SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Half-Yearly Financial Statements and Management Report for the six-month period ended 30 June 2021 (Unaudited)

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Half-Yearly Financial Statements
(Unaudited)
30 June 2021

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.							
BALANCE SHEET AT 30 JUNE 2021 AND 31 DECEMBER 2020							
(Euros)							
ASSETS	Notes to the Financial Statements	30/06/2021	31/12/2020	EQUITY AND LIABILITIES	Notes to the Financial Statements	30/06/2021	31/12/2020
NON-CURRENT ASSETS		**373,572,382**	**373,941,859**	**EQUITY**		**297,188,606**	**291,982,296**
				OWN FUNDS			
Intangible fixed assets		**587**	**1,031**				
Software applications		587	1,031	**Capital**	12	**267,577,040**	**267,577,040**
Property, plant and equipment		**1,556**	**895**	Authorised capital		267,577,040	267,577,040
Plant and other tangible fixed assets		1,556	895	**Reserves**	12	**22,304,878**	**21,360,468**
Property investments	6	**371,091,212**	**371,440,168**	Legal and statuary		7,845,663	6,901,253
Net property investments		371,091,212	371,440,168	Other reserves		14,459,215	14,459,215
Long-term financial investments	8	**2,479,027**	**2,499,765**	**Profit (Loss) for the year**	4	**6,665,720**	**9,444,108**
Other financial assets		2,479,027	2,499,765	**Interim dividend**	4 and 12	**-**	**-7,000,000**
				Valuation adjustments		**-372,348**	**-440,811**
				Hedging operations	12 and 14	-372,348	-440,811
				Subsidies, donations and bequests received	12	**1,013,316**	**1,041,491**
				Subsidies, donations and bequests received		1,013,316	1,041,491
				NON-CURRENT LIABILITIES		**93,925,309**	**87,769,490**
				Non-current payables	13	**93,925,309**	**87,769,490**
				Debentures and bonds		-	2,000,000
				Bank borrowings		89,994,287	80,719,521
				Derivatives	12 and 14	372,348	440,811
CURRENT ASSETS		**26,143,920**	**24,495,013**	Other financial liabilities		3,558,674	4,609,158
Inventories		**780**	**-**				
Advance payments to suppliers		780	-	**CURRENT LIABILITIES**		**8,602,387**	**18,685,088**
Trade and other receivables	9	**867,659**	**6,576,808**	**Current provisions**		**95,810**	**95,810**
Trade receivables from sales and services		739,110	2,055,584	**Current payables**	13	**6,500,946**	**14,710,989**
Staff		352	1,056	Debentures and bonds		2,000,959	8,130,822
Current tax assets	9 and 17.1	-	128,197	Bank borrowings		4,248,098	6,507,774
Other tax receivables	9 and 17.1	128,197	4,391,971	Other financial liabilities		251,889	72,393
Short-term investments in Group and associate companies	8 and 19.2	**5,670,375**	**2,450,366**	**Trade and other payables**		**2,005,631**	**3,878,287**
Short-term financial investments	8	**14,107,158**	**13,105,565**	Suppliers		1,463,980	1,505,708
Short-term equity instruments		13,903,242	13,058,645	Sundry creditors		197,391	228,988
Other financial assets		203,916	46,920	Other tax payables	17.1	344,260	1,991,159
Cash and cash equivalents	10	**5,497,948**	**2,362,274**	Advance payments from customers		-	152,432
Cash and bank		5,497,948	2,362,274				
TOTAL ASSETS		**399,716,302**	**398,436,872**	**TOTAL EQUITY AND LIABILITIES**		**399,716,302**	**398,436,872**

Notes 1 to 25 set out in the annual report attached hereto form an integral part of the balance sheet at 30 June 2021

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.			
STATEMENT OF PROFIT AND LOSS AT 30 JUNE 2021			
(Euros)			
	Notes to the Financial Statements	30/06/2021	30/06/2020
CONTINUED OPERATIONS			
Revenue	18.1	**10,858,388**	**7,478,070**
Lease of property		10,858,388	7,478,070
Procurements		**16,849**	**-2,616**
Consumption of raw materials and other consumables		-4,345	-2,616
Work performed by other companies		21,194	-
Other operating income	18.1	**33,046**	**1,028**
Non-core and other current management income		33,046	1,028
Personnel expenses	18.2	**-219,348**	**-196,882**
Wages, salaries and similar outgoings		-176,665	-162,798
National Insurance contributions		-42,683	-34,083
Other operating expenses		**-1,206,251**	**-1,044,568**
Outside services	18.3	-1,178,307	-1,020,106
Taxes and similar levies	18.3	-36,495	-26,073
Losses, impairment and changes in provisions for trade transactions	9	8,551	1,611
Fixed asset depreciation	6	**-2,817,258**	**-2,772,933**
Allocation of non-financial fixed asset subsidies and others	12 and 18.1	**28,175**	**29,871**
Impairments and gains (losses) on fixed asset disposals	6	**-13,485**	**-75,233**
Impairment and losses		-	26,758
Gains/(losses) on disposals and others		-13,485	-101,991
Other gains/(losses)		**22,731**	**-7,310**
Exceptional income and expenses		22,731	-7,310
OPERATING PROFIT/(LOSS)		**6,702,847**	**3,409,426**
Financial income		**99,579**	**456,270**
From transferable securities and other financial instruments		99,579	456,270
- In Group and associated companies	19.1	40,384	408,247
- Equity instruments available for sale	8	-	-
- In third parties		59,195	48,023
Financial expenses	13	**-981,303**	**-868,727**
From debts with third parties		-981,303	-868,727
Change in fair value of financial instruments	8	**844,597**	**-382,056**
Profit/(loss) from the trading portfolio		844,597	-382,056
FINANCIAL PROFIT/(LOSS)		**-37,127**	**-794,513**
PROFIT/(LOSS) BEFORE TAX		**6,665,720**	**2,614,914**
Income tax	17	-	-
PROFIT/(LOSS) FOR THE YEAR		**6,665,720**	**2,614,914**
Notes 1-25 to the attached half-yearly financial statements are an integral part of the income statement at 30 June 2021			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.			
STATEMENT OF CHANGES IN EQUITY FOR 2021 (UP TO 30 JUNE 2021)			
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES			
(Euros)			
	Notes to the Financial Statements	**30/06/2021**	**30/06/2020**
PROFIT/(LOSS) FROM THE STATEMENT OF PROFIT AND LOSS (I)		**6,665,720**	**2,614,914**
Income and expenses directly attributed to equity			
- From cash flow hedges	12	-2,732	-2,678
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (II)		**-2,732**	**-2,678**
Transfers to the statement of profit and loss			
- Subsidies, donations and bequests received	12	**-28,175**	-29,871
TOTAL AMOUNTS TRANSFERRED TO THE STATEMENT OF PROFIT AND LOSS (III)		**-28,175**	**-29,871**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**6,634,813**	**2,582,365**
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 2021			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. STATEMENT OF CHANGES IN EQUITY FOR 2021 (UP TO 30 JUNE 2021) B) FULL STATEMENT OF CHANGES IN EQUITY (Euros)	Capital (Note 12)	Legal Reserve (Note 12)	Other Reserves (Note 12)	Profit/(Loss) for the Year (Note 12)	Interim dividend (Notes 4 and 12)	Subsidies, donations and bequests (Note 12)	Adjustments for Changes in value (Note 14)	Total
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	**-**	**-**	**-**	**9,444,108**	**-**	**-59,743**	**25,123**	**9,409,488**
Other changes in equity	**-**	**1,425,678**	**304,476**	**-14,256,779**	**-7,000,000**	**1**	**-**	**-19,526,624**
- Distribution of earnings in 2019	-	1,425,678	304,475	-1,730,153	-	-	-	-
- Distribution of dividends	-	-	-	-12,526,626	-7,000,000	-	-	-19,526,626
- Other	-	-	1	-	-	1	-	2
CLOSING BALANCE OF 2020	**267,577,040**	**6,901,253**	**14,459,215**	**9,444,108**	**-7,000,000**	**1,041,491**	**-440,811**	**291,982,296**
Recognised total income and expense	**-**	**-**	**-**	**6,665,720**	**-**	**-28,175**	**68,463**	**6,706,008**
Other changes in equity	**-**	**944,410**	**-**	**-9,444,108**	**7,000,000**	**-**	**-**	**-1,499,698**
- Distribution of earnings in 2020	**-**	944,410	**-**	-7,944,410	7,000,000	**-**	**-**	**-**
- Distribution of dividends	**-**	**-**	**-**	-1,499,698	-	**-**	**-**	**-1,499,698**
BALANCE, END OF FINANCIAL YEAR 2021 (30)	**267,577,040**	**7,845,663**	**14,459,215**	**6,665,720**	**-**	**1,013,316**	**-372,348**	**297,188,606**

