General Meeting approved:

- Transfer of the registered, tax and administrative office (effective head office) to Glorieta de Cuatro Caminos 6 & 7 in Madrid, without the winding up or liquidation of the company, continuing the activities in Spain which make up its corporate purpose, under Spanish nationality as a corporation regulated by Spanish Law and especially under the legal and tax REIT regime, and keeping the listing of all its shares on the Luxembourg Stock Exchange.

- Change of the company name from "SAINT CROIX HOLDING IMMOBILIER, S.A." to "SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.";

- Approval of the Company's financial statements as of 31 May 2014 (date of closing of accounts prior to the transfer of registered office and therefore of the change of nationality).

- Approval of the new Articles of Association in accordance with Spanish Legislation and the Regulations of the General Shareholders' Meeting.

Having changed of company name and transfer of effective head office to Madrid (Spain), the Company was registered in the Trade Register of Madrid on 15 October 2014.

Its corporate purpose includes the following activities:

- The acquisition and development of urban real estate for leasing. Development activities, including the refurbishment of buildings under the terms set forth by Act 37/1992 of 28 December on Value Added Tax.

- The holding of interests in the capital of other listed real estate investment trusts (hereinafter "REITs") or in the capital of other entities not domiciled in Spanish territory which have the same corporate purpose as REITs and which are subject to a similar scheme as the one laid down for REITs with regard to mandatory, legal or statutory policies on the distribution of profits.

- The holding of interests in the capital of other entities, whether or not they are domiciled in Spanish territory, which have as their main corporate purpose the acquisition of urban real estate assets for leasing and which are subject to the same scheme as that established for listed real estate investment trusts (REITs) concerning mandatory, legal or statutory policies on the distribution of profits and which meet the investment requirements laid down by Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts (hereinafter the "REIT Act").

- The holding of shares or interests in collective real estate investment institutions governed by Act

35/2003 of 4 November on Collective Investment Institutions.

- The performance of other non-core or complementary financial and non-financial activities that generate revenues which together amount to less than the percentage the REIT Act sets forth at any time for the company's revenue in each tax period, such as:

    - The acquisition and development of urban real estate for leasing. Development activities, including the refurbishment of buildings under the terms set forth by Act 37/1992 of 28 December on Value Added Tax.

    - The construction, development and sale of retail outlets, garages and housing units in both the free market and the officially protected or public market, and others related to said activity, such as the acquisition of land and the financing, development and subdivision into plots, along with the refurbishment of buildings.

    - The acquisition, plot subdivision, operation and sale of rural, agricultural, forestry and stock breeding properties and of any other real estate asset, along with the marketing of their products and other consumer goods.

    - The acquisition, holding and disposal of moveable property and fixed income and equity securities after having received, if applicable, the relevant administrative authorisation, along with the purchase and sale of works of art.

    - The management, administration and operation of hotels, aparthotels, student halls of residence and nursing homes for the elderly in any of the ways provided for by Law and in general of any kind of real estate where an economic activity is carried out.

    - The assignment of its own capital in exchange for the payment of interest or other kinds of consideration.

The development of other non-core financial and non-financial activities that generate revenues, which, in total, amount to less than 20 percent of the Company's revenue in each tax period. The activities listed may also be developed by the Company, in whole or in part, indirectly, through a shareholding in another or other companies with a similar purpose. All activities for which the Law requires special requirements that are not met by this Company are excluded.

Given the activities currently carried out by the Company, it does not have liabilities, expenses, assets, nor provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial situation and profits. For this reason, information on environmental issues has not been broken down separately as part of the report on the interim financial statements.

Merger in 2016

During 2016, a reorganisation process was undertaken to optimise and simplify the corporate structure of the group headed by Saint Croix Holding Immobilier, SOCIMI, S.A. through a merger process under which the Company absorbed the subsidiary companies, Compañía Ibérica de Bienes Raíces 2009 SOCIMI, S.A.U. and Inveretiro SOCIMI, S.A.U., agreed at the Extraordinary and Universal Shareholders' General Meetings held on 19 May 2016 of the Absorbed Companies and at the Extraordinary General Shareholders' Meeting of the Absorbing Company held on 19 May 2016. For accounting purposes, said merger was made on 1 January 2016 through the dissolution without liquidation of the Absorbed Companies and the transfer of all equity to the Absorbing Company. The merger agreement was made public by means of an Amalgamation deed granted on 1 July 2016 and was registered in the Trade Register of Madrid on 27 July

2016. As of that time, the Absorbing Company stopped being a Consolidated Group.

The main elements that occurred as a result of the aforementioned merger were as follows:

- Saint Croix Holding Immobilier, SOCIMI, S.A. absorbed the companies indicated, which were dissolved without liquidation, acquiring all their assets by universal succession and subrogating themselves in their rights and obligations under the regime provided for in article 49 of Law 3/2009, of 3 April, on structural modifications to trading companies. Pursuant to said article, due to the Company holding a 100% shareholding in the Absorbed Companies, the Absorbing Company did not increase its share capital, nor was the intervention of independent experts required.

- In accordance with trade law, the date from which the operations of the Absorbed Companies were considered realised for accounting purposes by Saint Croix Holding Immobilier, SOCIMI, S.A. was 1 January 2016.

- The book values incorporated as part of the merger corresponded to the amounts recorded in the consolidated financial statements of the Group to which the Absorbed Companies belonged at 31 December 2015, pursuant to the Registration and Valuation Standard number 21 of the General Accounting Plan.

- The merger was subject to the tax neutrality regime provided for in Chapter VIII of Law 27/2014 of 27 November of the Law on Corporation Tax.

- As a result of the merger, Saint Croix Holding Immobilier, SOCIMI, S.A. ceased to be a holding company; therefore, its corporate purpose was amended to include the acquisition and promotion of property.

As a result of the foregoing, positive merger reserves amounted to 14,154,738 euros due to the difference between the individual book values and those included in the merger.

The merger was subject to the special regime of mergers, divisions, asset contributions and exchange of securities provided for in Chapter VIII of Law 27/2014 of 27 November of the Law on Corporation Tax. The Company's financial statements at 31 December 2016 detail all the necessary information in accordance with the provisions of said legislation, namely:

a) List of transferred goods susceptible to depreciation.
b) List of tax benefits enjoyed by the transferring entity, in respect of which the entity must assume compliance with certain requirements in accordance with the provisions of said law.
c) Final closing balance sheet of the absorbed companies.
d) Assumed assets and liabilities on the acquisition date.

Merger in 2018

On 1 March 2018, the Company acquired a 100% shareholding of the company Bensell Mirasierra S.L.U. for an amount of 17,623,669 euros. The sole asset of this company was an office building located at Calle Valle de la Fuenfría 3, Madrid, with a gross leasable area of 5,987 m2. This operation generated goodwill attributable to its assets of 5,506,170 euros which has been recorded as the greater cost of the property (separated between land and construction) and the part attributable to construction will be depreciated based on the estimated useful life of the properties.

Amongst its other agreements, on 28 June 2018, the Extraordinary General Shareholders' Meeting approved the following:

- Merger by the Company (absorbing company) of its subsidiary Bensell Mirasierra S.L.U. in accordance with the merger project registered in the Mercantile Registry of Madrid on 16 May 2018.

- The signing of the merger deed by the Company over its subsidiary was on 21 September 2018. The merger deed was registered in the Mercantile Registry of Madrid on 16 November 2018.

The main elements that occurred as a result of the aforementioned merger were as follows:

- Saint Croix Holding Immobilier, SOCIMI, S.A. absorbed the company indicated, which was dissolved without liquidation, acquiring all its assets by universal succession and subrogating itself in its rights and obligations under the regime provided for in article 49 of Law 3/2009, of 3 April, on structural modifications to trading companies. Pursuant to said article, due to the Company holding a 100% shareholding in the Absorbed Company, the Absorbing Company did not increase its share capital, nor was the intervention of independent experts required.

- In accordance with trade law, the date from which the operations of the Absorbed Company were considered realised for accounting purposes by Saint Croix Holding Immobilier, SOCIMI, S.A. was 1 March 2018.

- For the purposes of article 36.1 of the Structural Modifications Law, the duly audited and approved balance sheets at 31 December 2017 by the Companies participating in the merger were considered to be the merger balance sheets. Given that the Absorbing Company acquired 100% of the Absorbed Company on 1 March 2018, the accounting effects for this merger are post-dated to 1 March 2018 pursuant to the provisions of the Registration and Valuation Policy number 21 of the General Accounting Plan.

- The merger was subject to the tax neutrality regime provided for in Chapter VIII of Law 27/2014 of 27 November of the Law on Corporation Tax. See annexes:

  a) List of transferred goods susceptible to depreciation.
  b) List of tax benefits enjoyed by the transferring entity, in respect of which the entity must assume compliance with certain requirements in accordance with the provisions of said law.
  c) Final closing balance sheet of the absorbed companies.
  d) Assumed assets and liabilities on the acquisition date.

Fixed Income Securities Issuance programme 2015

On 30 September 2015, the Company obtained the inclusion of the information base document for the inclusion of medium and long-term securities related to a "Fixed Income Securities Issuance Programme 2015 " on the Alternative Fixed Income Market ("MARF"). The Base Document was published on the website of the Alternative Fixed Income Market, as well as on the Company's website. For the purposes of registering the aforementioned bond programme, the Company was rated for credit purposes as BBB with a stable outlook ("investment grade") by the ratings agency Axesor. The programme had a duration of 1 year. The funds obtained from the issue were to be used for investment in real estate and renovation of the assets in the portfolio.

The main features of the aforementioned programme are as follows:

- Maximum issue amount: 80,000,000 euros
- Amortisation period: Between 2 and 7 years
- Coupon: Annual
- Unit nominal value ≥ 100,000 euros
- Issue audience: qualified investors

In 2016, two sets of Fixed Income securities were issued by the Company as part of the aforementioned programme for the combined total of 10,000,000 euros, the main characteristics of which were as follows:

	Simple Bonds 2021	**Simple Bonds 2022**
Nominal amount	8,000,000	2,000,000
Issue date	23 June 2016	23 June 2016
Maturity date	23 June 2021	23 June 2022
Annual coupon	2.50%	2.50%
Coupon payment	Annual	Annual
Issue APR	2.72%	2.77%

The average APR for both issues for the issuer was 2.73%. The two issues of securities have been listed on the Alternative Fixed Income Market since 24 June 2016 (see Note 13).

Fixed Income Securities Issuance programme 2016

On 18 October 2016, the Company obtained, for a second consecutive year, the information base document for the inclusion of medium and long-term securities related to a "Fixed Income Securities Issuance Programme 2016 " was included on the Alternative Fixed Income Market ("MARF"). The Base Document was published on the website of the Alternative Fixed Income Market, as well as on the Company's website. For the purposes of registering the aforementioned bond programme, the Company was rated for credit purposes as BBB with a stable outlook ("investment grade") by the ratings agency Axesor. The programme had a duration of 1 year. The funds obtained from the issue were to be used for investment in real estate and renovation of the assets in the portfolio.

The main features of the aforementioned programme are as follows:

- Maximum issue amount: 70,000,000 euros
- Amortisation period: Between 2 and 7 years
- Coupon: Annual
- Unit nominal value ≥ 100,000 euros
- Issue audience: qualified investors

This programme expired in 2017 and no fixed-income securities were issued against it, since the Company's directors considered that the conditions demanded by the market at that time were not appropriate for the objective conditions imposed by the programme.

There is currently no Fixed Income Securities Issue Programme in place.

2. **Applicable legislation**

The Company is governed by Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December. Article 3 of said Law, as amended by the new Law, sets forth the investment requirements for this kind of companies, which are as follows:

1. REITs shall have at least 80 percent of the value of their urban real estate assets allocated to leasing and to land for real estate development which are to be allocated to such purpose, provided that development is initiated within three years following its acquisition.

   The asset value shall be determined according to the yearly average of the separate quarterly balances and, in order to calculate such value, the Company may opt to replace the market value of the elements comprising said balances with their book value, which would then be applied to the entire year's balances. For this purpose, cash or credit rights arising from a transfer of said real estate assets or any interests realised in the same year or in previous years shall not be computed, as appropriate, provided, in the latter case, that the reinvestment time limit referred to in Article 6 of this Law has not elapsed.

2. Furthermore, at least eighty percent of the tax period's income corresponding to each financial year, excluding income from the transfer of interests and real estate allocated to fulfilling its main corporate purpose, must come from the leasing of real estate and from dividends or interests in the profits from such interests once the maintenance period referred to in the following paragraph has elapsed.

   This percentage will be calculated from the consolidated profit if the company is the parent company of a group according to the criteria established in Article 42 of the Code of Commerce, regardless of residency and the obligation to prepare consolidated financial statements. Such group shall solely be comprised of REITs and the rest of the entities referred to in paragraph 1, Article 2 of this Law.

3. The real estate assets which form part of the company's assets must be leased for at least three years. For the purposes of calculation, the time the real estate assets have been offered for lease shall be counted, up to a maximum of one year.

   The term shall be calculated:

   a) In the case of real estate assets that were included in the company's equity before the moment of opting for the scheme, from the start date of the first tax period in which the special tax scheme set forth in this Law applies, provided that was leased or offered for lease on said date. Otherwise, the provisions set forth in the following subsection shall apply.

   b) In the case of real estate assets developed or acquired subsequently by the company, from the date on which they were leased or offered for lease for the very first time.

In the case of shares or interests in the entities referred to in paragraph 1, Article 2 of this Law, they must be maintained in the company's assets for at least three years from the date of acquisition or, as appropriate, from the start of the first tax period in which the special tax scheme set forth in this Law applies.

As set forth by the First Transitional Provision of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, such companies may opt to apply the special tax scheme under the terms set forth in Article 8 of said Law, even where the requirements laid down therein have not been fulfilled, provided such requirements are met within two years of the date on which the company chooses to apply the scheme.

The failure to comply with this condition shall mean that the company will once again be taxed as per the general tax scheme for Corporation Tax, as from the tax period when the failure to comply comes about, except where it is corrected in the following year. Furthermore, along with the tax liability for such tax period, the Company shall be obliged to pay the difference between the tax liability for the tax resulting from the application of the general scheme and the tax liability effectively paid resulting from applying the special tax scheme in prior tax periods, without prejudice to any late payment interest, surcharges and penalties which may, as appropriate, apply.

In addition to the above, the amendment of Law 11/2009 of 26 October by Law 16/2012 of 27 December 2012 established the following specific changes:

a) Flexibility in the inclusion and maintenance of property criteria: there is no lower limit on the number of real estate assets to be contributed at the REIT's incorporation, except for housing units, of which at least eight must be contributed. Real estate assets no longer have to remain on the company's balance sheet for seven years but only for at least three years.

b) Decrease in capital requirements and freedom of leverage: the minimum capital required was reduced from 15 to 5 million euros, eliminating the restriction on the real estate investment vehicle's maximum borrowing.

c) Decrease of distribution of dividends: until the Law came into force, 90% of the profits had to be distributed. This mandatory figure was reduced to 80% as from 1 January 2013.

The Corporation Tax rate for REITs is set at 0%. Nonetheless, where the dividends a REIT distributes to its members holding an interest exceeding 5% are exempt or taxed at a rate below 10%, the REIT will be subject to a special rate of 19%, which shall be deemed as the Corporation Tax liability on the amount of the dividends distributed to such members. If applicable, this special rate shall have to be paid by the REIT within two months from the date the dividends are distributed.

At 30 June 2020, the Company's Directors deemed that the Company complies with all the requirements laid down by the aforementioned Law.

3. Presentation basis of interim financial statements

a) Financial reporting regulatory framework applicable to the Company

These interim financial statements for the first six months of 2020 for Saint Croix Holding Immobilier, SOCIMI, S.A. have been approved by the Directors in accordance with the financial reporting regulatory framework applicable to the Company, which is established in:

- Code of Commerce and other trade legislation.
- General Accounting Plan approved by Royal Decree 1514/2007 and the sectoral adaptation for real estate companies.
- The mandatory standards approved by the Institute of Accounting and Audit of Accounts in development of the General Accounting Plan and its complementary standards.
- Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts (REITs), as amended by Law 16/2012 of 27 December.
- Other applicable Spanish accounting regulations.

b) True and fair view

These interim financial statements for the first six months of 2020 have been obtained from the Company's accounting records and are presented in accordance with the applicable financial reporting framework and, in particular, the accounting principles and criteria contained therein, in a way that shows the true and fair view of the equity, the balance sheet, the results of the Company and the cash flows during the corresponding six-month period.