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 2021

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.			
STATEMENT OF CASH FLOWS FOR 2021 (UP TO 30 JUNE 2021)			
(Euros)			
	Notes to the Financial Statements	**30/06/2021**	**30/06/2020**
A) CASH FLOWS FROM OPERATING ACTIVITIES		**11,458,553**	**6,344,836**
1. Profit/ (loss) before tax for the year		**6,665,720**	**2,614,914**
2. Adjustments to profit/(loss):		**2,839,695**	**3,611,197**
a) Amortisation of fixed assets (+)	6	2,817,258	2,772,933
b) Valuation corrections due to impairment (+/-)	6	-	-26,758
c) Variation in provisions (+/-)		-	-1,611
d) Allocation of subsidies (-)	12	-28,175	-29,871
e) Income from elimination and sales of fixed assets (+/-)	6	13,485	101,991
g) Financial income (-)	19	-99,579	-456,270
h) Financial expenses (+)	13	981,303	868,727
j) Variation in fair value of financial instruments (+/-)	8	-844,597	382,056
3. Changes in current capital:		**2,836,528**	**652,427**
a) Inventory (+/-)		-780	1,312
b) Trade and other receivables (+/-)	9	5,580,952	1,012,746
c) Other current assets (+/-)		-	120,291
d) Creditors and other accounts payable (+/-)		-73,325	-262,958
e) Other current liabilities (+/-)	17.1	-1,619,835	-73,512
f) Other non-current assets and liabilities (+/-)	8 and 13	-1,050,484	-145,452
4. Other cash flows from operating activities		**-883,390**	**-533,702**
a) Payments of interests (-)	13	-1,111,166	-989,972
c) Collection of interests (+)	19	99,579	456,270
d) Collections (payments) from Corporate Income Tax (+/-)	17.1	128,197	-
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**-2,618,262**	**-10,866,633**
6. Investment payments (-):		**-3,126,262**	**-11,502,633**
c) Property, plant and equipment		-	-85
d) Real estate investments	6	-2,990,004	-4,170,947
e) Other financial assets	8	-136,258	-
f) Non-current assets kept for sale.	8	-	-7,331,601
7. Proceeds from divestments (+):		**508,000**	**636,000**
d) Real estate investments	6	508,000	636,000
C) CASH FLOWS FROM FINANCING ACTIVITIES		**-5,704,617**	**-1,374,345**
10. Receivables and payables from financial liability instruments		**-4,204,919**	**-1,374,345**
a) Issue:		**-984,910**	**3,189,307**
1. Bonds and other marketable securities (+)	13	-8,000,000	-
2. Bank borrowings (+)	13	7,015,090	3,189,307
b) Return and amortisation of:		**-3,220,009**	**-4,563,652**
3. Payables with group and associated companies (-)	8 and 19.2	-3,220,009	-4,563,652
11. Dividend payments		**-1,499,698**	**-**
a) Dividends (-)	4	-1,499,698	-
D) EFFECT OF CHANGES IN INTEREST RATES		**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND EQUIVALENTS		**3,135,674**	**-5,896,142**
Cash or equivalent at start of year.		**2,362,274**	**6,749,527**
Cash or equivalent at end of year.	10	**5,497,948**	**853,385**
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 2021.			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
Explanatory notes for the
Half-Yearly Financial Statements
At 30 June 2021
(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. Its registered office is at Boulevard Prince Henri 9b, L-1724 Luxembourg, Grand Duchy of Luxembourg and it was registered in the Mercantile Registry of Luxembourg (Registre de Commerce et des Sociétés) under number B165103. Amongst its other resolutions, 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, as well as the Regulations of the General Shareholders Meeting.

Having changed its company name and the transfer of its 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 that have the same corporate purpose as REITs and that 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 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.

Mergers

- **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 itself 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 Spanish National Chart of Accounts.

- 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 resolutions, on 28 June 2018, the Extraordinary General Shareholders' Meeting approved the following:

- Merger by absorption 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 Spanish National Chart of Accounts.

- 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 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
Issuer 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).

On 23 June 2021, the Company has paid the annual coupon and redeemed the 8,000,000 euro bond which matured that same day.

Fixed Income Securities Issuance programme 2016

On 18 October 2016, the Company obtained, for a second consecutive year, the inclusion of the information base document for the inclusion of medium and long-term securities related to a “Fixed Income Securities Issuance Programme 2016” 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 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 Act.

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 the asset 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 2021, the Company's Directors deemed that the Company complies with all the requirements laid down by the aforementioned Law. (See note 25 of Post Balance Sheet Events)

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.

- Spanish National Chart of Accounts 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 Spanish National Chart of Accounts 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 accompanying interim financial statements for the first six months of 2021 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 2020 financial statements were approved, without modification, by the Ordinary General Shareholders' Meeting held on 29 April 2021.

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, statement of profit and loss, 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 2021, 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 2021 is presented for purposes of comparison with the information for 2020 (balance compared with figures for the 31 December 2020 and statement of profit and loss compared with figures at 30 June 2020).

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 2020 or in the interim financial reporting at 30 June 2021.

h) Changes in accounting principles

During the six-month period ended 30 June 2021, there were no significant changes in accounting principles with respect to those applied in the year ended 31 December 2020.

4. Distribution of earnings

The proposed distribution of 2020 earnings presented by the Company's directors to the shareholders and approved at the Annual General Shareholders' Meeting held on 29 April 2021 was as follows:

	Euros
Basis of distribution:	
Profit and Loss	9,444,108
Distribution:	
Legal Reserve	944,411
Dividends	8,499,697

Dividend against 2020 earnings

On 29 December 2020, the Company’s Board of Directors agreed to distribute a dividend against 2020 earnings in the amount of 1.57 euros gross per share paid on 29 December 2020, which is equivalent to a total gross amount of 7,000,000 euros.

On 29 April 2021, the Company's Shareholders' Meeting approved a proposed dividend distribution against 2020 results of 1.91 euros per share, of which 1.57 euros per share was already paid as an interim dividend as described above.

On 5 May 2021, the Company paid its shareholders a gross final dividend of 1,499,697 euros for 2020 in full.

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 2021, in accordance with that set out by the Spanish National Chart of Accounts, 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 breakdown of the estimated useful life of its property investments is 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 tests” the possible existence of impairments that 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 9 February 2021, CBRE published its report on the year-end fair values of all of the Company's real-estate investments. This valuation was based on the market rental values (which involves 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 Royal Institute of Chartered Surveyors (RICS).

While the COVID-19 pandemic is affecting the economy and may have an impact on the value of assets, as of the date of the valuation issued by the expert, a number of real estate markets are operating once again, and, consequently, the valuation of these assets is not subject to “material valuation uncertainty”, pursuant to VPS3 and VPGA10 of the RICS Global Valuation Standards.

The key assumptions used to determine the fair value of these assets and their sensitivity analysis are explained in Note 6.

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 and the COVID-19 pandemic 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 2021 nor at the close of 2020.

Operating leases

The expenses arising from the operating lease agreements are charged to the statement of profit and loss 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) Sureties 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 statement of profit and loss.

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 statement of profit and loss.

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 statement of profit and loss 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 2021, 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 Income tax

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 remaining 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 statement of profit and loss.

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 assets

Environmental assets are deemed to be any assets that 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 income in proportion to the depreciation allocation allocated in the period for subsidised elements or, as appropriate, when their disposal or value allowance due to impairment comes about.

b) Reimbursable subsidies: As long as they are deemed as reimbursable, they are carried 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 2021 is as follows:

2021 (30 June)

	Euros				
	Balance as at 31/12/2020	**Additions**	**Retirements/ Reversals**	**Transfers**	**Balance as at 30/06/2021**
Cost:					
Real estate for leases	434,028,550	274,430	-589,038	3,413,344	437,127,286
Ongoing real-estate investments	698,728	2,714,616	-	-3,413,344	-
Total cost	**434,727,278**	**2,989,046**	**-589,038**	**-**	**437,127,286**
Cumulative depreciation:					-
Real estate for leases	-51,690,247	-2,816,518	67,554	-	-54,439,211
Total cumulative depreciation	**-51,690,247**	**-2,816,518**	**67,554**	**-**	**-54,439,211**
Impairment:					
Real estate for leases	-11,596,863	-	-	-	-11,596,863
Total impairment	**-11,596,863**	**-**	**-**	**-**	**-11,596,863**
Net property investments	**371,440,168**	**172,528**	**-521,484**	**-**	**371,091,212**

The cost of the land and the projection of the Properties for lease is distributed as follows:

	Cost at	
	30/06/2021	**31/12/2020**
Land	201,562,171	201,562,171
Spread	235,565,115	232,466,379
Total cost	**437,127,286**	**434,028,550**

"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.

The main movements recorded in this heading during 2021 were as follows:

Investments: Property investments made in 2021 totalled 2,989,046 euros. The main additions recorded under this heading relate mainly to the following investments:

- There have been additions to construction in progress for an amount of 2,714,616 euros corresponding to the renovation costs of the Hotel Tryp Meliá de Gran Vía in Madrid. During the first six months of 2021, the refurbishment was completed and all the costs incurred, which amounted to 3,413,344 euros, were reclassified to property investment.

- Other real estate costs of 274,430 euros have also been capitalised.

Divestments: Property write downs amounting to 589,038 euros were undertaken in the year. The main deregistrations for 2021 correspond to:

- Sale of several properties with their corresponding annexes in Coslada III (3 units) for a gross cost of 589,038 euros, which have been sold to third parties. These sales transactions generated a joint net loss of 13,485 euros (net loss of 75,233 euros at 30 June 2020), which has been recorded under “Impairments and gains (losses) on fixed asset disposals” in the statement of profit and loss at 30 June 2021.

Transfers: During the first six months of 2021, transfers were made from investment property in progress to investment property in the amount of 3,413,344 euros (5,794,222 euros in the same period of 2020), due to the completion of refurbishment work on the Hotel Tryp Meliá de Gran Vía in Madrid.

The depreciation charge for 2021 amounted to 2,816,518 euros (2,771,624 euros in 2020) and is recorded under “Depreciation and amortisation” in the Company's income statement.

Valuation of real estate assets

The Company proceeded to appraise all of its real estate assets at year-end 2020 as stipulated in the standards. These valuations, conducted by independent expert CBRE Valuation Advisory, S.A., have been used as the basis for the internal valuation carried out by the Company at 30 June 2021.

According to the valuations made at 31 December 2020, 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 195,525,576 euros (191,763,275 euros at 31 December 2020), 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.

According to the valuations performed, there is no negative impact on the Company's statement of profit and loss as of 30 June 2021 or 30 June 2020 (net negative impact of 184,777 euros during the year 2020). The table below shows the detail by type of asset, as well as the opening and closing balances of the provision for impairment of property investment:

	Euros	
	2021	**2020**
Balance at beginning of year	**-11,596,863**	**-11,412,086**
Commercial	-	-411,698
Impairments	**-**	**-411,698**
Offices	-	226,921
Reversals	**-**	**226,921**
Balance at 30 June 2021	**-11,596,863**	**-11,596,863**

The gross asset value of the property investments at 30 June 2021 and 31 December 2020, broken down by business segment, is as follows:

	Gross market value of the property investments (euros) (*)	
	30/06/2021	**31/12/2020**
Hotels	145,681,835	142,268,491
Offices	181,113,823	181,113,823
Commercial	195,810,240	195,810,240
Industrial	19,583,300	19,583,300
Plots	24,427,590	24,427,590
Total	**566,616,787**	**563,203,443**

(*) The net market value as of 30 June 2021 amounts to 547,517,790 euros.

The breakdown of floor space in square metres above ground level (S.B.A.) of the real estate investments owned by the Company was:

	Floor area in M^2 above ground level	
	30/06/2021	31/12/2020
Hotels	80,135	80,135
Offices	39,158	39,436
Commercial	23,982	23,982
Industrial	13,810	13,810
Total (*)	**157,086**	**157,364**

Note: The Company also has undeveloped plots with an above ground level development potential of 38,545 m2e.

At 30 June 2021, the mean level of occupation of the Company's assets dedicated to leasing is 92% (93% at 31 December 2020) based on the square metres leased.

The property investments described above are mainly located in Madrid, Castellón, and Isla Canela, Ayamonte (Huelva).

At 31 December 2020, there was 1 hotel located in Isla Canela, Ayamonte (Huelva) owned by the Company with a mortgage on that date of 972,719 euros (Note 16). This bank mortgage loan was granted to Isla Canela, S.A., which was the only borrower on the main obligations of the loan, making the Company the owner, not the borrower, for this property. This mortgage loan was definitively repaid in 2021.

The details of the mortgage loans balance pending maturity and repayment at 30 June 2021 and 31 December 2020 by asset is as follows:

	Euros	
	30/06/2021	31/12/2020
Hotel Meliá Atlántico (latest possible maturity 31 March 2021)	-	972,719
Total amount mortgages pending expiry on hotels	**-**	**972,719**

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 Company a fee; this an annual lump-sum amount equivalent to 0.25% of the average annual outstanding balance of the mortgage-backed 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 carried out in 2016 set out in Note 1, the rights and obligations of the aforementioned contract were transferred to the 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 2021 amounting to 52,105,986 euros (54,016,448 euros at 31 December 2020), corresponding to bank mortgage loans.

The breakdown of the mortgage loan balance pending maturity and repayment at 30 June 2021 and 31 December 2020 by asset is as follows:

Property	Euros	
	30/06/2021	31/12/2020
José Abascal, 41	10,374,000	10,944,000
Titán, 13	10,865,790	11,239,286
Conde de Peñalver, 16	7,017,101	7,297,857
Valle de la Fuenfría, 3	8,518,855	8,769,425
Juan Ignacio Luca de Tena, 17	11,355,240	11,615,880
Glorieta de Cuatro Caminos 6 and 7	3,975,000	4,150,000
Total amount of mortgages pending maturity on assets (Note 13)	**52,105,986**	**54,016,448**

Note: The net book value of these mortgage-backed properties at 30 June 2021 amounted to 126,581,603 euros (127,248,376 euros at 31 December 2020).

In 2021, the rental income from real estate investments belonging to the Company comes to 10,858,388 euros (7,478,070 euros in 2020). This figure includes income from the passing on of operating expenses for all related items, which amounted to 290,482 euros in 2021 (495,529 euros in the same period of 2020).

At 30 June 2021, 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 2021, the Company had fully amortised property investments which were still in use amounting to 8,634,042 euros (8,634,042 euros at 2020 year-end).

Company policy is to take out insurance policies to cover the possible risks to which property investments are subject. At 30 June 2021 there was no deficit in any coverage related to these risks.