The Company's 2019 financial statements were approved, without modification, by the Ordinary General Shareholders' Meeting held on 30 June 2020.

c) Non-mandatory accounting principles applied

No non-mandatory accounting principles have been applied. In addition, the Directors have approved these interim financial statements taking into account all the mandatory accounting principles and standards that have a significant effect on these interim financial statements. There are no accounting principles that are mandatory, that have not been applied.

d) Grouping of items

Certain items of the balance statement, profit and loss account, statement of changes in equity, and cash flow statement are presented grouped together to facilitate understanding, although when it is significant, the information is presented broken down in the corresponding explanatory notes.

e) Critical aspects of the valuation and estimate of uncertainty

Estimates have been made by the Company's Directors to value some of the assets, liabilities, income, expenses and undertakings in the interim financial statements in the process of preparing them. These estimates essentially refer to:

- The valuation of possible losses due to impairment of certain assets (Notes 5.1 and 5.3).
- The useful life of real estate assets (Note 5.1).
- The calculation of provisions (Note 5.7).

Despite the fact that these estimates were made on the basis of the best available information at 30 June 2020, it is possible that future events may make it necessary to adjust them (upwards or downwards) in upcoming financial years, which will be done, as appropriate, prospectively.

f) Comparison of the information

The information contained in these explanatory notes related with the first two quarters of 2020 is presented for purposes of comparison with the information for 2019 (balance compared with figures for the 31 December 2019 and profit and loss account compared with figures at 30 June 2019).

g) Error correction

In preparing the accompanying interim financial statements, no error has been identified that has resulted in the restatement of the amounts included in the financial statements for 2019 or in the interim financial reporting at 30 June 2020.

h) Changes in accounting principles

During the six-month period ended 30 June 2020, there were no significant changes in accounting principles with respect to those applied in the year ended 31 December 2019.

4. Distribution of profit

The proposed distribution of 2019 profits presented by the Company's directors to the shareholders and approved at the Annual General Shareholders' Meeting held on 30 June 2020 was as follows:

	Euros
Basis of distribution:	
Profit and Loss	14,256,779
Distribution:	
Legal Reserve	1,425,678
Voluntary reserve	304,475
Dividends	12,526,626

The 2019 gross dividend, amounting to 12,526,626 euros, approved by the General Shareholders' Meeting on 30 June 2020, will be fully paid out on 7 July 2020.

5. Accounting principles and registration and valuation standards

The accounting principles and the registration and valuation standards used by the Company for the preparation of its interim financial statements at 30 June 2020, in accordance with that set out by the General Accounting Plan, were as follows:

5.1 Property investments

The "Property investments" item on the balance sheet reflects the value of land, buildings and other constructions and fixtures that are held either to operate them under leases or to obtain a capital gain on their sale as a consequence of any increases that may come about in the future in their respective market prices.

These assets are initially valued at their original or production cost, which is subsequently reduced by their corresponding cumulative depreciation and impairment losses, if any.

The Company depreciates real estate investments following the straight-line method by applying annual depreciation percentages calculated on the basis of the respective assets' years of estimated useful life.

The years of estimated useful life of its property investments is broken down as follows:

	Years of Estimated Useful Life
Buildings	50
Plant	15 - 20
Machinery	8
Other fixtures	20
Tools and furniture	10
Other fixed assets	6 - 10

As indicated above, the Company depreciates these assets in accordance with the aforementioned years of estimated useful life, considering as a basis for depreciation their historic cost values increased by new investments which will be made and which involve an increase in their added value or their estimated useful life.

Impairment in the value of property investments

Whenever evidence for impairment may exist, the Company proceeds to estimate through the so-called "Impairment Test" the possible existence of impairments which reduce the recoverable value of such assets to below their book value. The recoverable amount is determined as the higher between fair value less costs to sell and value in use.

The Company commissioned a valuation of its assets from CBRE Valuation Advisory, S.A., an independent expert. On 5 February 2020, CBRE published its report on the year-end fair values of all of the Company's real estate investments. This valuation was carried out on the basis of the lesser of the replacement value and market rental value (which consists of capitalising the net income from each property and updating future flows). Fair value was calculated using discount rates that would be acceptable to a potential investor, in keeping with those used by the market for properties with similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the United Kingdom's Royal Institute of Chartered Surveyors (RICS).

In any event, significant differences may arise between the fair value of the Company's property investments and the effective realisation value of said investments taking the situation of the real estate market into consideration.

Where an impairment loss is subsequently reverted, the asset's book value is increased up to the revised estimate of its recoverable value in such a way as to ensure that the increased book value does not exceed the book value that would have been determined if no impairment loss had been recognised in prior years. Such reversion of an impairment loss is recognised as income.

5.2 Leases

Leases are classified as financial leases whenever it can be deduced from the lease agreements that the risks and benefits inherent to owning the asset which is the purpose of the agreement are substantially transferred to the lessee. All other leases are classified as operating leases. The company had no financial leases at 30 June 2020 nor at the close of 2019.

Operating leases

The expenses arising from the operating lease agreements are charged to the profit and loss account in the financial year in which they accrue.

Likewise, any acquisition costs of the leased asset are reflected in the balance sheet in accordance with their nature increased by the amount of any costs which may be directly stemming from the agreement, which are recognised as an expense over the term of the agreement term by applying the same criterion used to recognise revenue resulting from the lease.

Any charge or payment that may be made when entering into an operating lease is dealt with as an advance charge or payment and charged to income over the lease's term as the profits of the leased asset are progressively assigned or received.

5.3 Financial instruments

5.3.1 Financial assets

Classification-

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

a) Loans and receivables: financial assets resulting from the sale of assets or the provision of services for the Company's trade operations, or any that do not have their origin in trade operations, are not equity instruments or derivatives and whose charges are of a fixed or determinable amount and are not traded in an active market.

b) Surety and guarantees posted by the Company in compliance with contractual clauses of the different leases booked.

c) Financial assets held for trading: those acquired with the objective of disposing of them in the short term or those that are part of a portfolio in which there is evidence of recent actions with that objective.

Initial valuation -

Financial assets are initially booked at the fair value of the consideration handed over plus any transaction costs that can be directly attributable to them.

Subsequent valuation -

Loans and receivables are valued at their amortised cost.

Financial assets held for trading are valued at their fair value, and the result of changes in said fair value is recorded in the profit and loss account.

At least at the close of the year, the Company conducts an impairment test on any financial assets not booked at fair value. It is deemed that objective evidence for impairment exists if an asset's recoverable value is less than its book value. When this arises, the impairment is recorded in the profit and loss account.

More specifically, the criterion used by the Company to calculate the corresponding value corrections concerning trade receivables and other accounts receivable, if any, consists of making an annual allowance in the balances of a certain seasoning or in those in which circumstances come about that would reasonably allow one to classify them as non-performing.

The Company writes off financial assets when they expire or when the rights over cash flows from the financial asset in question have been assigned and the risks and benefits inherent to their ownership have been substantially transferred.

Alternatively, the Company does not write off financial assets in financial asset assignments where the risks and benefits inherent to their ownership are substantially retained, recognising a financial liability equivalent to the consideration received.

5.3.2 Financial liabilities

Financial liabilities include any debits and payables the Company has resulting from the purchase of goods and services from the company's trade operations, or also any that do not have a trade-related origin which cannot be considered as derivative financial instruments.

Debits and payables are initially valued at the fair value of the consideration received, adjusted by any transaction costs that can be directly attributed to them. Subsequently, such liabilities are valued in accordance with their depreciated cost.

The Company derecognises financial liabilities when the obligations they have generated expire.

5.3.3 Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed. These risks are from changes in interest rates. In the framework of these operations, the Company contracts hedging financial instruments.

So that these financial instruments qualify as hedge accounting, they are initially designated as such and the hedging relationship is documented. Likewise, the Company initially and periodically throughout its life (at least at each accounting close) verifies that the hedging relationship is effective, that is, that it is prospectively expected that changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) are almost completely offset by those of the hedging instrument and that, retrospectively, the results of the hedge have fluctuated between 80% and 125% of the result of the hedged item.

The Company only applies cash flow hedges, whose accounting method is described below:

- Cash flow hedges: In this type of hedge, the gain or loss of the hedging instrument that has been determined as effective hedging is temporarily recognised in equity, and charged to the profit and loss account in the same period in which the item being hedged affects the result, unless the hedge corresponds to a transaction that is expected to end in the recognition of a non-financial asset or liability, in which case the amounts recorded in equity will be included in the cost of the asset or liability when acquired or assumed.

At 30 June 2020, the amount of the derivatives reflects the fair market value of the derivatives. These derivatives have been contracted to hedge the interest rate risk and that fair value represents the payment that would have to be made if it were decided to sell or transfer them to a third party.

Hedge accounting is interrupted when the hedging instrument matures or is sold, finalised or exercised, or fails to meet the hedge accounting criteria. At that time, any cumulative gain or loss corresponding to the hedging instrument that has been recognised in equity is kept within equity until the expected transaction occurs. When the operation being hedged is not expected to occur, the cumulative net gains or losses recognised in equity are transferred to net profit/(loss) for the period.

5.4 Classification of balances into current and non-current balances

Current assets are deemed to be any assets linked to the normal operating cycle, which in general terms is considered to be a year, along with any other assets whose maturity, disposal or realisation is expected to come about in the short term from the date of the close of the year, along with cash and cash equivalents. Any assets which do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are linked to the normal operating cycle and, in general terms, include all obligations whose maturity or extinction will come about in the short term. Otherwise, they are classified as non-current liabilities.

5.5 Tax on profits

After its amendment by Law 16/2012 of 27 December, the special tax scheme for REITs is based on a zero percent Corporation Tax rate, provided certain requirements are met. Among these, it is worth highlighting the requirement that at least 80% of assets must be comprised of urban properties designated for leasing which are fully owned or acquired through interests in companies that meet the same investment and distribution of results requirements, be they Spanish or foreign, whether or not they are listed on organised markets. Likewise, the main sources of income of these entities must come from the property market, be it from leases, the subsequent sale of real estate after a minimum maintenance period or the income from interests in entities having similar characteristics.

Nonetheless, the tax is accrued proportionally to the payout of dividends carried out by the company. Any dividends received by the partners are exempt, except where the beneficiary is a legal person subject to Corporation Tax or a permanent establishment belonging to a foreign entity, in which case a deduction has been established for the total tax liability, so that such income is taxed at the partner's tax rate. However, the rest of income will not be taxed while it is not paid out to the members.

As stipulated by the Ninth Transitional Provision of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, the entity will be subject to a special 19 percent tax rate on the full amount of the dividends or profits distributed to members whose interest in the entity's capital is equivalent to or greater than five percent, where such dividends at the registered office of its members are exempted from tax or taxed at a rate below ten percent. The foregoing notwithstanding, the special tax rate shall not apply where the dividends or profit sharing are received by other REITs, regardless of what their percentage shareholding may be.

The Company has applied a levy of 0% to the dividends distributed to its Shareholders, as these comply with the previous condition.

5.6 Earnings and expenses

Income and expenses are booked on an accrual basis, that is to say, when the real flow of goods and services they represent comes about irrespective of the moment when the monetary or financial flows arising from them are produced. Such income is valued at the fair value of the consideration received, deducting any discounts and taxes.

The recognition of income from sales comes about at the moment the significant risks and benefits inherent to ownership of the asset sold have been transferred without maintaining day-to-day management over such asset, or retaining effective control over it.

Interest received from financial assets is recognised using the effective interest rate method. In any event, the interest from financial assets accrued subsequent to the moment of acquisition are recognised as income in the profit and loss account.

The income from real estate leases is booked on the basis of its accrual and the difference, if any, between the invoicing carried out and the income recognised in keeping with this criterion is booked in the "Accrual adjustments" item.

5.7 Provisions and contingencies

In preparing the interim financial statements, the Directors of the Company distinguish between:

a) Provisions: credit balances which cover current obligations arising from past events whose cancellation will probably lead to an outflow of resources, but which cannot be determined as to their amount and/or moment of cancellation.

b) Contingent liabilities: possible obligations arising as a consequence of past events, whose future materialisation is conditional upon whether or not one or more future events which are beyond the Company's control take place.

The interim financial statements reflect all the provisions regarding which the likelihood of having to face an obligation is estimated to be higher than not having to do so. Contingent liabilities are not included in the interim financial statements. Information about them, however, is provided in the notes when they are not deemed remote possibilities.

Provisions are valued at the current value of the best possible estimate of the necessary amount to cancel or transfer the obligation, taking into account available information on the event and its consequences, and booking any adjustments that may arise due to the updating of such provisions as a financial expense as they accrue.

5.8 Environmental equity elements

Environmental equity elements are deemed to be any assets which are used in a long-lasting manner in the Company's operations and whose main purpose is to minimise environmental impacts and to protect and improve the environment, including reducing or eliminating future pollution.

By their very nature, the Company's operations do not have any significant environmental impacts.

5.9 Subsidies, donations and bequests

In order to account for subsidies, donations and bequests received from third parties other than the owners, the Company follows the following criteria:

a) Non-reimbursable capital subsidies, donations and bequests: These are valued at the fair value of the amount or asset granted, depending on whether they are of a monetary nature or not. They are charged to results in proportion to the depreciation allowance allocated in the period for subsidised elements or, as appropriate, when their disposal or value correction due to impairment comes about.

b) Reimbursable subsidies: As long as they are deemed as reimbursable, they are booked as liabilities.

5.10 Related-party transactions

The Company performs all its transactions with related parties at market prices. Moreover, transfer prices are properly documented. Hence, the Company's Directors consider that there are no significant risks which could give rise to considerable liabilities in the future due to this aspect.

6. Property investments

The movement in this balance sheet item, as well as the most significant information affecting this heading, during the first six months of 2020 is as follows:

2020 (30 June)

	Euros				
	Balance as at 31/12/2019	**Additions**	**Write-offs/ Reversals**	**Transfers**	**Balance as at 30/06/2020**
Cost:					
Real estate for leases	400,337,959	180,877	-818,757	5,794,222	405,494,300
Investments in progress and advances	6,423,774	3,990,070	-	-5,794,222	4,619,622
Total cost	**406,761,732**	**4,170,947**	**-818,757**	**-**	**410,113,922**
Cumulative depreciation:					
Real estate for leases	-46,389,675	-2,771,624	80,766	-	-49,080,533
Total cumulative depreciation	**-46,389,675**	**-2,771,624**	**80,766**	**-**	**-49,080,533**
Impairment:					
Real estate for leases	-11,412,086	-	26,758	-	-11,385,328
Total impairment	**-11,412,086**	**-**	**26,758**	**-**	**-11,385,328**
Net property investments	**348,959,971**	**1,399,323**	**-711,233**	**-**	**349,648,061**

"Property investments" includes the net cost of the properties in use and in operating conditions and rented through one or more operating leases, or those that are unoccupied but are available for rent through one or more operating leases.

Investments made in 2020 (as at 30 June) in property amounted to 4,170,947 euros. The main registrations recorded under this heading during this six-month period of 2020 relate mainly to the following investments:

- Additions amounting to 3,944,412 euros were made to the property located at calle Juan Ignacio Luca de Tena 17 in Madrid, which was acquired in 2019, the refurbishment of the Hotel Tryp Meliá at Gran Vía 34, started recently for 26,599 euros, and 19,059 euros for the Hotel Barceló.

- Minor reforms were also made to other assets, which have been capitalised for an amount of 180,877 euros.

During the first six months of 2020, property deregistrations occurred in the amount of 818,757 euros. The main deregistrations for 2020 correspond to:

- Sale of offices (lofts). During the year, three lofts from the Coslada III development and two from the Vallecas Comercial I development (with their respective annexes) were sold, resulting in a gross loss in the period of 101,991 euros. At the time of sale, impairment of 26,758 euros had been recognised for these properties. This has been written off as a result of the disposal.

In addition, and as established by the regulation, the Company valued all of its properties at 2019 year-end. These valuations, carried out by independent expert, CBRE Valuation Advisory, S.A., showed a fair value lower than their net book value for some assets, resulting in the Company calculating the corresponding impairments.

Impact of Covid-19

The directors of the Company consider that apart from the possible effects of the Covid-19 pandemic, no significant changes occurred in the first six months of 2020 in either the variables used by the independent expert in the valuation at year-end 2019, or in the contents or conditions of the current lease contracts used in the valuation.

Impact on the valuation of real estate assets

However, as mentioned above, the Company only commissions an independent expert to value real-estate assets at year-end. In view of the unique circumstances at present, the Group considers that, although it is true that the leases are long-term and have not changed significantly beyond the agreements reached, this situation could have an impact on the values of its real estate assets and, therefore, it may be concluded that, on the basis of the market study and internal projections made, the negative impact on the market values of its assets, depending on their type, would be in the order of :

Type	Impact on valuation (negative impact)
Hotels	Between 2% and 4%
Commercial	Between 1% and 2%
Offices	Between 2% and 3%
Industrial	No impact

The Company has not recorded any impact on the income statement since it does not have clear market evidence based on the assessments of the independent expert that will be made at the end of 2020 and is therefore waiting to see how the pandemic will unfold and its real effects in the coming months.