7. Operational leasing

At 30 June 2021 and 31 December 2020, 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:

	Euros	
	Nominal value	
	30/06/2021	31/12/2020
Less than a year	25,175,411	26,023,053
Between two and five years	64,423,806	70,503,577
More than five years	45,150,257	52,028,968
Total	**134,749,474**	**148,555,598**

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

	WAULT	
	30/06/2021	31/12/2020
Hotels	5.23	6.70
Offices	3.47	3.86
Commercial	12.85	13.08
Industrial	7.16	6.76
Total Average	**7.18**	**7.60**

8. Other financial assets and investments in related companies

The balances of this headings accounts at 30 June 2021 and 31 December 2020 are as follows:

	Euros	
	30/06/2021	31/12/2020
	Loans and receivables	
Other financial assets	2,479,027	2,499,765
Long-term / Non-current	**2,479,027**	**2,499,765**
Loans to related companies (Note 19.2)	5,670,375	2,450,366
Short-term equity instruments	13,903,242	13,058,645
Other financial assets	203,916	46,920
Short-term / Current	**19,777,533**	**15,555,931**
Total	**22,256,560**	**18,055,696**

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 2021 are as follows:

2021 (30 June)

	Euros				
			Adjustments		
	31/12/2020	Additions	Value	Retirements	30/06/2021
Loans to associated companies (Note 19.2)	2,450,366	3,220,009	-	-	5,670,375
Equity instruments available for sale	13,058,645	-	844,597	-	13,903,242
Other financial assets	2,546,685	136,258	-	-	2,682,943
Total	**18,055,696**	**3,356,267**	**844,597**	**-**	**22,256,560**

Loans to associates

The change of the “Loans to associated companies” caption relates to the changes in the Company's cash pooling account with Promociones y Construcciones, PYC, Pryconsa, S.A., the balance of which at 30 June 2021 amounted to a total of 2,479,027 euros (2,450,366 euros as of 31 December 2020) within this financing scheme for related companies.

Equity instruments available for sale

In 2019, the Company purchased 6,950 shares in the listed company Unibal Rodamco, with a total acquisition cost of 1,002,786 euros, which were recognised under “Current equity instruments”. At 30 June 2021, the Company valued the shares, obtaining a positive value adjustment of 58,449 euros, which was recognised under “Profit/(loss) from the trading portfolio” at 30 June 2021 (628,906 euros of losses as at 30 June 2020).

In 2020, the Company also acquired 1,572,296 shares in the listed company Inmobiliaria Colonial SOCIMI, S.A., for a total of 11,548,536 euros, which has been recognised under “Current equity instruments”. At 30 June 2021, the Company valued the shares, obtaining a positive value adjustment of 786.148 euros (positive adjustment of 246,850 euros at 30 June 2020), which was recognised under “Profit/(loss) from the trading portfolio” at 30 June 2021.

The Company has not received dividends from these financial investments in either 2021 or in 2020 (up to June). Dividends are expected to be received in the second half of the year. The Company will recognised such dividend income under the "Third-party financial income" of the statement of profit and loss.

Other current and non-current financial assets

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

The breakdown by maturities of the items under "Other non-current financial assets" at 30 June 2021 is as follows:

	Euros					
	2021	2022	2023	2024	2025 and subsequent	Total
Other financial assets	203,916	197,647	63,547	348,295	1,869,538	2,682,943
Total	**203,916**	**197,647**	**63,547**	**348,295**	**1,869,538**	**2,682,943**

The breakdown by maturity at 31 December 2020 is as follows:

	Euros					
	2021	2022	2023	2024	2025 and subsequent	Total
Other financial assets	46,920	218,386	63,547	348,295	1,869,538	2,546,685
Total	**46,920**	**218,386**	**63,547**	**348,295**	**1,869,538**	**2,546,685**

9. Trade and other receivables

The breakdown of the heading at 30 June 2021 and 31 December 2020 is as follows:

	Euros	
	30/06/2021	31/12/2020
Trade receivables from sales and services	739,110	2,055,584
Staff	352	1,056
Other tax receivables (Note 17.1)	128,197	4,520,168
Total	**867,659**	**6,576,808**

The balance of "Trade receivables from sales and services" at 30 June 2021 and 31 December 2020 break downs as follows:

	Euros	
	30/06/2021	31/12/2020
Customers	403,193	1,698,572
Commercial paper in the portfolio	327,650	342,518
Unpaid commercial paper	8,267	14,495
Doubtful customers	1,571	10,121
Impairment	-1,571	-10,121
Total	**739,110**	**2,055,584**

The balance of customers at 30 June 2021 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	
	30/06/2021	31/12/2020
Balance at beginning of year	**-10,121**	**-1,611**
Impairment of customers	-	-16,105
Applications to its purpose	-1	-
Reversal of commercial credits	8,551	7,595
Balance, end of year	**-1,571**	**-10,121**

10. Cash and cash equivalents

The balance recorded under "Cash" corresponds mainly to the balance available in current accounts at 30 June 2021 and 31 December 2020. 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 the policies of the PER Group in which it is integrated, 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 2021 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 2020, the Company arranged a long-term loan for 12,000,000 euros with Banco Santander at a fixed rate. It matures on 22 December 2025. In 2021, the Company arranged another long-term loan for 30,000,000 euros with Banco Santander at a fixed rate. It matures on 11 March 2026.

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.

f) Risks of the COVID-19 pandemic

In January 2020, COVID-19 appeared in China. Having spread around the world, the World Health Organisation classified it as a pandemic at 11 March 2020. On 15 March 2020, the Spanish government decreed a state of alert until 21 June as a result of the pandemic. Spain has also ordered a number of mobility restrictions since. This event significantly affects economic activity worldwide and, as a result, the Company's operations and financial results. The Company implemented a contingency plan to mitigate as far as possible the impact on results.

Therefore, the Company has had to sign different deferrals or interest-only arrangements in the contracts with the lessees of the assets, and it has managed to partially offset their impact through some additional contracts in other assets.

The extent to which COVID-19 will impact future results will depend on future developments that cannot be reliably predicted, including actions to contain or the disease, the vaccination process, and how its impact on the economies of affected countries may be allayed. Nonetheless, the Company's Directors do not envision any scenario in which this risk could significantly affect the value of the Company's real estate assets or compromise the continuity of the Company's business.

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 2021, 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 that make up the share capital have the same 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 2021 and the average share price in the first half of 2021 were 73.00 and 71.25 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 2021 were as follows:

Shareholder	Number of of Shares	Percentage Shareholding
Promociones y Construcciones PYC Pryconsa, S.A.	498,360	11.19%
Cogein, S.L.U.	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.

Furthermore, the legal reserve of companies which have chosen to avail themselves of the special tax regime established in Law 11/2009, governing REITs, must not exceed 20% of share capital. The articles of these companies may not establish any other unavailable reserve other than the legal reserve.

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 2021, the legal reserve was not fully constituted, its balance on that date being 7,845,663 euros (6,901,253 euros at 31 December 2020).

Voluntary reserve

Following the distribution of the Company's earnings for 2019, the balance of this equity item amounts to 304,475 euros, this reserve being unrestricted.

Merger reserve

As a result of the merger operation carried out in 2016 set out in Note 1, in 2016 merger reserves of 14,154,739 euros were provided for, generated on account of the difference between the individual book values of the Absorbed Companies and the book values incorporated as part of the merger.

c) Interim dividend

As indicated in Note 4, on 29 December 2020, the Company's Board of Directors agreed to distribute a dividend against 2020 earnings in the amount of 1.57 euros gross per share paid on 29 December 2020, which is equivalent to a total gross amount of 7,000,000 euros. This amount has been offset by 30 June 2021 following the distribution of 2020 earnings as approved at the Ordinary General Shareholders' Meeting held on 29 April 2021.

d) Distribution of earnings

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:

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

- At least 50% of the profits arising from the transfer of the properties, shares or ownership interests referred to in section 1, article 2 of this Law, subsequent to expiry of the time limits referred to in section 3, article 3 of this Law, which are used for pursuit of the entities' principal 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 regime set forth by the aforementioned Act.

- 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.

e) 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.

f) Valuation adjustments

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

	Euros	
	30/06/2021	31/12/2020
Hedging operations (Note 14)	372,348	440,811
Total	**372,348**	**440,811**

g) Capital subsidies

The changes in this item during the first six months of 2021 are as follows:

2020 (30 June)

	Euros		
	31/12/2020	Amounts applied	30/06/2021
Capital subsidies	1,041,491	-28,175	1,013,316
Total	**1,041,491**	**-28,175**	**1,013,316**

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 for the development of the area. At 30 June 2021, the following subsidies are pending to be taken to profit or loss:

- Subsidy granted by the Directorate-General of Regional Economic Incentives amounting to a nominal amount of 1,550,000 euros (626,307 euros still to be taken to the statement of profit and loss) corresponding to 10% of the investment made to build a hotel in Ayamonte (Huelva).

- Subsidy granted by the Directorate-General of Regional Economic Incentives for a nominal amount of 1,106,000 euros (387,009 euros still to be taken to the statement of profit and loss) corresponding to 10% 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.