As a guideline, the sensitivity analysis performed by CBRE Valuation Advisory, S.A. in calculating the valuations made at the annual closing of the company's accounts referred to above includes the following:

- Every +/- 0.25% variation in Yield implies an impact on the gross value of the assets of approximately 27 million euros.
- Every +/- 0.10% variation in ERV implies an impact on the gross value of assets of approximately 25 million euros.
- Each +/- 0.25% variation in IRR implies an impact on the gross value of the assets of approximately 3 million euros.

Impact on income generation

Due to the provisions of Royal Decree 463/2020, of 14 March, which declared the state of alarm for the management of the health crisis situation caused by the Covid-19 pandemic; Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to deal with the economic and social impact of the Covid-19 pandemic; and Royal Decree-Law 10/2020 of 29 March, regulating recoverable paid leave for employees who do not provide essential services, in order to reduce the mobility of the population in the context of the fight against Covid-19, the Company has been negotiating with its tenants for moratoriums, reductions and shortfalls in the rent of certain properties, as under some of the contracts the payment of rent may be suspended due to force majeure (especially in the case of hotels).

In April 2020, the Company's directors calculated the impact on income for 2020 as a result of these negotiations, and drew the following conclusions, which are summarised by type of asset in the table below:

April 2020 data	Euros		
	Real 2019	**Post Covid-19 2020**	**Pre Covid-19 2020**
Hotels	9,134,143	2,731,221	9,033,831
Offices	6,030,013	8,074,532	8,558,713
Commercial	5,897,775	5,602,013	7,239,913
Industrial	1,355,022	1,313,762	1,380,077
Total	**22,416,954**	**17,721,528**	**26,212,535**

The greatest impact is in the Hotel area with a 70% drop in revenue forecast compared to that obtained in 2019 and the forecast for the current year before the events described. In the Office area, however, there is a 34% increase in the updated revenue forecast as against 2019 due to the entry into force of major contracts such as the contract associated with the building located in Juan Ignacio Luca de Tena, 17, albeit with a 6% drop against the initial estimate. The Commercial area decreased by 5% with respect to 2019 and is down by 23% against the estimate for 2020 before the effects of Covid-19 became apparent. The industrial area does not have any relevant effects. In short, estimates regarding negotiations carried out in April 2020 have shown a fall in income expected for 2020 of 21% compared to that obtained in 2019 and 32% compared to the estimate for the year under pre-Covid-19 conditions.

In June 2020, following the end of the state of alarm and the definitive execution of the agreements with the tenants, the Company updated the impact that the Covid-19 pandemic will have on its income in 2020, with the following results:

June 2020 data	Euros		
	Real 2019	**Post Covid-19 2020**	**Pre Covid-19 2020**
Hotels	9,134,143	4,740,591	9,033,831
Offices	6,030,013	8,081,138	8,558,713
Commercial	5,897,775	5,530,724	7,239,913
Industrial	1,355,022	1,313,762	1,380,077
Total	**22,416,954**	**19,666,215**	**26,212,535**

After the negotiations with different tenants were finally completed, a fall in income of 12% is expected for 2020 compared to the figure recognised in 2019, and a fall of 25% compared to the estimate for the year under pre-Covid-19 conditions.

According to the valuations made at 31 December 2019 (without taking into account the possible impact of Covid-19), the fair value of the investment property shows an unrealised gain (by comparison between the gross updated market fair value and the net carrying amount) of 204,064,236 euros (201,502,543 euros at 31 December 2019), mainly related to the properties located at calle Gran Vía, 34, calle Conde de Peñalver, 16, calle Titán, 13, calle José Abascal, 41, calle Gran Vía, 55, calle Juan Ignacio Luca de Tena, 17 and calle Pradillo 42 all of which are located in Madrid as well as Hotel Barceló, Hotel Meliá and Hotel Iberostar in Isla Canela and Hotel Tryp Cibeles in Madrid. Taking into account the estimated impact on asset valuations of the Covid-19 pandemic that the Company has carried out internally (subject to final valuation by the independent expert) these unrecorded unrealised gains would be reduced by approximately 2% to 3%.

The breakdown by segment of the real-estate investments for which it has been necessary to book impairment is as follows:

Segments	Impairments (Euros)	
	30/06/2020	31/12/2019
Offices	-	48,315
Commercial	-	13,770
Total	**-**	**62,085**

The breakdown by segment of property investments for which value reversals were registered is as follows:

Segments	Reversals (Euros)	
	30/06/2020	31/12/2019
Offices	26,758	705,041
Commercial	-	142,901
Total	**26,758**	**847,942**

The gross asset value (GAV) of the property investments at 30 June 2020 and 31 December 2019, broken down by business segment (not including the impact of the Covid-19 pandemic referred to above), is as follows:

Segments	Gross market value of the property investments (euros):	
	30/06/2020	31/12/2019
Hotels	151,282,377	151,060,625
Offices	185,842,939	182,814,909
Commercial	198,876,510	198,876,510
Industrial	17,710,470	17,710,470
Total	**553,712,296**	**550,462,514**

The breakdown of floor space in square metres above ground level of the property investments owned by the company was:

Segments	Floor area in M^2 above ground level	
	30/06/2020	31/12/2019
Hotels	80,135	80,135
Offices	39,764	40,186
Commercial	23,982	23,982
Industrial	13,810	13,810
Total	**157,692**	**158,113**

At 30 June 2020, the mean level of occupation of the Company's assets dedicated to leasing is 93.13% (92.12% at 31 December 2019) based on the square metres leased.

The property investments described above are mainly located in Madrid, Castellón, and Isla Canela in the province of Huelva.

As part of the Company's asset portfolio, there is 1 hotel (2 hotels at 31 December 2019) located in Isla Canela (Huelva), which was transferred from Compañía Ibérica de Bienes Raíces 2009 SOCIMI, S.A.U. to the Company as a result of the merger in 2016 set out in Note 1, which is covered by a mortgage guarantee at 30 June 2020 amounting to 1,937,000 euros (3,828,107 euros at 31 December 2019) (Note 16), corresponding to a bank mortgage loan granted to Isla Canela, S.A., which remains the sole debtor of the main obligations under said loans, with the Company constituted as the owner, not the debtor, of the aforementioned registered estates.

The breakdown of the mortgage loan balance pending maturity and repayment at 30 June 2020 and 31 December 2019 by asset is as follows:

Property	Euros	
	30/06/2020	31/12/2019
Hotel Meliá Atlántico (latest possible maturity 31 March 2021)	1,937,000	2,892,915
Hotel Barceló Isla Canela (latest possible maturity 31 May 2020)	-	935,192
Total amount mortgages pending expiry on hotels	**1,937,000**	**3,828,107**

Note: The net book value of the properties underwriting these loans at 30 June 2020 comes to 27,491,261 euros corresponding to a hotel (49,754,344 euros at 31 December 2019 corresponding to 2 hotels).

On 1 January 2010, Isla Canela, S.A. and the Absorbed Company, Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U., entered into a "Service Provision Agreement with Mortgage Guarantee", by means of which the latter provides the former with the mortgage guarantee service whereby the hotels owned by the latter will respond for repayment by the former of the mortgage loans taken out from the institutions in accordance with the arrangements agreed upon in their articles of incorporation deeds until each of the mortgage loans entered into is definitively redeemed. Isla Canela, S.A. undertakes to pay any depreciation instalments and ancillary costs that may arise punctually until the loans guaranteed with a mortgage are redeemed. Due to the provision of the service described above, Isla Canela, S.A. pays the Absorbed Company a fee; this an annual lump-sum amount equivalent to 0.25% of the average annual outstanding balance of the mortgage loans calculated on 31 December each year, which is invoiced and paid on the last day of each calendar year. This amount may be modified annually by agreement between the parties to adapt it to the average market price paid by the Company for the provision of bank guarantees (bank guarantees and surety insurance) by financial institutions. As a result of the merger described in Note 1, the rights and obligations of the aforementioned contract have been transferred to the Absorbing Company, Saint Croix Holding Immobilier, SOCIMI, S.A.

On the other hand, the assets leased by the Company are subject to mortgage guarantees at 30 June 2020 amounting to 55,613,898 euros (57,666,640 euros at 31 December 2019), corresponding to bank mortgage loans.

The breakdown of the mortgage loan balance pending maturity and repayment at 30 June 2020 and 31 December 2019 by asset is as follows:

Property	Euros	
	30/06/2020	31/12/2019
José Abascal, 41	10,944,000	11,400,000
Titán, 13	11,635,967	12,032,647
Conde de Peñalver, 16	7,555,429	7,813,000
Plaza de España (Castellón)	263,044	654,910
Valle de la Fuenfría, 3	9,018,498	9,266,083
Juan Ignacio Luca de Tena, 17	11,871,961	12,000,000
Glorieta de Cuatro Caminos 6 and 7	4,325,000	4,500,000
Total amount of mortgages pending maturity on assets (Note 13)	**55,613,898**	**57,666,640**

Note: The net book value of these mortgage-backed properties at 30 June 2020 amounted to 130,960,004 euros (127,845,641 euros at 30 June 2019).

The rental income from the Company's real estate investments at 30 June 2020 amounted to 7,478,070 euros (9,172,188 euros at 30 June 2019).

At 30 June 2020 and 31 December 2019, there was no kind of constraint on making new property investments, nor on collecting the income arising from them or concerning the resources which could be obtained from a possible disposal.

At 30 June 2020, the Company had fully depreciated property investment elements which were still in use to the amount of 6,739,503 euros (6,686,969 euros at 31 December 2019).

Company policy is to take out insurance policies to cover the possible risks to which property investments are subject. At 30 June 2020 and 31 December 2019 there was no deficit in any coverage related to these risks.

7. Operational leasing

At 30 June 2020 and 31 December 2019, the Company had reached agreements with lessees on the following minimal rental instalments in accordance with prevailing agreements, without taking into account the passing on of common expenses, future increases in the CPI or any rent reviews agreed upon in their contracts.

The most significant operating leases stem from lease agreements on the real estate assets on which their operations are based. A breakdown of such minimum rental instalments is set out below:

Operational leasing Minimum instalments	Euros Nominal value	
	30/06/2020	31/12/2019
Less than a year	23,754,686	24,721,653
Between two and five years	67,898,267	70,914,831
More than five years	50,445,286	44,686,272
Total	**142,098,239**	**140,322,756**

With regard to the average duration of lease contracts by property type, details of the WAULT (Weighted average unexpired lease term) are provided below:

Segments	WAULT	
	30/06/2020	31/12/2019
Hotels	3.40	3.07
Offices	4.25	6.41
Commercial	13.52	9.57
Industrial	6.79	8.00
Total Average	**6.99**	**7.68**

8. Other financial assets and investments in related companies

The balances of this headings accounts at 30 June 2020 and 31 December 2019 are as follows:

Financial assets: Nature / Category	Euros	
	30/06/2020	31/12/2019
	Loans and receivables	
Other financial assets	2,307,054	2,066,000
Long-term / Non-current	**2,307,054**	**2,066,000**
Loans to related companies (Note 19.2)	46,954,274	42,390,623
Short-term equity instruments	7,756,534	977,518
Other financial assets	239,631	69,479
Short-term / Current	**54,950,439**	**43,437,243**
Total	**57,257,493**	**45,503,243**

The Company generates a cash surplus from current operations arising from its main activity, as set forth in its corporate purpose. As a result, the Company has reached several financing agreements in this regard with related parties under market conditions in order to take maximum advantage of its positive cash flows (see Note 19.2). Said loans to group and related companies are recorded under the heading "Short-term investments in Group companies and associates" of the asset.

The movements in the headings "Short-term loans to Group companies and associates", "Equity instruments" and "Other financial assets" in the first six months of 2020 are as follows:

2020 (30 June)

Financial assets	Euros				
	31/12/2019	Additions	Write-offs	Valuation adjustments	30/06/2020
Loans to associated companies (Note 19.2)	42,390,623	4,563,651	-	-	46,954,274
Short-term equity instruments	977,518	7,161,072	-	-382,056	7,756,534
Other financial assets	2,135,102	413,461	-1,878	-	2,546,685
Total	**45,503,243**	**12,138,184**	**-1,878**	**-382,056**	**57,257,493**

The variation of the heading "Loans to associated companies" mainly corresponds to the movements of the cash pooling account which the Company has mainly with Promociones y Construcciones, PYC, Pryconsa, S.A., for a total amount of 46,954,274 euros (42,390,623 euros at 31 December 2019) within this financing scheme to the Group.

Furthermore, "Other non-current financial assets" and "Other current financial assets" mainly include the bonds received from customers deposited in the corresponding Public Bodies related to the rentals indicated in Note 7.

On 15 February 2019, the Company also acquired 6,950 shares in Unibail-Rodamco SE & WFD bringing the total cost of the operation to 1,002,786 euros, which has been recorded under "Short-term equity instruments" on the balance sheet. At 30 June 2020, the Company has adjusted the book value of the investment to its market value, resulting in a loss of 628,906 euros, which has been recorded under the heading "Change in fair value of financial instruments" on the profit and loss account corresponding to the first six months of 2020. In 2020, the Company also acquired 944,888 shares in Inmobiliaria Colonial SOCIMI, S.A., for a total of 7,161,072 euros, which has been recorded under "Short-term equity instruments" on the balance sheet. At 30 June 2020, the Company has adjusted the book value of the investment to its market value, resulting in a gain of 246,850 euros, which has been recorded under the heading "Change in fair value of financial instruments" on the profit and loss account corresponding to the first six months of 2020.

9. Trade and other accounts receivable

The breakdown of the heading at 30 June 2020 and 31 December 2019 is as follows:

Description	Euros	
	30/06/2020	31/12/2019
Accounts receivable for sales and services	624,566	1,635,701
Other credits with the Public Administrations (Note 17.1)	187,224	307,515
Total	**811,790**	**1,943,216**

The balance of "Accounts receivable for sales and services" at 30 June 2020 and 31 December 2019 break downs as follows:

Description	Euros	
	30/06/2020	31/12/2019
Customers	283,404	1,279,369
Commercial paper in the portfolio	341,162	356,332
Doubtful customers	-	1,611
Impairment	-	-1,611
Total	**624,566**	**1,635,701**

The balance of customers, at 30 June 2020, mainly includes some of the amounts pending collection corresponding to income for the last month.

The movement of the impairment of registered customers is as follows:

	Euros	
	30/06/2020	31/12/2019
Balance at beginning of year	**-1,611**	**-141,790**
Impairment of customers	-	-1,611
Applications to its purpose	-	137,064
Reversal of commercial credits	1,611	4,726
Balance, end of year	**-**	**-1,611**

10. Cash and cash equivalents

The balance recorded in "Treasury" corresponds mainly to the balance available in current accounts at 30 June 2020 and 31 December 2019. These balances have no restrictions on their availability and accrue market interest.

11. Information on the nature and level of risks affecting financial instruments

The management of the Company's financial risks is centralised in the Group's Financial Management and in Grupo Pryconsa's policies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks having an impact on the Company are:

a) Credit risk

The Company's main financial assets are cash flow and cash balances, trade creditors and other accounts receivable in investments. These account for the Company's maximum exposure to credit risk as regards financial assets. The Company's credit risk is mainly attributable to its trade debts, which are shown net of any provisions for insolvencies estimated on the basis of prior years' experience and their valuation under the current economic climate. The Company loans its excess liquidity to related companies which are very solvent, thereby guaranteeing the repayment of the funds thus loaned.

b) Liquidity risk

Taking into account the current situation of the financial market and the estimates made by the Company's Directors on the Company's cash generating capacity, the Company estimates it has enough capacity to obtain financing from third parties were it necessary to make new investments. Consequently, there is no evidence that the Company will encounter liquidity problems in the medium term. Liquidity is guaranteed by the nature of the investments made and the high credit ratings of lessees, as well as the guarantees of collection provided for in prevailing agreements.

c) Exchange rate risk

The Company did not have any significant assets or liabilities in foreign currencies at 30 June 2020 and therefore had no exchange rate risk.

d) Interest rate risk

The Company has various long-term loans financing mainly long-term assets, as well as short-term working capital financing facilities. The risk from interest rate fluctuations is very low since the Company is not highly exposed to debt. The Company's policy on interest rates consists of not taking out interest rate hedges through hedging financial instruments, swaps, etc., since any change in interest rates would have an insignificant effect on the Company's results, taking into account its low debt levels and today's very low interest rates.

However, on 17 February 2017, the Company arranged an interest rate swap for 8,550,000 euros, which will be valid from 1 April 2019 to 1 April 2026 and linked to a mortgage loan of 11,400,000 euros taken out in 2017 on the property located in calle José Abascal 41 in Madrid.

In 2019, two new long-term fixed-rate loans were arranged, one for 10,000,000 euros with Caixabank, which matures on 30 November 2029, and the other with Banco Pichincha for 2,000,000 euros, which matures on 1 April 2022.

e) Real estate business risks

Changes in the economic situation at both the local and international levels, occupancy and employment growth rates, interest rates, tax legislation and consumer confidence have a significant impact on the property markets. Any unfavourable change in any of these or in other economic, demographic or social variables in Europe, and Spain in particular, could lead to a reduction in real estate activity in these countries. The cyclical nature of the economy has been statistically proven, as have the existence of microeconomic and macroeconomic aspects that directly or indirectly affect the way the property market performs, particularly the rentals that make up the Company's main investment activity.

Other market risks to which the Company is exposed include:

- **Regulatory risks**: the Company is required to comply with a range of general and specific legal provisions, such as legal, accounting, environmental, employment, tax and data protection regulations. Future regulatory changes may have a positive or negative effect on the Company.

- **Tourism risk**: a significant part of the Company's assets (mainly hotels) are connected to the tourism industry. Any drop in tourism activity in the cities where these hotels are located could have a negative effect on hotel use and occupancy. This could have a negative effect on the yield and performance of these assets if tenants renegotiate current lease contracts.

Finally, it is important to take into account that the Company is exposed to other risks: (i) environmental risks; (ii) occupational health and safety risks; and (iii) occupational hazard prevention risks.

12. Equity and Own Funds

a) Authorised capital

At 30 June 2020, the Company's subscribed share capital was comprised of 4,452,197 registered shares at a par value of 60.10 euros each. All these shares belong to a single class and series and all have been fully subscribed and paid up, which means that the Parent Company's notarised share capital amounts to 267,577,040 euros.

All the shares making up the share capital are entitled to the same rights, although there are certain restrictions on their transferability in the Articles of Incorporation (preferential purchase rights).

All the Company's shares have been admitted to trading on the Luxembourg Stock Exchange since 21 December 2011, The share price at 30 June 2020 and the average share price in the second quarter of 2020 were 65.50 and 69.62 euros per share, respectively. The shares are registered shares and are represented by means of book entries. They are constituted as such by virtue of their registration in the corresponding share register.

The shareholders shall be subject to the obligations set forth in Articles 10 and comply with the REIT Act. Any shareholders whose interest in the entity's share capital is equivalent to or greater than five percent and who receive dividends or a share-out of profits are obliged to give the company notice of the tax rate on the dividends received within ten days, counting from the date after the day they are received.

The companies holding an interest in the Company's share capital equivalent to or greater than 10% at 30 June 2020 were as follows:

Shareholder	Number of Shares	Percentage Shareholding
Promociones y Construcciones, PYC, Pryconsa, S.A.	498,360	11.19%
COGEIN, S.L.	466,862	10.49%

b) Reserves

Legal Reserve

According to the Consolidated Text of the Corporate Enterprises Act, a figure equivalent to 10% of the profit for the year has to be allocated to the legal reserve until the balance of this reserve reaches at least 20% of share capital. The legal reserve may be used to increase capital by using the proportion of its balance which exceeds 10% of the already increased capital.

With the exception of the aforementioned use, and whilst it does not exceed 20% of the share capital, this reserve may only be used to offset losses, and only when there are no other sufficient available reserves to do so.

At 30 June 2020, the legal reserve has not been fully constituted.

Other reserves

Merger reserves

As a result of the merger described in Note 1, positive merger reserves amounting to 14,154,738 euros were generated due to the difference between the individual book values of the Absorbed Companies and those included in the merger.

c) Distribution of profits

REITs are governed by the special tax scheme set forth in Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December. Once all the trading obligations that may correspond to them are fulfilled, such companies are obliged to distribute to their shareholders the profits obtained in the year. Such distribution must be resolved as set out below within the six months following the end of each financial year:

a) All the profits from dividends or profits distributed by the entities referred to in paragraph 1, Article 2 of this Law.

b) At least 50 per cent of the profits resulting from the transfer of the real estate assets and shares or interests referred to in paragraph 1, Article 2 of said Law which are carried out once the periods referred to in paragraph 3, Article 3 of this Law have elapsed and which are allocated to fulfilling its main corporate purpose. The rest of such profits must be reinvested in other real estate assets or interests included under the corporate purpose within three years following the date of transfer. Failing this, such profits must be fully distributed jointly with the profits, if any, of the financial year in which the reinvestment period finalises. Should the elements subject to reinvestment be transferred before the maintenance period elapses, any profits from them must be fully distributed jointly with the profits, if any, of the financial year in which they have been transferred. The distribution obligation does not cover the proportion of profits, if any, charged to financial years in which the Company did not pay taxes under the special tax scheme set forth by the aforementioned Act.

c) At least 80 percent of the rest of the profits obtained.

Where the distribution of dividends is charged to the reserves from the profits of a year in which the special tax scheme has been applied, the distribution of such dividends must necessarily fulfil the resolution referred to in the preceding paragraph.

The legal reserve of any companies which have opted to apply the special tax scheme set forth in this Act may not exceed twenty percent of their share capital. The articles of these companies may not establish any other unavailable reserve other than the legal reserve.

d) Capital management

The Company is essentially financed with shareholders' equity. Only in the case of new investments may the Company make use of the credit markets to finance these acquisitions or obtain financing from related companies by taking out mortgage loans.

The Company has undertaken to distribute at least 80% of their distributable profits in the form of dividends to its shareholders pursuant to the existing legal obligation laid down by Law 11/2009, as amended by Law 16/2012.

e) Valuation adjustments

The breakdown and nature of the other valuation adjustments is as follows:

	Euros	
	30/06/2020	**31/12/2019**
Hedging operations (Note 14)	468,612	465,934
Total	**468,612**	**465,934**

f) Capital subsidies

The movement of this heading during the first six months of 2020 is as follows:

2020 (30 June)

	Euros		
	31/12/2019	**Applications**	**30/06/2020**
Capital subsidies	1,101,233	-29,871	1,071,362
Total	**1,101,233**	**-29,871**	**1,071,362**

Due to the change in taxation according to amendment 16/2012, of 27 December, of Law 11/2009, regulating Listed Investment Companies in the Property Market, the Company started to pay tax at the rate of 0%. Therefore, the Company has regularised the tax effect of the deferred tax liability and integrates the gross amount under "Subsidies, donations and bequests received" of the Company's equity.

These subsidies correspond to the subsidy granted by the Directorate-General of Regional Economic Incentives amounting of 3,146,000 euros for the development of the area. The following should be highlighted within this group of subsidies:

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 1,550,000 euros corresponding to 10% of the investment made to build a hotel in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 1,106,000 euros corresponding to 10% of the investment made to build a hotel in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to 490,000 euros corresponding to 14% of the investment made to build a hotel in Ayamonte, Huelva.

The aforementioned subsidies were transferred to the Absorbed Company, Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.,from Isla Canela, S.A. based on the partial division agreement of the Absorbed Company since all of them were allocated to the activity subject to the transfer. Taking into account that the partial division transaction mentioned above was performed with accounting effects as of

1 January 2009, the Absorbed Company has booked the subsidies thus transferred in income since then.

Hence, in the first six months of 2020, income amounting to 29,871 euros was accounted for as income under "Assignment of non-financing fixed asset subsidies" on the accompanying profit and loss account.

13. Current and non-current liabilities

The balances of the accounts of these headings at 30 June 2020 and 31 December 2019 are as follows:

	Euros	
	30/06/2020	**31/12/2019**
Debentures and bonds	2,000,000	10,000,000
Long-term debts with credit institutions	71,076,033	74,574,848
Derivatives (Note 14)	468,612	465,934
Other financial liabilities	4,524,888	4,595,267
Long-term debts	**78,069,533**	**89,636,049**
Debentures and bonds	8,004,795	130,822
Short-term debts with credit institutions	13,590,739	6,897,835
Other financial liabilities	10,401,301	88,753
Short-term debts	**31,996,835**	**7,117,409**
Total long and short-term financial debts	**110,066,368**	**96,753,458**

"Obligations and bonds" includes the two issues of Fixed Income securities carried out by the Company in 2016 against the "Fixed Income Securities Issuance Programme 2015", as detailed below:

Fixed Income Securities Issuance programme 2015

On 30 September 2015, the Company obtained the inclusion of the information base document for the inclusion of medium and long-term securities related to a "Fixed Income Securities Issuance Programme 2015 " on the Alternative Fixed Income Market ("MARF"). The Base Document was published on the Alternative Fixed Income Market's website as well as on the Company's website. For the purposes of registering the aforementioned bond programme, the Company was rated for credit purposes as BBB with a stable outlook ("investment grade") by the ratings agency Axesor. The proceeds from the issue would be used for investment in real estate assets and the rehabilitation of assets in the portfolio.

The main features of the aforementioned programme are as follows:

- Maximum issue amount: 80,000,000 euros
- Amortisation period: Between 2 and 7 years
- Coupon: Annual
- Unit nominal value ≥ 100,000 euros
- Issue audience: qualified investors

In 2016, two sets of Fixed Income securities were issued by the Company as part of the aforementioned programme for a total of 10,000,000 euros, the main characteristics of which were as follows:

	Simple Bonds 2021	**Simple Bonds 2022**
Nominal amount	8,000,000	2,000,000
Issue date	23 June 2016	23 June 2016
Maturity date	23 June 2021	23 June 2022
Annual coupon	2.50%	2.50%
Coupon payment	Annual	Annual
Issue APR	2.72%	2.77%

The average APR for the issuer for both issues is 2.73%. The two issues of securities have been listed on the Alternative Fixed Income Market since 24 June 2016 (see Note 13). On 23 June 2020, the fourth coupon of both issues was paid for the amount of 250,000 euros, recorded under "Financial expenses" in the accompanying profit and loss account for the current year.

The expenses incurred each year in connection with the issue, registration and maintenance of fixed-income securities programs are registered in the Company's income statement for each year, due to their immateriality. At 30 June 2020, these expenses amounted to 12,769 euros. The only fees that have arisen through the Bond and Debenture Programme are those indicated above. There have been no placement costs or fees.

The mortgage loans in force at 30 June 2020, for which the Company is liable, have the following characteristics:

Property	**Financial institution**	**Start**	**Euros**		**Maturity**
			Initial amount	**Capital outstanding**	
Plaza España, Castellón	Caixabank	2,010	7,200,000	263,044	2,020
Titán, 13	Banco Santander	2,015	15,735,000	11,635,967	2,025
Conde de Peñalver, 16	Banco Santander	2,015	10,217,000	7,555,429	2,025
José Abascal, 41	Banca March	2,017	11,400,000	10,944,000	2,031
Valle de la Fuenfría, 3	Kutxabank	2,018	10,000,000	9,018,498	2,028
Gl. Cuatro Caminos 6 and 7	Banca March	2,018	4,500,000	4,325,000	2,028
J. I. Luca de Tena, 17	Caixabank	2,019	12,000,000	11,871,961	2,030
Total			**71,052,000**	**55,613,898**	

During the first six months of 2020, the Company has not taken out any new mortgage loans on any of its real estate assets.

The Company also has various personal guarantee loans with short and long-term maturities, whose characteristics are as follows:

Institution	**Start**	**Euros**		**Maturity**
		Initial amount	**Capital outstanding**	
Pichincha	2,018	4,000,000	1,356,682	2,021
Caixabank (Goya, 59)	2,019	10,000,000	9,700,000	2,028
Caixabank (Gran Vía 55)	2,019	10,000,000	9,707,000	2,029
Pichincha	2,019	2,000,000	1,344,940	2,022
Total		**26,000,000**	**22,108,622**	

Finally, under the heading "Short-term debts with credit institutions" there are two credit policies whose characteristics are as follows:

Institution	Euros		Maturity
	Initial amount	Capital outstanding	
Banca March	5,000,000	2,691,082	2,019
Bankinter	5,000,000	4,038,501	2,020
Total	**10,000,000**	**6,729,583**	

Financial expenses arising from debts with credit institutions in the first six months of 2020 amounted to 868,727 euros (868,273 in the first half of 2019) and are accounted for under "Financial expenses" on the accompanying profit and loss account.

The interest rates on the loans are set under market conditions with a fixed spread.

The "Guarantees and deposits" item reflects the guarantees received from clients connected with the leases set out in Note 7.

The breakdown by due dates at 30 June 2020 is as follows:

	Euros					
	2020	**2021**	**2022**	**2023**	**2024 and subsequent**	**Total**
Debentures and bonds	-	8,000,000	2,000,000	-	-	10,000,000
Debts with credit institutions (*)	10,096,717	5,855,326	5,277,009	5,366,682	58,075,832	84,671,566
Active dividend payable (**)	10,146,567	-	-	-	-	10,146,567
Long-term guarantees	-	37,379	1,060,025	89,232	3,338,252	4,524,888
Short-term bonds	245,441	9,293	-	-	-	254,734
Total	**20,488,727**	**13,901,997**	**8,337,034**	**5,455,914**	**61,414,084**	**109,597,756**

(*) Mortgage guarantee loans amounting to 55,613,898 euros, loans of 22,108,622 euros, credit policy provisions for 6,729,583 euros and interest accrued pending maturity amounting to 219,463 euros.
(**) Dividend payable net of tax withholding.

14. Derivative financial instruments

The detail of derivative financial instruments at 30 June 2020 is as follows:

	Classification	Rate	Outstanding nominal amount	Maturity	Fair value Liability
Interest rate swap	Interest rate hedge	Variable to fixed	8,550,000	01.04.2026	468,612

On 17 February 2017, the Company formalised an Interest Rate Swap derivative financial instrument amounting to 8,550,000 euros, which will run from 1 April 2019 to 1 April 2026

Based on the valuation made on 31 December 2019, this financial instrument had the following impact on the Company's equity:

- Decrease in assets of 468,612 euros in 2020 (465,934 euros in 2019), which were recognised in the Company's equity under "Adjustments for changes in value".

The Company has complied with the requirements detailed in Note 5.3.3 on registration and valuation rules in order to classify the financial instruments listed above as hedges.

15. Disclosure on payment periods for suppliers

The information required by the Third Additional Provision of Law 15/2010 of 5 July (modified through the Second Final Provision of Law 31/2014, of 3 December) are provided below, prepared in accordance with ICAC Resolution of 29 January 2016, on the information to be included in the notes of the interim financial statements in relation to the average period of payment to suppliers in commercial operations.

	30/06/2020	31/12/2019
	Days	
Average payment period to suppliers	93,90	75.72
Ratio of transactions paid	93,67	73.76
Ratio of transactions pending payment	94,48	77.68
	Euros	
Total payments made	5.912.736	7,395,094
Total payments outstanding	2.363.113	2,472,056

In accordance with the ICAC Resolution, the calculation of the average payment period to suppliers has taken into account the commercial transactions corresponding to the delivery of goods or services rendered from the date of entry into force of Act 31/2014, of 3 December.

Suppliers, for the exclusive purposes of giving the information provided for in this Resolution, are considered trade creditors due to debts with suppliers of goods or services, included under "Suppliers" and "Sundry creditors" of current liabilities in the balance sheet.

The “Average payment period to suppliers” is construed as the period from the delivery of the goods or the provision of the services by the supplier to the payment for the transaction.

The maximum legal payment period applicable to the Company under Act 3/2004 of 29 December, establishing measures to combat late payment in commercial transactions, is 30 days, and has been since the publication of that Act (unless the conditions established therein that permit a maximum payment period of up to 60 days are met).

Although the average payment period in 2020 was 93.90 days (75.72 days in 2019), which is longer than the statutory period, this was mainly due to the private agreements reached by the Company with certain subcontractors for the refurbishment of its buildings.

16. Guarantees undertaken with third parties

At 30 June 2020 and 31 December 2019, the Company had no guarantees extended to third parties.

The foregoing notwithstanding, as mentioned in Note 6, a hotel owned by the Group which is located in Isla Canela in Ayamonte, Huelva is subject to mortgage guarantees amounting to 1,937,000 euros at 30 June 2020 (3,828,107 euros at 31 December 2019, two loans) corresponding to a banks loan granted to Isla Canela, S.A., which has become the sole debtor of the main obligations thereof. As indicated in note 6, the Company entered into a mortgage guarantee agreement with Isla Canela, S.A., to ensure the repayment by the above related company of the mortgage loan on the hotel. The Company receives a commission fee equivalent to 0.25% of the average outstanding balance of the mortgage loans thus guaranteed.