In 2021, an amount of 28,175 euros (29,871 euros at 30 June 2020) was recognised under “Assignment of non-financing fixed asset subsidies” in the accompanying statement of profit and loss.

13. Current and non-current liabilities

The balances of the accounts of these headings at 30 June 2021 and 31 December 2020 are as follows:

	Euros	
	30/06/2021	31/12/2020
Debentures and bonds	-	2,000,000
Long-term debts with credit institutions	89,994,287	80,719,521
Derivatives (Note 14)	372,348	440,811
Other financial liabilities	3,558,674	4,609,158
Total Non-current payables	**93,925,309**	**87,769,490**
Debentures and bonds	2,000,000	8,000,000
Current bank borrowings	4,122,302	6,293,105
Interest accrued due	126,755	345,491
Other financial liabilities	251,889	72,393
Total Current payables	**6,500,946**	**14,710,989**
Total non-current and current payables	**100,426,255**	**102,480,479**

Debentures and bonds

“Debentures 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”, described in Note 1, for a total amount 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
Issuer APR	2.72%	2.77%

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 2021, totalled 120,136 euros (130,822 at 30 June 2020), recorded under “Financial expenses” in the attached statement of profit and loss.

On 23 June 2021, the Company has paid the annual coupon and redeemed the 8,000,000 euro bond which matured that same day.

The expenses incurred each year in connection with the issue, registration and maintenance of fixed-income securities programmes are registered in the Company's income statement for each year, due to their immateriality. At 30 June 2021, these expenses amounted to 7,168 euros (12,769 euros in 2020). The only fees that have arisen through the Bond and Debenture Programme are those listed in the table above. There have been no placement costs or fees.

These financial liabilities, classified under “Debts and payables”, are measured at year-end at amortised cost, and their carrying amount at 30 June 2021 is an acceptable approximation of their fair value.

Non-current and current bank borrowings

At 30 June 2021, the Company's bank borrowings amounted to 94,242,385 euros (87,227,294 euros at 31 December 2020).

The mortgage loans in force at 30 June 2021, for which the Company is liable, have the following characteristics:

	Financial institution	Start	Euros		Maturity
			Initial amount	Capital outstanding	
José Abascal, 41	Banca March	2017	11,400,000	10,374,000	2031
Titán, 13	Banco Santander	2015	15,735,000	10,865,790	2025
Conde de Peñalver, 16	Banco Santander	2015	10,217,000	7,017,101	2025
Valle de la Fuenfría, 3	Kutxabank	2018	10,000,000	8,518,855	2028
Juan Ignacio Luca de Tena, 17	CaixaBank	2019	12,000,000	11,355,240	2030
Glorieta Cuatro Caminos 6 y 7	Banca March	2018	4,500,000	3,975,000	2028
Total			**63,852,000**	**52,105,986**	

The personal guarantee loans in force at 30 June 2021 have the following characteristics:

	Start	Euros		Maturity
		Initial amount	Capital outstanding	
Banco Santander	2021	30,000,000	30,000,000	2026
Banco Santander	2020	12,000,000	12,000,000	2025
Total		**42,000,000**	**42,000,000**	

There are also two credit facilities under "Current bank borrowings", one arranged with Banca March maturing on 14 November 2021 with a limit of 5,000,000 euros, and the second contract with Bankinter maturing on 16 June 2021, with a limit of 5,000,000 euros. These facilities are drawn down at 30 June 2021 in the amount of 10,603 euros (452,847 euros at 31 December 2020). Interest accrued and not yet due at 30 June 2021, of 126,755 euros (209,886 euros at 31 December 2020) has been recognised.

Financial expenses on bank borrowings in 2021 amounted to 981,303 euros (868,727 euros at 30 June 2020) and are recognised under the "Financial expenses" item of the attached statement of profit and loss.

Loan interest rates are set on market terms linked to Euribor with a fixed spread.

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

The breakdown by due dates at 30 June 2021 is as follows:

	Euros						
	2021	**2022**	**2023**	**2024**	**2025**	**2026 and later**	**Total**
Debentures and bonds	2,000,000	-	-	-	-	-	2,000,000
Interest on debentures	959	-	-	-	-	-	959
Bank borrowings (*)	4,122,303	9,099,786	13,957,658	14,100,900	26,354,760	26,481,182	94,116,588
Interest on bank borrowings	125,796	-	-	-	-	-	125,796
Guarantees and deposits	251,889	164,142	77,176	386,994	197,227	2,733,136	3,810,564
Derivatives	-	-	-	-	-	372,348	372,348
Total	**6,500,946**	**9,263,928**	**14,034,833**	**14,487,895**	**26,551,986**	**29,586,666**	**100,426,255**

(*) Loans with mortgage guarantee amounting to 52,105,986 euros, loans amounting to 42,000,000 euros and drawdowns on a credit policy amounting to 10,603 euros.

The breakdown by due dates at 31 December 2020 is as follows:

	Euros					
	2021	2022	2023	2024	2025 and later	Total
Debentures and bonds	8,000,000	2,000,000	-	-	-	10,000,000
Debenture and bond interest	130,822	-	-	-	-	130,822
Bank borrowings (*)	6,507,774	8,203,103	8,690,701	8,716,300	55,109,417	87,227,295
Non-current guarantees and deposits	-	1,003,271	330,133	415,994	2,859,760	4,609,158
Short-term guarantees and deposits	72,393	-	-	-	-	72,393
Derivatives	-	-	-	-	440,811	440,811
Total	**14,710,989**	**11,206,374**	**9,020,834**	**9,132,294**	**58,409,988**	**102,480,479**

(*) Mortgage guarantee loans amounting to 54,016,448 euros, loans of 32,558,398 euros, credit policy provisions for 452,847 euros and interest accrued pending maturity amounting to 199,601 euros.

14. Derivative financial instruments

The detail of derivative financial instruments at 30 June 2021 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	372,348

The details of derivative financial instruments, at 2020 year-end, are 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	440,811

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

This financial instrument has had the following impact on the Company's equity, according to the valuation made:

- Decrease in assets of 370,348 euros at 30 June 2021 (440,811 at 2020 year-end), 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 deferrals for suppliers

The information required by the Third Additional Provision of Act 15/2010 of 5 July (modified through the Second Final Provision of Act 31/2014, of 3 December) is provided below. This has been prepared in accordance with the Institute of Accounting and Auditing (ICAC) Resolution of 29 January 2016, on the information to be included in the notes to the financial statements in relation to average payments periods for suppliers in commercial operations.

	30/06/2021	30/06/2020
	Days	
Average payment period to suppliers	41.76	93.90
Ratio of transactions paid	41.22	93.67
Ratio of transactions pending payment	45.29	94.48
	Euros	
Total payments made	4,716,655	5,912,736
Total payments outstanding	727,323	2,363,113

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.

For the exclusive purposes of providing the information required in this Resolution, suppliers are considered trade creditors due to debts with suppliers of goods or services, included under the “Suppliers” and “Sundry creditors” headings in current liabilities in the balance sheet.

The “Average payment period to suppliers” is 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 in 2020 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).

16. Guarantees undertaken with third parties

At 30 June 2021 and 31 December 2020, the Company had no guarantees extended to third parties.

The foregoing notwithstanding, as mentioned in Note 6, a hotel owned by the Group tat is located in Isla Canela in Ayamonte, Huelva was subject to mortgage guarantees amounting to 972,719 euros at 31 December 2020, corresponding to a bank loan granted to Isla Canela, S.A., which has become the sole borrower for the main obligations thereof. As mentioned in Note 6, as a result of the merger described in Note 1, the Company entered into a mortgage guarantee agreement with Isla Canela, S.A. to ensure the repayment by said related company of the mortgage loan on the hotel which, after the merger, is owned by the Company, until the loan is finally redeemed. The Company receives a commission fee equivalent to 0.25% of the average outstanding balance of the mortgage loan thus guaranteed.

As at 30 June 2021, the Company has fully repaid the loan and lifted the mortgage burden.