17. Public administrations and tax situation

17.1. Current balances with Public Administrations

The breakdown of the debtor and creditor balances with Public Administrations is as follows:

	Euros			
	30/06/2020		31/12/2019	
	Debtor	Creditor	Debtor	Creditor
Withholdings	26,901	2,391,578	177,211	-
Withholdings from previous years	160,323	-	130,304	-
Value Added Tax	-	174,039	-	237,110
Personal income tax	-	-	-	19,365
Social Security	-	4,655	-	5,552
Total	**187,224**	**2,571,273**	**307,515**	**262,027**

The balance of "Prior years' withholdings" amounting to 130,304 euros, which were pending collection at 31 December 2019, related to the withholdings made in 2018 on interest on capital arising from the system of financing to related companies, which were collected at 31 January 2020. The balance of "Other receivables from Public Administrations" amounting to 177,211 euros relates to the withholdings made in 2019 on interest on capital arising from the system of financing to related companies and withholdings on movable capital arising from dividends received. Part of this amount, 160,323 euros is recoverable from the Spanish tax authorities, while the remainder corresponds to withholdings for double taxation of dividends of non-resident companies (16,888) which will be deducted in corporate income tax for 2019 to be filed in July 2020.

17.2 Reconciliation of the accounting profit/loss and the tax base

Reconciliation of the accounting profit/loss and the Corporation Tax base at 30 June 2020 and 31 December 2019 is as follows:

2020 (30 June)

Item	Euros
Profit/ (loss) before tax	2,614,914
Permanent differences	-
Temporary differences	-120,628
Previous tax base	**2,494,286**
Tax base (0%)	2,494,286
Tax base (25%)	-
Offset of negative tax bases	-
Tax base at 0%	**2,494,286**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Withholdings and payment on account	26,901
Amount to (pay) / return	**26,901**

Financial year 2019 (31 December)

Item	Euros
Profit/ (loss) before tax	14,256,779
Permanent differences	6,284
Temporary differences	-189,401
Previous tax base	**14,073,662**
Tax base (0%)	13,500,770
Tax base (25%)	572,893
Offset of negative tax bases	-572,893
Tax base at 0%	**13,500,770**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Withholdings and payment on account	160,323
Amount to (pay) / return	**160,323**

The temporary differences for 2020 (six months) that modify the accounting profit/(loss) before taxes amount to 120,628 euros and correspond to:

- Negative adjustment for recovery of the provision on the amortisation of non-deductible investment property pursuant to Law 16/2012, which establishes that the accounting amortisation of tangible fixed assets, intangible assets and investment property is only deductible up to a maximum 70% of the amount which would have been tax deductible, recovering, on a straight-line basis over 10 years starting in 2015, the amount of 120,628 euros.

At 30 June 2020, the Company has temporary differences to be allocated in the amount of 5,049,638 euros (5,170,266 euros at 31 December 2019), whose deferred tax assets have not been recorded since the applicable tax rate is 0%. Said temporary differences include the amount of adjusted depreciation in 2013 and 2014 pending deduction in the amount of 970,429 euros, in addition to the impairment of property investments in the amount of 4,079,209 euros. Goodwill amortised associated with the Valle de la Fuenfría 3 office building pending allocation amounted to 5,367,190 euros.

At 30 June 2020, there are no financial expenses which could not be deducted from the corporation tax base.

Pursuant to Article 9.2 of Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, regulating Real Estate Investment Trusts, the self-assessment shall apply to the tax base of the tax period corresponding proportionally to the dividend whose distribution has been agreed in relation to the profit obtained in the year. As indicated in Note 4, at the end of 2019, the Directors proposed the payment of dividends of 12,526,626 euros to the Shareholders , which is why Corporation Tax was accrued on said dividend, based on the amount to be paid in the amount of 0 euros. The profit for 2019, after taxes, amounted to 14,256,779 euros (14,554,246 in 2018).

Likewise, according to Article 6 of Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, the Company is required to distribute at least 50 percent of the profits resulting from the transfer of the real estate assets and shares or interests referred to in paragraph 1, Article 2 of said Law which are carried out once the periods referred to in paragraph 3, Article 3 of this Law have elapsed and which are allocated to fulfilling its main corporate purpose. The rest of such profits must be reinvested in other real estate assets or interests included under the corporate purpose within three years following the date of transfer. Failing this, such profits must be fully distributed jointly with the profits, if any, of the financial year in which the reinvestment period finalises. Should the elements subject to reinvestment be transferred before the maintenance period established in paragraph 3 of Article 3 of this Law, any profits from them must be fully distributed jointly with the profits, if any, of the financial year in which they have been transferred.

At 30 June 2020, there are negative tax bases pending allocation amounting to 357,592 euros. At 30 June 2020, the Company has not capitalised the tax credits arising from the aforementioned negative tax bases as their offset period cannot be determined.

Additional information on Deferred Incomes

A. Compañía Ibérica de Rentas Urbanas 2009, SOCIMI, S.A.U.

Compañía Ibérica de Rentas Urbanas 2009, SOCIMI, S.A.U. was incorporated as a result of the partial spin-off of the company, Cogein, S.L., which took place on 22 December 2009. The assets contributed by Cogein, S.L. were subject to the tax neutrality regime.

Accordingly, in order to comply with the provisions of article 86 LIS, the following information is included:

a) Tax period in which the transferor, Cogein, S.L., acquired the transferred assets:

- Hotel Tryp Atocha: 2001 (sold in 2015)
- Rutilo premises: 2000 (sold in 2019)
- Hotel Tryp Cibeles: 2002
- Retail outlet at Gran Vía 34: 2002
- Retail outlet on Dulcinea: 1995
- Pradillo 42 offices: 2009
- Albalá 7 premises: 2003
- Gran Vía 1 1º and 2º derecha offices: 1993
- Gran Vía 1 1º izquierda premises: 1998

b) List of assets acquired that are included in the accounting records for a value different to that for which they were included in those of the transferring entity prior to the transaction being carried out, indicating both values, as well as the valuation adjustments made to the accounting records of the two entities:

Data at 30/06/2020	**Euros**		
Property	**N.T.V.:**	**M.V.T.:**	**R.D.**
Gran Vía,1 1º izquierda	541,883	2,730,000	2,188,117
Gran Vía,1 1º derecha	474,791	3,013,000	2,538,209
Gran Vía,1 1º izquierda	570,505	2,873,000	2,302,495
Gran Vía 34 hotel and premises	45,845,703	43,065,500	-2,780,203
Dulcinea premises	446,843	1,525,000	1,078,157
Albalá 7 premises	846,985	2,873,300	2,026,315
Pradillo, 42	17,762,500	18,227,308	464,808
Total	**66,489,210**	**74,307,108**	**7,817,898**

N.T.V.: Net tax value
M.V.T.: Market transfer value
R.D. Deferred income

c) There are no tax benefits enjoyed by the transferring entity, in respect of which the absorbed entity must assume compliance with certain requirements in accordance with that established in section

1 of Article 84 LIS.

B. Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.

The absorbed company, Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. was constituted as a result of the partial division of the company, Isla Canela, S.A. which took place on 29 December 2009. The assets contributed by Isla Canela, S.A. invoked the fiscal neutrality tax regime.

Accordingly, in order to comply with the provisions of article 86 LIS, the following information is included:

a) Tax period in which the transferring entity, Isla Canela, S.A., acquired the transferred assets:

- Gran Vía 1 2º izquierda: 1987
- Marina Isla Canela Shopping Mall: 2000
- Hotel Barceló: 1998
- Hotel Atlántico: 2000
- Hotel Playa Canela: 2002
- Hotel Iberostar: 2002
- Hotel Golf Isla Canela: 2007

b) List of assets acquired that are included in the accounting records for a value different to that for which they were included in those of the transferring entity prior to the transaction being carried out, indicating both values, as well as the valuation adjustments made to the accounting records of the two entities:

Data at 30/06/2020	**Euros**		
Property	**N.T.V.:**	**M.V.T.:**	**R.D.**
Gran Vía 1 2º izquierda	374,654	1,940,000	1,565,346
Marina Isla Canela Shopping Centre	1,798,346	4,700,000	2,901,654
Hotel Barceló	7,090,735	23,700,000	16,609,265
Hotel Atlántico	18,667,707	29,200,000	10,532,293
Hotel Playa Canela	14,984,936	15,900,000	915,064
Hotel Iberostar	18,358,560	23,700,000	5,341,440
Hotel Isla Canela Golf	4,147,317	4,700,000	552,683
Total	**65,422,255**	**103,840,000**	**38,417,745**

N.T.V.: Net tax value
M.V.T.: Market transfer value
R.D. Deferred income

c) There are no tax benefits enjoyed by the transferring entity, in respect of which the absorbed entity must assume compliance with certain requirements in accordance with that established in section 1 of Article 84 LIS.

In 2013 the absorbed company, Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U., in turn absorbed the company, Compañía Ibérica de Rentas Urbanas 2009, SOCIMI, S.A.U., so that it acquired all its assets and liabilities. The properties acquired by Compañía Ibérica de Rentas Urbanas 2009, SOCIMI, S.A.U. were the result of a restructuring deal in which the transferor Cogein, S.L. exercised the power currently referred to in Article 77.2 of the Corporation Tax Act.

C. **Bensell Mirasierra, S.L.U.**

Due to the subsequent acquisition and merger of this investee with the Company, a new deferred income of 5,506,170 euros arose as a result of the difference between the net tax value and the acquisition and merger value.

Data at 30/06/2020 Property	Euros		
	N.T.V.:	M.V.T.:	R.D.
Valle de la Fuenfría, 3	12,117,499	17,623,669	5,506,170
Total	**12,117,499**	**17,623,669**	**5,506,170**

N.T.V.: Net tax value
M.V.T.: Market transfer value
R.D. Deferred income

17.3 Reconciliation between accounting profit/ (loss) and corporation tax expenses

Reconciliation of the accounting profit/ (loss) and the Corporation Tax expense at 30 June 2020 and 31 December 2019 is as follows:

2020 (30 June)

Item	Euros
Profit/ (loss) before tax	2,614,914
Permanent differences	-
Temporary differences	-120,628
Previous tax base	**2,494,286**
Tax base (0%)	2,494,286
Tax base (25%)	-
Offset of negative tax bases	-
Tax base at 0%	**2,494,286**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Tax expenses recognised in the profit and loss account	**-**

Financial year 2019 (31 December)

Item	Euros
Profit/ (loss) before tax	14,256,779
Permanent differences	6,284
Temporary differences	-189,401
Previous tax base	**14,073,662**
Tax base (0%)	13,500,770
Tax base (25%)	572,893
Offset of negative tax bases	-572,893
Tax base at 0%	**13,500,770**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Tax expenses recognised in the profit and loss account	**-**

17.4. Financial years pending verification and inspection actions

Prior to 31 May 2014, the Company's registered office and tax domicile was in Luxembourg. With the change of registered office, the Company settled all taxes in that country. On 11 November 2014, Saint Croix Holding Immobilier SOCIMI S.A. issued a communication to the Inland Revenue stating that it wished to continue benefiting from the tax benefits referred to by Article 8 of Law 11/2009 of 26 October, which regulates Listed Real Estate Investment Trusts for the tax period ending on 31 December 2014.

On 27 January 2015, the Company received notification from the Tax Agency in response to the communication made by the latter on 11 November 2014. According to that notification, the Tax Agency states that the request was made after the deadline, which is why it is impossible to apply this tax regime in that tax period.

Following this communication from the Tax Agency, a range of pleadings were made in addition to an economic and administrative claim filed on 3 June 2015 before the Regional Economic Administrative Tribunal (TEAR) of Madrid, as the Company's Board of Directors considers that it has adequately complied with the procedure in form and term and, therefore, having filed the appeal, the Company will continue to be covered by the Special Tax Regime in 2014. In any event, on 9 July 2015, the Company informed the Tax Agency of the option to apply the REIT Regime for 2015 et. seq.

On 15 November 2018, the Company filed an Appeal with the TEAC (Central Economic Administrative Tribunal) against the unfavourable decision of the Madrid TEAR (Regional Economic Administrative Tribunal) dated 27 September 2018, which considers that the request for the REIT regime for 2014 was untimely on account of having been completed after the deadline of three months prior to the end of 2014 (limit 30/9/2014), a criterion with which the Company and its advisors disagree. This came about through the procedures to legalise the transfer of the domicile and headquarters of the Company to Spain, obtaining a CIF (tax ID code), tax statements, etc. and, above all, the registration of the deed of said transfer to Spain in the Mercantile Registry (agreed at the General Shareholders Meeting held in Luxembourg on 10 June 2014) did not occur until 15 October 2014 and it was not until that date, therefore, that the Company acquired its legal personality under Spanish law.

The Company's directors consider that the impact that a negative outcome of the procedure would have would be the result of applying the tax rate of the General Corporation Tax Regime for 2014 (30%) to the Company's taxable income for that year, as well as the possible penalty and interest. The taxable income for corporation tax in 2014 was 921,102 euros, so the tax that eventually ceased to be paid would be 276,331 euros, to which the maximum amount of the penalty and interest would have to be added.

In accordance with prevailing legislation in Spain, taxes cannot be considered to have been definitively settled until the returns filed have been inspected by the tax authorities or until the four-year statute of limitations period has elapsed. At year-end 2019, the Company has all taxes for the last four years open to inspection. The Directors of the Company consider that the settlements of the above-mentioned taxes have been properly filed. Hence, although discrepancies may arise regarding the tax treatment given to the operations due to the interpretation of prevailing regulations, any liabilities that may eventually result from them, should they come about, will not significantly affect the annual accounts attached hereto.

17.5. Information requirements deriving from being classed as a REIT

This information is contained in **Annex 1** attached (Law 11/2009 amended by Law 16/2012).

18. Earnings and expenses

18.1 Net turnover and other operating income.

The breakdown of these headings at 30 June 2020 and 2019 is as follows:

	Euros	
	30/06/2020	**30/06/2019**
Hotels	1,482,748	2,663,340
Offices	3,110,849	3,131,861
Commercial	2,278,667	2,717,244
Industrial	554,008	659,743
Subtotal rentals	**7,426,272**	**9,172,188**
Provision of sundry services	52,826	148,883
Operating subsidies	29,871	29,871
Total income	**7,508,969**	**9,350,942**

The Company's entire turnover in the first six months of 2020 and 2019 was generated in Spain.

18.2 Personnel expenses

The breakdown of these headings at 30 June 2020 and 2019 is as follows:

	Euros	
	30/06/2020	**30/06/2019**
Wages and salaries:		
Wages, salaries and similar outgoings	162,798	88,262
National Insurance contributions:		
National Insurance contributions incurred by the company	28,623	18,855
Other social expenses	5,461	7,092
Total	**196,882**	**114,209**

18.3 External charges for services, taxes and similar levies

The breakdown of this heading at 30 June 2020 and 2019 is as follows:

	Euros	
	30/06/2020	**30/06/2019**
Rents and levies	8,654	8,744
Repairs and maintenance	454,096	244,869
Independent professional services	142,681	164,514
Insurance policies	64,926	71,130
Banking services and similar	7,422	3,836
Advertising, publicity and public relations	11,273	4,075
Supplies	200,179	247,660
Other services	130,876	160,277
Other levies	26,073	157,040
Total	**1,046,179**	**1,062,145**

19. **Related-party transactions and balances**

19.1 Related-party transactions

Related-party transactions at 30 June 2020 and 2019 are as follows:

	Euros					
	30/06/2020			30/06/2019		
	Operating expenses	Income income	Income income	Operating expenses	Income income	Income income
Isla Canela, S.A.	39,377	19,009	-	-	50,950	-
Promociones y Construcciones, PYC, Pryconsa, S.A.	255,411	6,233	408,247	123,260	16,264	379,990
Total	**294,788**	**25,242**	**408,247**	**123,260**	**67,214**	**379,990**

At 30 June 2020, the relationship between the companies with which the Company has "Related party transactions and balances" is as follows

- Isla Canela, S.A.: A company in which Promociones y Construcciones PYC Pryconsa, S.A. holds an 18% interest.
- Promociones y Construcciones PYC Pryconsa, S.A.: Direct shareholder of the Company with an 11.19% stake.

19.2 Balances with Group and associated companies

The balances with Group and associated companies at 30 June 2020 and 31 December 2019 are as follows:

2020 (30 June)

	Euros	
	Loans extended to related companies (Note 8)	Loans received from related companies
Promociones y Construcciones PYC, Pryconsa, S.A.	46,954,274	-
Total	**46,954,274**	**-**

Financial year 2019 (31 December)

	Euros	
	Loans granted to related companies (Note 8)	Loans received from related companies
Promociones y Construcciones PYC, Pryconsa, S.A. (Note 8)	42,390,623	-
Total	**42,390,623**	**-**

The agreements currently in force which the Company has with related companies are as follows:

- On 30 April 2018, the Company signed a lease agreement with one of its shareholders, Promociones y Construcciones, PYC, Pryconsa, S.A., under which Promociones y Construcciones, PYC, Pryconsa, S.A. leases 17 parking spaces to the Company, located in the building at Glorieta de Cuatro Caminos, 6 and 7, Madrid. The duration of the contract is five years starting on 1 May 2018 and extendable for additional five-year periods, when so desired by both parties. The agreed lease amount is 1,870 euros per month.

- On 28 April 2017, the Company signed a contract for the provision of technical services with one of its shareholders, Promociones y Construcciones, PYC, Pryconsa, S.A. The technical services considered under the aforementioned contract refer, on one hand, to technical assistance in the properties owned by the Company, which were built by Promociones y Construcciones, PYC, Pryconsa, S.A. and, on the other hand, to the services which Promociones y Construcciones, PYC, Pryconsa, S.A. will render to the Company, for integral project management on remodelling, renovation or adaptation works which may be necessary on the property owned by the Company, in exchange for 5% remuneration based on the value of the works carried out under the aforementioned contract.

- On 11 June 2014, the Company entered into a service provision agreement with one of its significant shareholders, Promociones y Construcciones, PYC, Pryconsa, S.A., whereby the latter would provide the Company with an integrated management assistance service for legal, administrative and tax services, in addition to granting the use of space. The contact's term runs for one year and can be extended unless contested by the parties.

- As a result of the merger completed in 2016, (see Note 1) the Company is subrogated to the financing agreement signed in 2010 between Promociones y Construcciones, PYC, Pryconsa, S.A. and the Absorbed Companies, as part of which they would finance the former, under market conditions, using the excess liquidity generated as a result of their operations provided that their own financing needs were satisfied. The agreement is for a term is of three years and it may automatically be renewed for three-year terms. The financial conditions of this cash pooling account accrue interest equivalent to the quarterly EURIBOR rate plus a market spread. The agreement is reciprocal. In other words, the financing can be generated in either way under the same terms and conditions.

As a result of the merger described in Note 1 which took place in 2016, all obligations and rights derived from the following agreements of Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. with Isla Canela, S.A. transferred to the Company:

- On 1 January 2010, Isla Canela, S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a "Service Provision Agreement with Mortgage Guarantee", by means of which the latter will provide the former with the mortgage guarantee service whereby the hotels owned by the latter will respond for repayment by the former of the mortgage loans taken out from the institutions in accordance with the arrangements agreed upon in their articles of incorporation deeds until each of the mortgage loans entered into is definitively redeemed. Isla Canela, S.A. undertakes to pay any depreciation instalments and ancillary costs that may arise punctually until the loans guaranteed with a mortgage are redeemed. Due to the provision of the service described above, the company will pay Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. a fee consisting of an annual lump-sum amount equivalent to 0.25% of the average annual outstanding balance of the mortgage loans calculated on 31 December each year, which will be invoiced and paid on the last day of each calendar year. This amount may be amended annually through an agreement between the parties to adapt to it the average market prices paid by the Absorbed Company for the provision of bank guarantees (surety and banking insurance) by financial institutions.

- On 1 June 2012, Isla Canela S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. entered into a technical services provision agreement for the maintenance of the hotels owned by

Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. Pursuant to the aforementioned agreement, Isla Canela, S.A. provides the Company with an integrated preventive maintenance service for the hotels owned by the REIT in Isla Canela in exchange for economic consideration equivalent to 74,500 euros per year, which will rise according to the CPI on an annual basis. The agreement is annual but may be tacitly extended by the parties on an annual basis, although either of the parties may terminate it at any time.

Additionally, the aforementioned technical services contract establishes that Isla Canela, S.A. will provide the Company with the full project management service for remodelling, renovating or adaptation works which may be necessary on the hotels owned by the Company in Isla Canela, in exchange for 5% remuneration calculated on the value of the works which are carried out within the framework of the aforementioned contract.

- On 31 December 2012, Isla Canela S.A. and Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. signed a hotel property lease agreement (for Hotel Isla Canela Golf). The contract is renewed on a three-year basis with the current maturity date of 31 December 2023.

20. Remuneration for the Board of Directors and Senior Management

Total remuneration, accrued in the first six months of 2020 and 2019 for all matters, of the members of the Board of Directors and Senior Management of Saint Croix Holding Immobilier, SOCIMI, S.A. and persons performing similar functions at the close of each of the years, can be summarised as follows:

Board of Directors	Euros	
	30/06/2020	**30/06/2019**
Expenses	5,000	5,000
Total	**5,000**	**5,000**

The Senior Management functions are exercised by the members of the Board of Directors.

At 30 June 2020 and 31 December 2019 there were no advances or credits or any other kind of pension or life insurance guarantees or obligations in connection with current or former members of the Board of Directors.

During 2020, the Company has not paid any amount for liability insurance of the Directors.

Likewise, there are no contracts between the Company and any of the Directors or a person acting on their behalf, for operations outside the ordinary course of the company's business or which have not been done under normal conditions.

The number of Directors by gender in 2020 and 2019 was as follows:

30/06/2020			31/12/2019		
Men	**Women**	**Total**	**Men**	**Women**	**Total**
3	2	5	3	2	5

Additionally, the Board of Directors has a non-Director Secretary of the Board who is male.

21. Disclosure on situations of conflicts of interest involving the Directors

At 30 June 2020, neither the members of the Board of Directors of Saint Croix Holding Immobilier, SOCIMI, S.A. or the parties related to them, as laid down pursuant to the Corporate Enterprises Act, had reported to the other members of the Board of Directors any direct or indirect conflict of interest with those of the Company.

22. Other information

22.1 Personnel

The average number of people employed during the first half of 2020 and 2019 broken down by job category is as follows:

Categories	30/06/2020	30/06/2019
Management	1	1
Administrative staff	4	4
Total	**5**	**5**

Likewise, the distribution by gender at the end of 30 June 2020 and 2019 broken down by category was as follows:

Categories	30/06/2020		30/06/2019	
	Men	Women	Men	Women
Management	1	-	1	-
Administrative staff	2	2	2	2
Total	**3**	**2**	**3**	**2**

There are no employees that have a degree of disability equal to or greater than 33%.

22.2 Audit fees

During the first half of 2020 and 2019, fees relating to audit services and other services rendered by the Company's auditor or by a company related to the auditor by control, common ownership or management have been as follows:

Description	Euros	
	Services rendered by the accounts auditor and related companies	
	30/06/2020	30/06/2019
Audit Services	19,919	39,027
Other verification services	-	-
Total audit and related services	**19,919**	**39,027**
Tax assessment services	-	-
Other services	-	-
Total Professional Services	**19,919**	**39,027**

23. Environmental information

The environmental activity is one whose objective is to prevent, reduce or repair the damage occasioned to the environment.

The Company's corporate purpose, in accordance with its articles of association, is that described in Note 1.

Given the activities in which the Company is involved, it has no direct liabilities, expenses, assets, nor provisions and contingencies of an environmental nature which could be significant in relation to its equity, financial situation and profits. For this reason, specific breakdowns of information on environmental issues are excluded from the interim financial statements.

As of 30 June 2020 and 31 December 2019, the Company has not recorded any provision for possible environmental risks, given that the Directors consider that there are no significant contingencies related to possible litigation, damages or other items.

24. International Financial Reporting Standards

In accordance with Article 525 of the Corporate Enterprises Act, companies that have issued securities admitted to trading on a regulated market of any Member State of the European Union within the meaning of Article 1 (13) of Directive 93/22/EEC of the Council, of 10 May 1993 on investment services in the securities field and that, in accordance with the legislation in force, only publish individual financial statements, shall be required, in the report, to state the main variations that would arise from own funds and the profit and loss account had the International Financial Reporting Standards adopted by the European Union (hereinafter referred to as "IFRS-EU") been applied .

Once the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November has been applied to Company operations, there are no significant differences between this standard and IFRS-EU, except for the inclusion of capital grants, net of their corresponding tax effect, in the Company's equity.

At 30 June 2020 and 31 December 2019, the Company does not have any lease agreements in force under which it acts as a lessee (operating lease) and therefore IFRS 16 does not apply to the recognition of a right to use the asset and a liability for the lease.

25. Subsequent events

Subsequent to 30 June 2020 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred except for:.

- On 7 July 2020, the Company paid its shareholders the amount of the dividend approved at the Ordinary General Meeting on 30 June 2020 for a gross amount of 12,526,626 euros.

Annex 1. Information requirements deriving from being classed as a REIT

Description	2020
a) Reserves from years prior to the application of the tax scheme set forth in Law 11/2009, as amended by Law 16/2012 of 27 December.	As is set out in Note 1, the Company was incorporated on 1 December 2011 in Luxembourg without having allocated any prior year's profits to reserves.
b) Reserves of each financial year in which the special tax scheme set forth in said Law applies	**Profits applied to reserves by the Company** • Profits in 2014 allocated to reserves: 921,102 euros • Profits in 2015 allocated to reserves: 2,776,186 euros • Profits in 2016 allocated to reserves: 1,724,518 euros • Profits in 2017 allocated to reserves: 1,320,042 euros • Profits in 2018 allocated to reserves: 1,455,425 euros • Profits in 2019 allocated to reserves: 1,730,153 euros **Profits applied to reserves by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Profits in 2009 allocated to reserves: 936,358 euros • Profits in 2010 allocated to reserves: 871,431 euros • Profits in 2011 allocated to reserves: 1,000,888 euros • Profits in 2012 allocated to reserves: 43,627 euros • Profits in 2013 allocated to reserves: 470,286 euros • Profits in 2014 allocated to reserves: 1,208,270 euros • Profits in 2015 allocated to reserves: 3,699,608 euros **Profits applied to reserves by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • Profits in 2015 allocated to reserves: 477,756 euros
• Profits from income subject to the general tax rate	• Tax gain of 2019 for the sale of Rutilo 21, 23 and 25: 572,893 euros.
• Profits from income subject to tax at a rate of 19%	**Profits applied to reserves by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Profits in 2009 allocated to reserves: 936,358 euros • Profits in 2010 allocated to reserves: 871,431 euros • Profits in 2011 allocated to reserves: 1,000,888 euros • Profits in 2012 allocated to reserves: 43,627 euros
• Profits from income subject to tax at a rate of 0%	**Profits applied to reserves by the Company** • Profits in 2014 allocated to reserves: 921,102 euros • Profits in 2015 allocated to reserves: 2,776,186 euros • Profits in 2016 allocated to reserves: 1,724,518 euros • Profits in 2017 allocated to reserves: 1,320,042 euros • Profits in 2018 allocated to reserves: 1,455,425 euros • Profits in 2019 allocated to reserves: 1,730,153 euros **Profits applied to reserves by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Profits in 2013 allocated to reserves: 470,286 euros • Profits in 2014 allocated to reserves: 1,208,270 euros • Profits in 2015 allocated to reserves: 3,699,608 euros **Profits applied to reserves by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • Profits in 2015 allocated to reserves: 477,756 euros
c) Dividends paid out and charged to profits of each financial year in which the tax scheme set forth in this Act can be applied	**Dividends distributed by the Company** • Distribution of dividends in 2015: 6,979,719 euros • Distribution of dividends in 2016: 13,958,138 euros • Distribution of dividends in 2017: 11,880,376 euros • Distribution of dividends in 2018: 13,098,821 euros • Distribution of dividends in 2019: 12,526,626 euros **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Distribution of dividends in 2009: 3,382,919 euros • Distribution of dividends in 2010: 3,121,886 euros • Distribution of dividends in 2011: 3,585,669 euros • Distribution of dividends in 2012: 156,295 euros • Distribution of dividends in 2013: 1,209,306 euros • Distribution of dividends in 2014: 10,874,427 euros • Distribution of dividends in 2015: 14,799,010 euros **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • Distribution of dividends in 2015: 1,987,206 euros

• Dividends from income subject to the general tax rate	-

Description	2020
• Dividends from income subject to taxation at 18% (2009) and 19% (2010 to 2012).	**Dividends distributed by the absorbed company Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U.** • Distribution of dividends in 2009: 3,382,919 euros • Distribution of dividends in 2010: 3,121,886 euros • Distribution of dividends in 2011: 3,585,669 euros • Distribution of dividends in 2012: 156,295 euros
• Dividends from income subject to tax at a rate of 0%	**Dividends distributed by the Company** • Distribution of dividends in 2015: 6,979,719 euros • Distribution of dividends in 2016: 13,958,138 euros • Distribution of dividends in 2017: 11,880,376 euros • Distribution of dividends in 2018: 13,098,821 euros • Distribution of dividends in 2019: 12,526,626 euros **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Distribution of dividends in 2013: 1,209,306 euros • Distribution of dividends in 2014: 10,874,427 euros • Distribution of dividends in 2015: 14,799,010 euros **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • Distribution of dividends in 2015: 1,987,206 euros
d) Dividends paid out and charged to reserves	-
• Dividends charged to reserves subject to taxation at the general tax rate.	-
• Dividends charged to the reserves subject to taxation at 19%	-
• Dividends charged to the reserves subject to taxation at 0%	-
e) Date of the dividend payout resolution referred to by items c) and d) above	**Dividends distributed by the Company** • 2015 Dividends: 1 April 2016 • 2016 Dividends: 29 June 2017 • 2017 Dividends: 26 April 2018 • 2018 Dividends: 25 April 2019 • 2019 Dividends: 30 June 2020 **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • 2009 Dividends: 29 June 2010 • 2010 Dividends: 30 June 2011 • 2011 Dividends: 28 June 2012 • 2012 Dividends: 20 June 2013 • 2013 Dividends: 30 June 2014 • 2014 Dividends: 22 June 2015 • 2015 Dividends: 1 April 2016 **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • 2015 Dividends: 1 April 2016

<table>
<tr><th>Description</th><th>2020</th></tr>
<tr><td>a) Acquisition date of the properties allocated to lease which generate income subject to this special scheme</td><td>Properties from the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.
The real estate assets that have been owned by the Absorbed Company as from 29/12/2009 Due to the partial division of the related company Isla Canela S.A., the dates of ownership are the following:
• Hotel Isla Canela Golf: 28/12/2007
• Hotel Barceló Isla Canela: 06/07/1998
• Hotel Iberostar Isla Canela: 01/07/2002
• Hotel Playa Canela: 16/05/2002
• Hotel Meliá Atlántico: 25/05/2000
• Marina Isla Canela Shopping Mall: 17/10/2000
• Property at Calle Gran Vía 1: 19/10/1987
The following real estate investments, which were acquired from the related company Promociones y Construcciones, PYC, Pryconsa, S.A. were included in 2012:
• Offices Sanchinarro VI: 29/11/2012
• Offices Sanchinarro VII: 29/11/2012
• Vallecas Comercial I: 30/10/2012
• Vallecas Comercial II: 30/10/2012
• Offices Coslada III: 29/11/2012
Properties from the absorbed company COMPAÑÍA IBÉRICA DE RENTAS URBANAS 2009 SOCIMI, S.A.U.,
The properties were owned by the absorbed company on 22 December 2009. Due to the partial spin-off of the related company, Cogein, S.L., the ownership dates are as follows
• Hotel Tryp Cibeles: 16/05/2002
• Retail outlet at Gran Vía 34 (1+2): 16/05/2002
• Retail outlet at Gran Vía 34 (3): 16/05/2002
• Retail outlet on Dulcinea: 21/09/1995
• Building on Calle Pradillo: 27/02/2009
• Retail outlet at Albalá 7: 26/09/2003
• C/Gran Vía 1-1º y 2º Dcha offices: 15/10/1993
• C/Gran Vía 1-1º Izda offices: 10/02/1998
• Building on C/ San Antón, Cáceres: 15/06/2011
• Building on Plaza España, Castellón: 29/12/2011
In 2015, the following additions to the Company's investment property portfolio were made:
• An industrial warehouse in Daganzo de Arriba: 27/02/2015
Properties from the absorbed company INVERETIRO, SOCIMI, S.A.U.
• Titán, 13: 12/02/2014
• Conde de Peñalver, 16: 01/12/2013
Properties from the absorbed company BENSELL MIRASIERRA, S.L.U.
• Valle de la Fuenfría, 3: 09/03/2015
Direct acquisitions:
During 2016, the following property investment registrations occurred:
• Retail outlet at Gran Vía 55: 01/03/2016
• Building at José Abascal, 41: 02/12/2016
During 2017, the following property investment registrations occurred:
● Building at Orense, 62: 07/02/2017
● Business Premises at Goya, 59: 10/02/2017
During 2018, the following property investment registrations occurred:
● Business Premises at Glorieta de Cuatro Caminos, 6 and 7: 11/04/2018
During 2019, the following property investment registrations occurred:
● Juan Ignacio Luca de Tena 17 building: 31/01/2019</td></tr>
</table>