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			
	30/06/2021		31/12/2020	
	Payable	Receivable	Payable	Receivable
Withholdings on present year	-	-	123,318	-
Other withholdings at source (tax credit carryforwards)	-	-	4,879	-
Withholdings from previous years	128,197	-	160,323	-
Value Added Tax	-	325,502	4,231,648	635,462
Personal income tax	-	12,030	-	19,048
Withholding on dividends	-	-	-	1,330,000
Social Security	-	6,728	-	6,649
Total	**128,197**	**344,260**	**4,520,168**	**1,991,159**

The balance of “Withholdings from previous years” amounting to 128,197 euros corresponds to withholdings made in 2020 on capital interest derived from the system of financing to related companies amounting to 123,318 euros and withholdings on movable capital originating from dividends received, as well as the balance of “Other withholdings at source” amounting to 4,879 euros for withholdings on dividends received from non-resident companies that must be paid out of tax due when the latter is positive.

The balance of “Prior years' withholdings” amounting to 160,323 euros, which were pending collection at 31 December 2020, relates to the withholdings made in 2019 on interest on capital arising from the system of financing to related companies, which are receivable, and dividends. This amount was collected in full in January 2021.

At 31 December 2020, the Company requested a refund of input VAT generated as a result of investment transactions or asset acquisitions in 2020 in the amount of 4,231,648 euros, which was fully collected in February 2021. The tax payable of 1,330,000 euros is for withholdings on dividends distributed against 2020 earnings (Note 4) was paid when due.

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 2021 and 31 December 2020 is as follows:

2021 (30 June)

	Euros
Profit/ (loss) before tax	6,665,720
Permanent differences	-
Temporary differences	-86,612
Previous tax base	**6,579,108**
Tax base (0%)	6,579,108
Tax base (25%)	-
Offset of negative tax bases	-
Tax base at 0%	**6,579,108**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Withholdings and payment on account	-
Amount to (pay) / return	**-**

Financial year 2020 (31 December)

	Euros
Profit/ (loss) before tax	9,444,108
Permanent differences	7,821
Temporary differences	230,206
Previous tax base	**9,682,136**
Tax base (0%)	9,682,136
Tax base (25%)	-
Offset of negative tax bases	-
Tax base at 0%	**9,682,136**
Tax base at 25%	**-**
Total tax liability (0%)	**-**
Total tax liability (25%)	**-**
Withholdings and payment on account	123,318
Amount to (pay) / return	**123,318**

Temporary differences in 2021 that changed the pre-tax accounting profit amounted to 230,206 euros and corresponded 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 111,881 euros.

- In 2020, amortisation of the goodwill arising from the merger (see Note 1) in the year was recognised as a temporary difference amounting to 25,269 euros.

At 30 June 2021, the Company has temporary differences to be allocated in the amount of 5,238,053 euros (5,349,934 euros at 31 December 2020), 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 755,413 euros, in addition to the impairment of property investments in the amount of 4,482,640 euros. Goodwill amortised associated with the Valle de la Fuenfría 3 office building pending allocation amounted to 5,341,921 euros.

At 30 June 2021, the Company had tax loss carryforwards of 357,592 euros (357,592 euros at 31 December 2020).

At 30 June 2021, there are no financial expenses which could not be deducted from the corporation tax base.

At 30 June 2021, there are tax credit carryforwards amounting to 5,364 euros (5,364 euros at 31 December 2020).

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 2020 year-end the directors proposed to the shareholders to pay dividends of 8,499,697 euros (12,526,626 euros in 2019) and, accordingly, income tax was payable on this dividend in the amount of 0 euros.

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.

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. (today S.L.U.), which took place on 22 December 2009. The assets contributed by Cogein, S.L. (today, S.L.U.) 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. (today, S.L.U.) acquired the transferred assets:

- Hotel Tryp Atocha: 2001 (sold in 2015)
- Rutilo premises: 2000 (sold in 2019)
- Hotel Tryp Meliá Gran Vía: 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 30/06/2021 Property	Euros		
	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 30/06/2021 Property	Euros		
	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. (today S.L.U.) exercised the power currently referred to in Article 77.2 of the Corporation Tax Act.

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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 30/06/2021 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

17.4. Financial years pending verification and inspection actions

In accordance with current legal provisions, tax assessments may not be considered definitive until they have been inspected by the tax authorities or the four-year limitation period has elapsed.

	Years Open to Inspection at 30 June 2021
Corporate income tax	01/2016 to 12/2020
Value added tax	01/2016 to 12/2020
Personal income tax	01/2016 to 12/2020
Withholdings and income from capital	01/2016 to 12/2020

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 accompanying financial statements.

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 2021 and 2020 is as follows:

	Euros	
	30/06/2021	30/06/2020
Hotels	2,236,676	1,482,748
Offices	4,465,915	3,110,849
Commercial	3,521,793	2,278,667
Industrial	579,512	554,008
Subtotal rentals	**10,803,896**	**7,426,272**
Provision of sundry services	87,538	52,826
Operating subsidies	28,175	29,871
Total income	**10,919,609**	**7,508,969**

The Company's entire turnover in the first six months of 2021 and 2020 was generated in Spain.

18.2 Personnel expenses

The breakdown of these headings at 30 June 2021 and 2020 is as follows:

	Euros	
	30/06/2021	30/06/2020
Wages and salaries:		
Wages, salaries and similar outgoings	176,665	162,798
National Insurance contributions:		
National Insurance contributions incurred by the company	35,220	28,623
Other social expenses	7,463	5,461
Total	**219,348**	**196,882**

18.3 External charges for services, taxes and similar levies

The breakdown of this heading at 30 June 2021 and 2020 is as follows:

	Euros	
	30/06/2021	30/06/2020
Rents and levies	9,180	8,654
Repairs and maintenance	543,133	454,096
Independent professional services	104,033	142,681
Insurance policies	71,447	64,926
Banking services and similar	2,244	7,422
Advertising, publicity and public relations	3,975	11,273
Supplies	307,924	200,179
Other services	136,370	130,876
Other levies	36,495	26,073
Total	**1,214,802**	**1,046,179**

19. Related-party transactions and balances

19.1 Related-party transactions

Related-party transactions at 30 June 2021 and 2020 are as follows:

	Euros					
	30/06/2021			30/06/2020		
	Expenses	Income	Financial	Expenses	Income	Financial
	Operating		income	Operating		income
Isla Canela, S.A.	40,491	52,251	-	39,377	19,009	-
Promociones y Construcciones PYC Pryconsa, S.A.	172,555	12,931	40,384	255,411	6,233	408,247
Total	**213,045**	**65,183**	**40,384**	**294,788**	**25,242**	**408,247**

At 30 June 2021, the relationship between the companies with which the Company has "Related party transactions and balances" is as follows

- **Isla Canela, S.A.:** This company is 93.90% owned by PER 32, S.L.

- **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 2021 and 31 December 2020 are as follows:

2021 (30 June)

	Euros	
	Loans granted to related companies	Loans received from related companies
Promociones y Construcciones PYC Pryconsa, S.A. (Note 8)	5,670,375	-
Total	**5,670,375**	**-**

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	Euros	
	Loans granted to related companies	Loans received from related companies
Promociones y Construcciones PYC Pryconsa, S.A. (Note 8)	2,450,366	-
Total	**2,450,366**	**-**

The main agreements currently in force between the Company and its 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 that belong 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.

- On 28 April 2017, the Company signed a contract for the provision of technical services with Promociones y Construcciones PYC Pryconsa, S.A consisting of (i) technical assistance on the properties built by the Company and (ii) comprehensive project management of the renovation, refurbishment or adaptation of properties owned by the Company, in exchange for a remuneration of 5% calculated on the value of the works carried out within the framework of the aforementioned contract.

- On 11 June 2014, the Company entered into a service provision agreement with 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 was 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 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 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 company in Isla Canela. 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.