Description	2020	
b) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	-	
c) Identification of the assets calculated within the eighty percent referred to by paragraph 1, Article 3 of this Act	The breakdown of real estate assets and their gross book cost, expressed in euros, is as follows:	
	Meliá Atlántico	36,102,991
	Barceló Isla Canela	27,587,308
	Iberostar Isla Canela	25,715,017
	Tryp Cibeles	21,590,946
	Playa Canela	17,423,579
	Isla Canela Golf	4,979,816
	Hotels	**133,399,657**
	Pradillo 42	21,856,197
	Sanchinarro VI	6,300,076
	Sanchinarro VII	2,555,978
	Titán 13	31,831,936
	Valle de la Fuenfría, 3	18,166,795
	José Abascal 41	25,611,812
	Edificio Celes (Juan Ignacio Luca de Tena,17)	24,556,426
	Orense 62	4,398,887
	Coslada III	2,426,623
	Vallecas Comercial I	3,667,494
	Gran Vía 1 (2º derecha)	2,873,000
	Gran Vía 1 (1º derecha)	3,013,000
	Gran Vía 1 (2º izquierda)	1,940,000
	Offices	**149,198,224**
	Gran Vía 34	21,531,000
	Plaza España	15,096,440
	Conde Peñalver 16	20,429,787
	Gran Vía 55	13,455,000
	Cuatro Caminos	7,117,045
	Goya 59	15,808,780
	Vallecas Comercial II	3,907,254
	Marina Isla Canela Shopping Centre	4,700,000
	Albalá 7	2,873,300
	Gran Vía 1 (1º izquierda)	2,730,000
	Dulcinea 4	1,525,000
	Commercial	**109,173,607**
	Daganzo de Arriba	13,722,813
	Industrial	**13,722,813**
	Total	**405,494,300**
d) Reserves from years in which the special tax scheme set forth in this Act has applied and have been drawn down during the tax period, but not for distribution or to offset losses. The financial year from which said reserves come should be indicated.	-	

SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Management Report
30 June 2020

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report at 30 June 2020

1. Explanation of the figures at 30 June 2020

A breakdown of the main figures at 30 June 2020 compared to 30 June 2019 (31 December 2019 for the balance sheet) is provided below:

	Euros		
Income statement	**30/06/2020**	**30/06/2019**	**+ / -**
Income	**7,479,098**	**9,321,071**	**-19.76%**
Leases	7,426,272	9,172,188	
Provision of sundry services	52,826	148,883	
Operating expenses	-881,970	-932,115	-5.38%
Net operating income (NOI)	**6,597,128**	**8,388,956**	**-21.36%**
Overheads	-363,706	-244,239	48.91%
EBITDA	**6,233,422**	**8,144,717**	**-23.47%**
Financial profit/(loss)	-794,513	-506,108	56.98%
EBTDA	**5,438,909**	**7,638,609**	**-28.80%**
Depreciation	-2,772,933	-2,552,821	
Subsidies	29,871	29,871	
Impairment/Reversal of trade operations	1,611	4,726	
Impairment/Reversal of real estate assets	26,758	-	
Other gains/(losses)	-7,312	6,061	
Gain/(loss) Disposal of real estate assets	-101,991	1,503,873	
EBT	**2,614,914**	**6,630,319**	**-60.56%**
Corporation tax	-	-	
Net profit/(loss)	**2,614,914**	**6,630,319**	**-60.56%**

Sectoral indicators at 30 June 2020

	Euros					
	30/06/2020	**Per share**	**30/06/2019**	**Per share**	**31/12/2019**	**Per share**
Net recurring profit	3,124,556	0.70	5,126,446	1.15	12,278,916	2.76
Net value of assets	496,219,407	111.45	428,955,552	96.35	503,601,975	113.11
Cost/income ratio	16.62%		12.62%		19.39%	
Vacancies ratio	4.71%		13.12%		5.27%	
Net yield	4.33%		4.46%		4.49%	

Key figures at 30 June 2020, 30 June 2019 and 31 December 2019

	Data at		
	30/06/2020	**30/06/2019**	**31/12/2019**
Annualised income (€M)	24.93	24.67	24.72
FFO (€M)	6.23	8.00	18.11
FFO (€/share)	1.40	1.80	4.07
GAV (€M)	553.71	481.06	550.46
NAV (€M)	500.84	428.96	503.60
ROA	0.64%	1.68%	3.54%
ROE	0.90%	2.25%	4.72%
Gross leasable area (m^2 risk free)	157,692	158,584	158,114
Occupancy rate % at closing	93.13%	90.05%	92.12%
Lease portfolio (€M)	142.10	94.47	140.32
WAULT	6.99	6.12	7.68
LTV	15.84%	17.36%	14.49%
LTV Adjusted	16.17%	18.46%	15.14%
Net debt (€M)	94.29	90.14	85.32
Profit (€/share)	0.59	1.49	3.20
Dividend (€/share)	-	-	2.81
Dividend gross yield	-	-	3.75%

APM definitions:

- **GAV:** Gross market value of real estate assets; NAV: Gross market value of real estate assets - net financial debt +/- other assets and liabilities including credits to group companies and associates
- **NOI**: Gross operating income - Operating expenses.
- **EBITDA:** NOI - Other general costs.
- **EBITDA:** EBITDA - financial income.
- **Recurring net profit:** The Company's profit/(loss), eliminating the result derived from the sale of real estate assets, impairments and reversals, changes in the fair value of equity instruments and the impact of income tax.
- **Annualised income:** Forecast of the income to be generated by the real estate assets owned at 12 months from the date of information based on the contractual conditions at that date.
- **Funds from operations (FFO):** Direct cash flow from the Company's operations, i.e. rental income less operating expenses and exceptional expenses involving cash flow or cash movements.

Property investments (gross): As of 30 June 2020, the Company's gross property investments amounted to 410,113,922 euros. The following investments and divestments took place in 2020:

Investments amounting to 4,170,947 euros:

- Additions amounting to 3,944,412 euros were made to the property located at calle Juan Ignacio Luca de Tena 17 in Madrid, which was acquired in 2019, the refurbishment of the Hotel Tryp Meliá at Gran Vía 34, recently begun for 26,599 euros, and 19,059 euros for the Hotel Barceló.

- Minor reforms were also made to other assets, which have been capitalised for an amount of 180,877 euros.

Divestments amounting to 818,757 euros:

- Sale of offices (lofts). During the year, three lofts from the Coslada III development and two from the Vallecas Comercial I development (with their respective annexes) were sold, resulting in a gross loss in the period of 101,991 euros. At the time of sale, impairment of 26,758 euros had been recognised for these properties. This has been written off as a result of the disposal.

Dividends:

Company dividends to pay to shareholders in 2020:

The proposed distribution of 2019 profits presented by the Company's directors to the shareholders and approved at the Annual General Shareholders' Meeting held on 30 June 2020, was as follows:

	Euros
Basis of distribution:	
Profit and Loss	14,256,779
Distribution:	
Legal Reserve	1,425,678
Voluntary reserve	304,475
Dividends	12,526,626

The 2019 dividend, amounting to 12,526,626 euros, approved by the General Shareholders' Meeting on 30 June 2020, will be fully paid out on 7 July 2020.

Net financial debt: The Company had net financial debt of 94,286,794 euros (85,319,911 euros at 31 December 2019). The breakdown of it is as follows:

Breakdown of debt	Euros	
	30/06/2020	31/12/2019
José Abascal, 41	10,944,000	11,400,000
Titán, 13	11,635,967	12,032,647
Conde de Peñalver, 16	7,555,429	7,813,000
Plaza de España (Castellón)	263,044	654,910
Valle de la Fuenfría, 3	9,018,498	9,266,083
Juan Ignacio Luca de Tena, 17	11,871,961	12,000,000
Glorieta de Cuatro Caminos 6 and 7	4,325,000	4,500,000
Debt with mortgage guarantee	**55,613,898**	**57,666,640**
Debentures and bonds	10,000,000	10,000,000
Available credit facilities	6,729,583	46,065
Loan Goya, 59	9,700,000	9,850,000
Loan Gran Vía, 55:	9,707,000	10,000,000
Long-term loans	2,701,622	3,700,091
Interest accrued pending maturity	219,463	340,708
Derivatives	468,612	465,934
Unsecured debt	**39,526,280**	**34,402,798**
Cash and bank	-853,385	-6,749,527
Net financial debt	**94,286,794**	**85,319,911**

"Obligations and bonds" includes the two issues of Fixed Income securities carried out by the Company in 2016 against the "Fixed Income Securities Issuance Programme 2015", for a total amount of 10,000,000 euros.

The average APR for both issues for the issuer was 2.73%. The two securities issues have been listed on the Alternative Fixed Income Market since 24 June 2016. The financial expenses resulting from the aforementioned issuances, accrued and pending maturity in 2020, totalled 4,795 euros (130,822 at 31 December 2019), recorded under "Financial expenses" in the attached profit and loss account.

The expenses incurred each year in connection with the issue, registration and maintenance of fixed-income securities programs are registered in the Company's income statement for each year, due to their immateriality. At 30 June 2020, these expenses amounted to 12,769 euros (26,837 euros in 2019). The only fees that have arisen through the Bond and Debenture Programme are those listed in the table above. There were no placement costs or fees

As of 30 June 2020, the Company had an outstanding mortgage loan debt amounting to 55,613,898 euros (31 December 2019: 57,666,640 euros), which is recognised under "Non-current bank borrowings" and "Current bank borrowings" and relates mainly to mortgage loans arranged with Caixabank, Banco Santander, Banca March and Kutxabank which at 30 June 2020 had not yet matured or been repaid.

During the first six months of 2020, the Company has not taken out any new mortgage loans on any of its real estate assets.

The Company's LTV at 30 June 2020 was 15.84% (14.49% at year-end 2019). The adjusted LTV was 16.17% (15.14% at year-end 2019). This adjusted LTV includes the effect of the mortgage charge at 30 June 2020 on hotels located in Isla Canela amounting to 1,937,000 euros (3,828,107 euros at 31 December 2019).

Income: At 30 June 2020, the Company had obtained total income of 7,479,098 euros (9,321,071 euros at 30 June 2019). The breakdown of income by asset type is as follows:

	Euros		Variation in %	
	30/06/2020	30/06/2019	Growth	Like for Like Growth
Hotels	1,484,415	2,760,592	-46.23%	-46.23%
Offices	3,157,592	3,164,159	-0.21%	-0.21%
Commercial	2,283,083	2,736,576	-16.57%	-16.10%
Industrial	554,008	659,743	-16.03%	-16.03%
Total	**7,479,098**	**9,321,071**	**-19.76%**	**-19.63%**

Rental income has decreased by -20% year-on-year due to the inactivity generated by the state of alarm. In all cases, temporary agreements have been negotiated with the tenants of the properties, consisting in most cases of temporary moratoriums. The impact must be recovered in the short and medium term on the basis of the agreed conditions. The main deviations focus on:

- The hotel sector has been the industry hardest hit by the pandemic, especially given the timing (right before Easter), leading to a 46% reduction in revenue compared to the previous year, since all hotels were closed in the second quarter and no revenue was generated.

- The office sector has also been affected by the pandemic and the state of alarm, although to a lesser extent (only a fall of less than 1%)- this was because the first half of 2020 produced revenue from some assets that did not generate income in 2019, such as Jose Abascal 41, which offset the fall in revenue from the rest of the assets assigned to this segment.

- The commercial area was also negatively impacted by the pandemic, and this led to a 17% reduction in revenue year-on-year, including the loss of income from assets sold in the first half of 2019 (commercial premises in Calle Caleruega and Calle Rutilo). Premises used for food distribution such as those located in the Glorieta de Cuatro Caminos and Albalá (all in Madrid) did not show lower revenues because they were not affected by the state of alarm.

- The industrial area saw 16% lower revenues as a result of the state of alarm.

The most significant operational leasing contracts relate to the real estate assets that form the core of operations. A breakdown of the minimum lease instalments is set out below:

Operational leasing Minimum instalments	Euros Nominal value	
	30/06/2020	31/12/2019
Less than a year	23,754,686	24,721,653
Between two and five years	67,898,267	70,914,831
More than five years	50,445,286	44,686,272
Total	**142,098,239**	**140,322,756**

The leasing portfolio at 30 June 2020 increased by 1,775,483 euros against the end of 2019, up 1% from one period to another. This variation is mainly due to the extension of the duration of the contracts that have been damaged by the state of alarm and that have been partly renegotiated by means of moratoriums consisting of suspensions of rent payments during that period (state of alarm) offset by lengthening of the duration.

With regard to the average duration of lease contracts by property type, details of the WAULT (Weighted average unexpired lease term) are provided below:

Type	WAULT	
	30/06/2020	31/12/2019
Hotels	3.40	3.07
Offices	4.25	6.41
Commercial	13.52	9.57
Industrial	6.79	8.00
Total Average	**6.99**	**7.68**

NOI: Net Operating Income was positive and amounted to 6,597,128 euros (8,388,956 euros at 30 June 2019), a decrease of -21.36%. The breakdown of NOI by asset type is as follows:

	Euros	
	30/06/2020	30/06/2019
Hotels	1,217,633	2,468,706
Offices	2,632,102	2,742,379
Commercial	2,199,889	2,525,385
Industrial	547,505	652,486
NOI	**6,597,128**	**8,388,956**

At 30 June 2020, **EBITDA** was positive and amounted to 6,233,422 euros (8,144,717 euros in June 2019), a year-on-year decrease of -23.47%.

Financial gain/(loss) The financial loss at 30 June 2020 is -794,513 euros (-506,108 euros at June 2019). The breakdown of this result is as follows:

- The total financial income derived from the Group's financing system amounted to 408,247 euros (397,306 euros in June 2019), to which the financial income of third parties amounting to 48,023 euros (46,075 euros in June 2019) must be added.

- Financial expenses amounted to 868,727 euros (868,273 euros in June 2019) with no major changes compared to the previous year.

- During the first half of 2020, the Company recorded a negative effect on the income statement for a net amount of 382,056 euros (81,216 euros in June 2019) as a result of the valuation of the investments in equity instruments available for sale at those dates. Specifically, a package of 6,950 shares of the listed company Unibail Rodamco and another of 944,888 shares of Inmobiliaria Colonial SOCIMI, S.A.

At 30 June 2020, **EBTDA** was positive and amounted to 5,438,909 euros (7,638,609 euros in June 2019), a year-on-year decrease of -28.80%.

Depreciation: The depreciation expense amounted to 2,772,933 euros compared to 2,552,821 euros in the same period in the previous year. The 8.62% increase is a result of new year-on-year investments.

Subsidies: Income from subsidies amounted to 29,871 euros (29,871 euros in June 2019).

Gain/(loss) on disposal of real estate assets: At 30 June 2020, three lofts had been sold in Coslada III and two in Vallecas Comercial I, resulting in a net loss in the period of 101,991 euros (net gain of 1,503,873 euros at 30 June 2019). At the time of sale, impairment of 26,758 euros had been recognised for these properties. This has been written off as a result of the disposal.

At 30 June 2020, **EBITDA** was positive, standing at 2,614,914 euros (6,630,319 euros in June 2019), down -60.56% year-on-year mainly due to the 19.76% fall in income and the 2019 divestment which did not take place in 2020.

Net profit/(loss): Net profit at 30 June 2020 was positive, amounting to 2,614,914 euros (6,630,319 euros in June 2019), giving net earnings per share of 0.59 euros (1.49 euros in June 2019).

2. Valuation of real estate assets

The Company commissioned a valuation of its assets from CBRE Valuation Advisory, S.A., an independent expert. On 5 February 2020, CBRE published its report on the year-end fair values of all of the Company's real estate investments. This valuation was carried out on the basis of the lesser of the replacement value and market rental value (which consists of capitalising the net income from each property and updating future flows). Fair value was calculated using discount rates that would be acceptable to a potential investor, in keeping with those used by the market for properties with similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the United Kingdom's Royal Institute of Chartered Surveyors (RICS).

The directors of the Company consider that apart from the possible effects of the Covid-19 pandemic, no significant changes occurred in the first six months of 2020 in either the variables used by the independent expert in the valuation at year-end 2019, or in the contents or conditions of the current lease contracts used in the valuation.