- 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 paid in the first six months of 2021 and 2020 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:

	Euros	
	30/06/2021	**30/06/2020**
Fixed remuneration	-	-
Variable remuneration	-	-
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 2021 and 31 December 2020 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 2021 and 2020, the Company has not paid any amounts on the grounds of civil liability insurance associated with 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 was as follows at 30 June 2021 and 31 December 2020:

30/06/2021			30/12/2020		
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 2021, 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 2021 and 2020 broken down by job category is as follows:

Categories	30/06/2021	30/06/2020
Management	1	1
Graduates	1	-
Administrative staff	4	4
Total	**6**	**5**

Likewise, the distribution by gender at the end of 30 June 2021 and 2020 broken down by category was as follows:

Categories	30/06/2021		30/06/2020	
	Men	Women	Men	Women
Directors	3	2	3	2
Management	1	-	1	-
Graduates	1	-	-	-
Administrative staff	2	2	2	2
Total	**7**	**4**	**6**	**4**

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 2021 and 2020, 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 provided by the statutory auditor and by related companies	
	30/06/2021	30/06/2020
Audit Services	14,348	19,919
Other verification services	-	-
Total audit and related services	**14,348**	**19,919**
Tax assessment services	-	-
Other services	-	-
Total Professional Services	**14,348**	**19,919**

23. Environmental information

Environmental activity is aimed at preventing, reducing or repairing the damage caused to the environment.

The corporate purpose of the Company, as provided for in its Articles of Association, is stated in Note 1.

In view of the Company's activities, it does not have direct environmental responsibilities, expenses, assets or provisions nor contingencies which could have a significant impact in relation to the capital, financial situation and the results thereof. For this reason, specific breakdowns of information on environmental issues are excluded from the interim financial statements.

As of 30 June 2021 and 31 December 2020, 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

Environmental activity is aimed at preventing, reducing or repairing the damage caused to the environment.

The corporate purpose of the Company, as provided for in its Articles of Association, is stated in Note 1.

In view of the Company's activities, it does not have direct environmental responsibilities, expenses, assets or provisions nor contingencies which could have a significant impact in relation to the capital, financial situation and the results thereof. As a result, no specific breakdowns of information on environmental matters have been included in this report on the annual accounts.

At 30 June 2021 and 2020, the Company had not booked any provisions for possible environmental risks, given that the Directors do not believe that there are any significant contingencies related to possible litigation, compensation or other concepts.

25. Subsequent events

Subsequent to 30 June 2021 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred except for:
The final provision two of Law 11/2021, of 9 July, on measures to prevent and combat tax fraud introduces measures that affect the tax regime of REITS with effect for tax periods beginning on or after 1 January 2021.

Law 11/2009, of October 26, is amended to establish a special tax of 15% on the portion of undistributed earnings from income that has not been taxed at the general corporate income tax rate and is not within the legal reinvestment period: In this case, the entity will be subject to a special tax of 15% on the amount of the profits obtained in the year that are not subject to distribution, in the portion arising from income that has not been taxed at the general corporate income tax rate or income subject to the reinvestment period regulated in letter b) of paragraph 1 of Article 6 of this Law. This tax will be considered to be tax due for Corporation Tax.

The special tax will accrue on the date the General Shareholders' Meeting, or equivalent body, resolves upon the appropriation of earnings for the year, and must be carried out by self-assessment and paid within two months from the date of accrual. The officer of the Ministry of Finance shall establish the form and place of presentation of this special tax.

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

Description	2021
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 in 2020 allocated to reserves: 944,411 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 in 2020 allocated to reserves: 944,411 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 Law 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 - Distribution of dividends in 2020: 8,499,697 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

Description	2021
- Dividends from income subject to the general tax rate.	**-**
- 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 - Distribution of dividends in 2020: 8,499,697 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: 01 April 2016 - 2016 Dividends: 29 June 2017 - 2017 Dividends: 26 April 2018 - 2018 Dividends: 25 April 2019 - 2019 Dividends: 30 June 2020 - 2020 Dividends: 29 April 2021 **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: 01 April 2016 **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** - 2015 Dividends: 01 April 2016

Description	2021
f) Acquisition date of the properties allocated to lease which generate income subject to this special scheme.	**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.U., the ownership dates are as follows - Hotel Tryp Meliá Gran Vía: 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 - Pradillo 41 offices: 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 Plaza España, Castellón: 29/12/2011
	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 made in the Company: - An industrial warehouse in Daganzo de Arriba: 27/02/2015 - Retail outlet at Gran Vía 55: 01/03/2016 - Building at José Abascal, 41: 02/12/2016 - Building at Orense 62: 07/02/2017 - Commercial premises at Goya 59: 10/02/2017 - Commercial premises at Glorieta de Cuatro Caminos 6 and 7: 11/04/2018 - Juan Ignacio Luca de Tena 17 building: 31/01/2019 - Plot TER.02-178-A (Valdebebas): 09/09/2020
g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	- 2019: Unibail Rodamco. 6,950 shares (Current value 0.51 million euros) - 2020: Inmobiliaria Colonial: 1,572,296 shares (13.40 million euros)

Description	2021	
h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Law.	The breakdown of real estate assets and their gross book cost, expressed in millions of euros, is as follows:	
	Meliá Atlántico	36.24
	Barceló Isla Canela	27.66
	Iberostar Isla Canela	25.72
	Tryp Meliá Gran Vía	25.00
	Playa Canela	17.42
	Isla Canela Golf	5.02
	Hotels	**137.05**
	Pradillo 42	21.88
	Sanchinarro VI	5.87
	Sanchinarro VII	2.56
	Titán 13	31.83
	Valle de la Fuenfría, 3	18.23
	José Abascal 41	25.61
	Juan Ignacio Luca de Tena,17	30.59
	Orense 62	4.40
	Coslada III	1.45
	Vallecas Comercial I	3.67
	Gran Vía 1 (2º derecha)	2.87
	Gran Vía 1 (1º derecha)	3.01
	Gran Vía 1 (2º izquierda)	1.94
	Offices	**153.91**
	Gran Vía 34	21.53
	Plaza España	15.10
	Conde Peñalver 16	20.43
	Gran Vía 55	13.46
	Cuatro Caminos	7.12
	Goya 59	15.81
	Vallecas Comercial II	3.91
	Marina Isla Canela Shopping Centre	4.70
	Albalá 7	2.87
	Gran Vía 1 (1º izquierda)	2.73
	Dulcinea 4	1.53
	Commercial	**109.17**
	Daganzo de Arriba	13.72
	Industrial	**13.72**
	Plot TER.02-178-A (Valdebebas)	23.27
	Tertiary Land	**23.27**
	Total	**437.13**
i) 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.	- Profits in 2019 allocated to voluntary reserves: 304,475 euros	

Management Report
30 June 2021

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report at 30 June 2021

1. **Explanation of the figures at 30 June 2021**

A breakdown of the main figures at 30 June 2021 compared to 30 June 2020 (31 December 2020 for the balance sheet) is provided below:

Income statement	Euros		
	30/06/2021	30/06/2020	+ / -
Income	**10,891,434**	**7,479,098**	**46%**
Leases	10,803,896	7,426,272	
Provision of sundry services	87,538	52,826	
Operating expenses (see this increase in costs)	-1,117,145	-881,970	27%
Net operating income (NOI)	**9,774,289**	**6,597,128**	**48%**
Overheads	-300,156	-363,706	-17%
EBITDA	**9,474,133**	**6,233,422**	**52%**
Financial profit/(loss)	-37,126	-794,513	-95%
EBTDA	**9,437,007**	**5,438,909**	**74%**
Depreciation	-2,817,258	-2,772,933	
Subsidies	28,175	29,871	
Impairment/Reversal of trade operations	8,550	1,611	
Impairment/Reversal of real estate assets	-	26,758	
Other gains/(losses)	22,731	-7,312	
Gain/(loss) Disposal of real estate assets	-13,485	-101,991	
EBT	**6,665,720**	**2,614,914**	**155%**
Corporation tax	-	-	
Net profit/(loss)	**6,665,720**	**2,614,914**	**155%**

Sectoral indicators at 30 June 2021

	Euros					
	30/06/2021	Per share	30/06/2020	Per share	31/12/2020	Per share
Net recurring profit	5,883,809	1.32	3,124,556	0.70	9,193,157	2.06
Net value of assets	492,714,181	110.67	496,219,407	111.45	483,745,570	108.65
Costs	1,434,150		1,243,061		4,460,780	
Income	10,891,434		7,479,098		20,016,216	
Cost/income ratio	13.17%		16.62%		22.86%	
Unoccupied ratio	4.92%		4.71%		4.03%	
Net yield	4.64%		4.33%		4.62%	