However, as mentioned above, the Company only commissions an independent expert to value the real estate assets at year-end. In view of the unique circumstances currently prevailing, the Group considers that, although it is true that the leases are long-term and have not changed significantly beyond the agreements reached, this situation could have an impact on the values of its real estate assets and, therefore, it may be concluded that, on the basis of the market study and internal projections made, the negative impact on the market values of its assets, depending on their type, would be in the order of :

Type	Impact on valuation (negative impact)
Hotels	Between 2% and 4%
Commercial	Between 1% and 2%
Offices	Between 2% and 3%
Industrial	No impact

The Company has not recorded any impact on the income statement since it does not have clear market evidence based on the assessments of the independent expert that will be made at the end of 2020 and is therefore waiting to see how the pandemic will unfold and its real effects in the coming months.

According to the valuations made at 31 December 2019 (without taking into account the possible impact of Covid-19), the fair value of the investment property shows an unrealised gain (by comparison between the gross updated market fair value and the net carrying amount) of 204,064,236 euros (201,502,543 euros at 31 December 2019), mainly related to the properties located at calle Gran Vía, 34, calle Conde de Peñalver, 16, calle Titán, 13, calle José Abascal, 41, calle Gran Vía, 55, calle Juan Ignacio Luca de Tena, 17 and calle Pradillo 42 all of which are located in Madrid as well as Hotel Barceló, Hotel Meliá and Hotel Iberostar in Isla Canela and Hotel Tryp Cibeles in Madrid. Taking into account the estimated impact on asset valuations of the Covid-19 pandemic that the Company has carried out internally-subject to final valuation by the independent expert-these unrecorded unrealised gains would be reduced by approximately 2% to 3%.

The gross asset value (GAV) of the property investments at 30 June 2020 and 31 December 2019, broken down by business segment (not including the impact of the Covid-19 pandemic referred to above), is as follows:

Segments	**Gross market value of the property investments (euros):**	
	30/06/2020	**31/12/2019**
Hotels	151,282,377	151,060,625
Offices	185,842,939	182,814,909
Commercial	198,876,510	198,876,510
Industrial	17,710,470	17,710,470
Total	**553,712,296**	**550,462,514**

3. Segmented reporting

The Company identifies its operating segments based on internal reports which are the bases for regular reviews, discussion and assessment by the directors of the Company, as they are the highest decision-making authority with the power to allocate resources to the segments and assess their performance.

The segments identified in this way in 2020 are:

- Hotels
- Offices
- Commercial
- Industrial

The segmented reporting shown below is based on the monthly reports drawn up by management and is generated by the same computer application used to obtain all of the Company's accounting data. In this regard, the Company does not report its assets and liabilities on a segmented basis, as this is not required by the Company's management for the purposes of the management information it uses in its decision making.

For its part, the ordinary income for a segment corresponds to income directly attributable to that segment plus a relevant proportion of the Company's general income that can be attributed to it using fair rules of distribution.

The expenses for each segment are determined by the expenses arising from its operating activities that are directly attributable to it, plus the corresponding proportion of the expenses that can be attributed to the segment by using fair rules of distribution.

Segmented income statement

2020 (30 June)

30/06/2020	Euros					
	Hotels	**Offices**	**Commercial**	**Industrial**	**Others**	**Total**
Income	1,484,415	3,157,592	2,283,083	554,008	-	7,479,098
Indirect costs	-266,782	-525,490	-83,194	-6,505	-	-881,971
Net operating income	**1,217,633**	**2,632,102**	**2,199,889**	**547,504**	**-**	**6,597,127**
Overheads	-72,187	-153,553	-111,026	-26,941	-	-363,706
EBITDA	**1,145,446**	**2,478,549**	**2,088,863**	**520,562**	**-**	**6,233,421**
% of income	**77.16%**	**78.49%**	**91.49%**	**93.96%**	**-**	**83.34%**
Depreciation	-1,167,378	-1,016,306	-515,929	-72,011	-1,308	-2,772,933
Subsidies	29,871	-	-	-	-	29,871
Extraordinary gains/(losses)	-	-7,678	367	-	-	-7,312
Gain/(loss) on disposal of real estate assets	-	-101,991	-	-	-	-101,991
Impairment/Reversal of provisions	-	26,758	1,611	-	-	28,370
Financial profit/(loss)	-	-322,477	-330,021	-	-142,014	-794,513
EBT	**7,939**	**1,056,855**	**1,244,891**	**448,551**	**-143,323**	**2,614,914**
Corporation tax	-	-	-	-	-	-
Net profit/(loss)	**7,939**	**1,056,855**	**1,244,891**	**448,551**	**-143,323**	**2,614,914**
% of income	**0.53%**	**33.47%**	**54.53%**	**80.96%**	**-**	**34.96%**

2019 (30 June)

30/06/2019	Euros					
	Hotels	**Offices**	**Commercial**	**Industrial**	**Others**	**Total**
Income	2,760,592	3,164,159	2,736,576	659,743	-	9,321,071
Indirect costs	-291,887	-421,780	-211,191	-7,258	-	-932,115
Net operating income	**2,468,706**	**2,742,379**	**2,525,385**	**652,486**	**-**	**8,388,956**
Overheads	-72,336	-82,910	-71,706	-17,287	-	-244,239
EBITDA	**2,396,370**	**2,659,469**	**2,453,679**	**635,199**	**-**	**8,144,717**
% of income	**86.81%**	**84.05%**	**89.66%**	**96.28%**	**-**	**87.38%**
Depreciation	-1,187,955	-775,577	-517,278	-72,011	-	-2,552,821
Subsidies	29,871	-	-	-	-	29,871
Extraordinary gains/(losses)	-244	-2	-270	-	6,576	6,060
Gain/(loss) on disposal of real estate assets	-	28,276	1,475,597	-	-	1,503,874
Impairment/Reversal of provisions	-	-	4,726	-	-	4,726
Financial profit/(loss)	-	-395,603	-236,676	-	126,171	-506,108
EBT	**1,238,043**	**1,516,563**	**3,179,779**	**563,187**	**132,747**	**6,630,319**
Corporation tax	-	-	-	-	-	-
Net profit/(loss)	**1,238,043**	**1,516,563**	**3,179,779**	**563,187**	**132,747**	**6,630,319**
% of income	**44.85%**	**47.93%**	**116.20%**	**85.36%**	**-**	**71.13%**

The breakdown of the **income and net book value** for real estate assets heading at 30 June 2020 is as follows:

	Euros					
	30/06/2020			30/06/2019		31/12/2019
	Income	%	Net book value	Income	%	Net book value
Hotels	1,484,415	19.85%	104,125,306	2,760,592	29.62%	105,070,931
Offices	3,157,592	42.22%	143,182,756	3,164,159	33.95%	140,961,102
Commercial	2,283,083	30.53%	89,385,306	2,736,576	29.36%	89,901,235
Industrial	554,008	7.41%	12,954,693	659,743	7.08%	13,026,704
Total income	**7,479,098**	**100.00%**	**349,648,060**	**9,321,071**	**100.00%**	**348,959,971**

At 30 June 2020, 20% of revenue was generated by hotel assets, 42% by offices, 31% by commercial premises and the remaining 7% by industrial properties. At 30 June 2020, the hotels were fully leased; offices were 90% leased; commercial premises were 71% leased and the industrial area was 100% leased. At 30 June 2020, the occupancy rate of real estate assets was 93%. The Gross Leasable Area (GLA) was 157,692 m2.

The **geographic contribution of income** was as follows:

Area	Euros			
	30/06/2020		30/06/2019	
	Income	Income (%)	Income	Income (%)
Madrid	6,310,066	84.37%	7,109,875	76.28%
Huelva	1,169,032	15.63%	2,211,196	23.72%
Total	**7,479,098**	**100.00%**	**9,321,071**	**100.00%**

From a geographic point of view, all of the income obtained in the first half of 2020 was generated in Madrid and Huelva (both in Spain). Madrid remains in first place, contributing around 84% of total income, followed by Huelva with 16%.

It is also interesting to consider changes in **occupancy rates** by **asset types**. At 30 June 2020, the level of occupancy of the Company's assets for leasing was 93.13% (90.05% in June 2019) based on the square metres leased, the breakdown of which was as follows:

Asset type	% occupancy			Floor area in m^2 above ground level		
	30/06/2020	30/06/2019	31/12/2019	30/06/2020	30/06/2019	31/12/2019
Hotels	100.00%	100.00%	100.00%	80,135	80,135	80,135
Offices	90.49%	78.61%	88.43%	39,764	40,657	40,186
Commercial	70.58%	66.71%	67.41%	23,982	23,982	23,982
Industrial	100.00%	100.00%	100.00%	13,810	13,810	13,810
Total	**93.13%**	**90.05%**	**92.12%**	**157,692**	**158,584**	**158,114**

During the first six months of 2020, the occupancy rate of real estate has increased slightly with respect to that existing on 31 December 2019.

Even so, the occupancy rate for the Company's real estate assets has remained highly stable, while its solvency has strengthened on account of the quality of its tenants, lease contracts and new buildings.

4. Property investments

Due to the recent reduction in expected yields in prime areas, the Company is seeking new, diversified medium and long-term investment opportunities that would allow it to combine high yields in sectors where it is not currently present with yields of around 5% and 6% and high-quality tenants, as well as a number of added value real estate asset transformation operations for subsequent operation under a leasing scheme. The Company will maintain the income it currently expects to obtain from the lease contracts that are now in force.

In view of the Company's activity with real estate assets leased over the long term, the directors' forecasts are positive based on the existence of long-term agreements with high-quality lessees in the Spanish hotel industry and in the Office, Commercial and Industrial sectors, ensuring the Company's viability in the medium term, along with new lease agreements with lessees possessing outstanding solvency ratings.

5. Disclosure on payment periods for suppliers

The information required by the Third Additional Provision of Law 15/2010 of 5 July (modified through the Second Final Provision of Law 31/2014, of 3 December) are provided below, prepared in accordance with ICAC Resolution of 29 January 2016, on the information to be included in the notes of the interim financial statements in relation to the average period of payment to suppliers in commercial operations.

	30/06/2020	31/12/2019
	Days	
Average payment period to suppliers	93,90	75.72
Ratio of transactions paid	93,67	73.76
Ratio of transactions pending payment	94,48	77.68
	Euros	
Total payments made	5.912.736	7,395,094
Total payments outstanding	2.363.113	2,472,056

In accordance with the ICAC Resolution, the calculation of the average payment period to suppliers has taken into account the commercial transactions corresponding to the delivery of goods or services rendered from the date of entry into force of Act 31/2014, of 3 December.

Suppliers, for the exclusive purposes of giving the information provided for in this Resolution, are considered trade creditors due to debts with suppliers of goods or services, included under "Suppliers" and "Sundry creditors" of current liabilities in the balance sheet.

The “Average payment period to suppliers” is construed as the period from the delivery of the goods or the provision of the services by the supplier to the payment for the transaction.

The maximum legal payment period applicable to the Company under Act 3/2004 of 29 December, establishing measures to combat late payment in commercial transactions, is 30 days, and has been since the publication of that Act (unless the conditions established therein that permit a maximum payment period of up to 60 days are met).

Although the average payment period in 2020 was 93.90 days (75.72 days in 2019), which is longer than the statutory period, this was mainly due to the private agreements reached by the Company with certain subcontractors for the refurbishment of its buildings.

6. Earnings per share at 30 June 2020

The breakdown of the Company's earnings per share is as follows:

	Euros	
	30/06/2020	**30/06/2019**
Net Profit	2,614,914	6,630,319
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**0.59**	**1.49**

Basic earnings per share are calculated as the ratio of the net profit for the period attributable to the Company and the weighted average number of ordinary shares outstanding during that period.

Diluted earnings per share are calculated as the ratio of net profit for the period attributable to ordinary shareholders adjusted for the effect attributable to potential ordinary shares with dilutive effect and the weighted average number of ordinary shares in circulation during the period, adjusted by the weighted average of the ordinary shares which would be issued if all potential ordinary shares were converted into ordinary shares of the company. For this purpose, it is considered that the conversion takes place at the beginning of the period or at the time of the issue of the potential ordinary shares, if these had been put into circulation during the period itself.

7. Acquisition of treasury shares

At 30 June 2020, the Company did not hold any treasury shares.

8. Research and development activities

The Company does not carry out research and development activities.

9. Main risks faced by the Company

The management of the Company's financial risks is centralised in the Group's Financial Management and in Grupo Pryconsa's policies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks having an impact on the Company are:

a) Credit risk

The Company's main financial assets are cash flow and cash balances, trade creditors and other accounts receivable in investments. These account for the Company's maximum exposure to credit risk as regards financial assets. The Company's credit risk is mainly attributable to its trade debts, which are shown net of any provisions for insolvencies estimated on the basis of prior years' experience and their valuation under the current economic climate. The Company loans its excess liquidity to related companies which are very solvent, thereby guaranteeing the repayment of the funds thus loaned.

b) Liquidity risk

Taking into account the current situation of the financial market and the estimates made by the Company's Directors on the Company's cash generating capacity, the Company estimates it has enough capacity to obtain financing from third parties were it necessary to make new investments. Consequently, there is no evidence that the Company will encounter liquidity problems in the medium term. Liquidity is guaranteed by the nature of the investments made and the high credit ratings of lessees, as well as the guarantees of collection provided for in prevailing agreements.

c) Exchange rate risk

The Company did not have any significant assets or liabilities in foreign currencies at 30 June 2020 and therefore had no exchange rate risk.

d) Interest rate risk

The Company has various long-term loans financing mainly long-term assets, as well as short-term working capital financing facilities. The risk from interest rate fluctuations is very low since the Company is not highly exposed to debt. The Company's policy on interest rates consists of not taking out interest rate hedges through hedging financial instruments, swaps, etc., since any change in interest rates would have an insignificant effect on the Company's results, taking into account its low debt levels and today's very low interest rates.

However, on 17 February 2017, the Company arranged an interest rate swap for 8,550,000 euros, which will be valid from 1 April 2019 to 1 April 2026 and linked to a mortgage loan of 11,400,000 euros taken out in 2017 on the property located in calle José Abascal 41 in Madrid.

In 2019, two new long-term fixed-rate loans were arranged, one for 10,000,000 euros with Caixabank, which matures on 30 November 2029, and the other with Banco Pichincha for 2,000,000 euros, which matures on 1 April 2022.

10. Outlook for 2020

Given the Company's activity, its directors consider that 2020 will continue to be positive in terms of maintaining the terms and conditions of long-term leases. The outlook is therefore positive, taking into account the long-term lease contracts with top quality lessees in the hotel, offices and commercial sectors, guaranteeing the viability of the business in the medium and long term, and the new lease agreements for commercial premises with lessees that have outstanding solvency ratings.

11. Disclosure on conflicts of interest involving the directors

At 30 June 2019, neither the members of the Board of Directors of Saint Croix Holding Immobilier, SOCIMI, S.A. or the parties related to them, as laid down pursuant to the Corporate Enterprises Act, had reported to the other members of the Board of Directors any direct or indirect conflict of interest with those of the Company.

12. Subsequent events

Subsequent to 30 June 2020 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred, except for:

- On 7 July 2020, the Company paid its shareholders the amount of the dividend approved at the Ordinary General Meeting on 30 June 2020 for a gross amount of 12,526,626 euros.

Directors' Declaration of Responsibility

For the purposes of Article 8 of Royal Decree 1362/2007, 19 October, we, the members of the Board of Directors of the Company, declare that, to the best of our knowledge, the Interim Financial Statements at 30 June 2020 of SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A., prepared according to the applicable accounting principles, offer a faithful image of the assets, financial situation and balance of the issuer considered as a whole, and that the Management Report at 30 June 2020 also includes a faithful analysis of the issuer's progress, business results and position and those of the companies included in its consolidation considered as a whole, in addition to the description of the main risks and uncertainties with which they are faced.

Madrid, 21 July 2020

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr Jose Luis Colomer Barrigón
(Director)

Ms Irene Hernández Álvarez
(Director)

Ms Mónica de Quesada Herrero
(Director)

Mr José Juan Cano Resina
(Non-member Secretary)

Diligence in the Preparation of Interim Financial Statements

The preparation of these interim financial statements and management report has been approved by the Board of Directors at its meeting on 21 July 2020. Said interim financial statements and the consolidated half-yearly management report appear on 68 sheets of ordinary paper, numbered from 1 to 68, inclusively, all of which are signed by the Board Secretary and the last sheet being signed by all the Directors.

The undersigned, in their capacity as Directors of the Company, hereby state that no item in the Company's interim financial statements has been omitted which should be included in this document, apart from the environmental information required under the Ministry of Justice Order of 8 October 2001.

Madrid, 21 July 2020

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr José Luis Colomer Barrigón
(Director)

Ms Irene Hernández Álvarez
(Director)

Ms Mónica de Quesada Herrero
(Director)

Mr José Juan Cano Resina
(Non-member Secretary)