Key figures at 30 June 2021, 30 June 2020 and 31 December 2020

	Data at		
	30/06/2021	30/06/2020	31/12/2020
Annualised income (€M)	25.18	24.93	26.02
FFO (€M)	9.46	6.23	15.47
FFO (€/share)	2.13	1.40	3.47
GAV (€M)	566.62	553.71	563.20
NAV (€M)	492.71	500.84	483.75
ROA	1.67%	0.64%	2.37%
ROE	2.24%	0.90%	3.23%
Gross leasable area (m^2 risk free)	157,086	157,692	157,364
Occupancy rate % at closing	91.80%	93.13%	92.58%
Lease portfolio (€M)	134.75	142.10	148.56
WAULT	7.18	6.99	7.60
LTV	15.61%	15.84%	16.48%
LTV Adjusted	15.61%	16.17%	16.65%
Net debt (€M)	91.12	94.29	95.44
Profit (€/share)	1.50	0.59	2.12
Dividend (€/share)	-	-	1.91
Dividend gross yield	-	-	2,71%

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 2021, the Company's gross property investments amounted to 437,127,286 euros. The main movements recorded in this heading during 2021 were as follows:

Investments: Property investments made in 2021 totalled 2,989,046 euros. The main additions recorded under this heading relate mainly to the following investments:

- There have been additions to construction in progress for an amount of 2,714,616 euros corresponding to the renovation costs of the Hotel Tryp Meliá de Gran Vía in Madrid. During the first six months of 2021, the refurbishment was completed and all the costs incurred, which amounted to 3,413,344 euros, were reclassified to property investment.

- Other real estate costs of 274,430 euros have also been capitalised.

Divestments: Property write downs amounting to 589,038 euros were undertaken in the year. The main deregistrations for 2021 correspond to:

- Sale of several properties with their corresponding annexes in Coslada III (3 units) for a gross cost of 589,038 euros, which have been sold to third parties. These sales transactions generated a joint net loss of 13,485 euros (net loss of 75,233 euros at 30 June 2020), which has been recorded under “Impairments and gains (losses) on fixed asset disposals” in the statement of profit and loss at 30 June 2021.

Transfers: During the first six months of 2021, transfers were made from investment property in progress to investment property in the amount of 3,413,344 euros (5,794,222 euros in the same period of 2020), due to the completion of refurbishment work on the Hotel Tryp Meliá de Gran Vía in Madrid.

Dividends:

Dividends paid by the Company to shareholders in 2021:

The proposed distribution of 2020 earnings presented by the Company's directors to the shareholders and approved at the Annual General Shareholders' Meeting held on 29 April 2021 was as follows:

	Euros
Basis of distribution:	
Profit and Loss	9,444,108
Distribution:	
Legal Reserve	944,411
Dividends	8,499,697

Dividend against 2020 earnings

On 29 December 2020, the Company’s Board of Directors agreed to distribute a dividend against 2020 earnings in the amount of 1.57 euros gross per share paid on 29 December 2020, which is equivalent to a total gross amount of 7,000,000 euros.

On 29 April 2021, the Company's Shareholders' Meeting approved a proposed dividend distribution against 2020 results of 1.91 euros per share, of which 1.57 euros per share was already paid as an interim dividend as described above.

On 5 May 2021, the Company paid its shareholders a gross final dividend of 1,499,697 euros for 2020 in full.

Net financial debt: The Company had net financial debt of 91,117,744 euros (95,436,654 euros at 31 December 2020). The breakdown of this debt is as follows:

	Euros	
	31/06/2021	31/12/2020
José Abascal, 41	10,374,000	10,944,000
Titán, 13	10,865,790	11,239,286
Conde de Peñalver, 16	7,017,101	7,297,857
Valle de la Fuenfría, 3	8,518,855	8,769,425
Juan Ignacio Luca de Tena, 17	11,355,240	11,615,880
Glorieta de Cuatro Caminos 6 and 7	3,975,000	4,150,000
Debt with mortgage guarantee	**52,105,986**	**54,016,448**
Debentures and bonds	2,000,000	10,000,000
Available credit facilities	10,603	452,847
Loan Goya, 59	-	9,450,000
Loan Gran Vía, 55:	-	9,414,000
Long-term loans	42,000,000	13,694,398
Interest accrued due	126,755	330,423
Derivatives	372,348	440,811
Unsecured debt	**44,509,706**	**43,782,480**
Cash and bank	-5,497,948	-2,362,274
Net financial debt	**91,117,744**	**95,436,654**

“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 2021, totalled 120,136 euros (130,822 at 30 June 2020), recorded under “Financial expenses” in the attached statement of profit and loss.

On 23 June 2021, the Company has paid the annual coupon and redeemed the 8,000,000 euro bond which matured that same day.

The expenses incurred each year in connection with the issue, registration and maintenance of fixed-income securities programmes are registered in the Company's income statement for each year, due to their immateriality. At 30 June 2021, these expenses amounted to 7,168 euros (12,769 euros in 2020). The only fees that have arisen through the Bond and Debenture Programme are those listed in the table above. There have been no placement costs or fees.

As of 30 June 2021, the Company had an outstanding mortgage loan debt amounting to 52,105,986 euros (31 December 2020: 54,016,448 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 2021 had not yet matured or been repaid.

During the first six months of 2021, the Company has not taken out any new mortgage loans on any of its real estate assets.

The Company's LTV at 30 June 2021 was 15.61% (16.48% at year-end 2020). The adjusted LTV was 15.61%

(16.65% at year-end 2020).

Income: At 30 June 2021, the Company had obtained total income of 10,891,434 euros (7,479,098 euros at 30 June 2020). The breakdown of income by asset type is as follows:

	Euros		Variation in %	
				Like for Like
	30/06/2021	30/06/2020	Growth	Growth
Hotels	2,251,318	1,484,415	51,66%	51,66%
Offices	4,534,972	3,157,592	43,62%	43,62%
Commercial	3,525,630	2,283,083	54,42%	54,42%
Industrial	579,513	554,008	4,60%	4,60%
Total	**10,891,434**	**7,479,098**	**45,62%**	**45,62%**

Rental income has decreased by 46% year-on-year. The main deviations focus on:

- Hotels were hit particularly hard due to the timing of the pandemic (close to the start of activity during Easter 2020), prompting a 46% reduction in revenues compared to the previous year. It was in fact this business segment that most suffered the consequences of the pandemic. In the first half of 2021, income was up 52 percent on 2020.

- The office sector was also 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. Office leasing activity has improved substantially over the past year, with revenues up 44% on the back of income from José Abascal 41 and Juan Ignacio Luca de Tena 17, both of which were at full capacity in 2021.

- The pandemic also had a negative impact in the commercial area, where revenue was down 17% year-on-year. 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. In the first half of 2021, revenues generated by this business area increased by 54% due to the opening of the stores and the negotiation carried out in the management of the contracts.

- Income rose by 5% in the industrial area.

At 30 June 2021 and 31 December 2020, 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:

	Euros	
	Nominal value	
	30/06/2021	31/12/2020
Less than a year	25,175,411	26,023,053
Between two and five years	64,423,806	70,503,577
More than five years	45,150,257	52,028,968
Total	**134,749,474**	**148,555,598**

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

	WAULT	
	30/06/2021	31/12/2020
Hotels	5.23	6.70
Offices	3.47	3.86
Commercial	12.85	13.08
Industrial	7.16	6.76
Total Average	**7.18**	**7.60**

NOI: Net Operating Income was positive and amounted to 9,774,289 euros (6,597,127 euros at 30 June 2020), up by 48%. The breakdown of NOI by asset type is as follows:

	Euros	
	30/06/2021	30/06/2020
Hotels	1,926,152	1,217,633
Offices	3,869,375	2,632,102
Commercial	3,406,784	2,199,889
Industrial	571,978	547,504
NOI	**9,774,289**	**6,597,127**

At 30 June 2021, **EBITDA** was positive and amounted to 9,474,133 euros (6,233,421 euros in June 2020), a year-on-year increase of 52%.

Financial gain/(loss) The financial loss at 30 June 2021 is 37,126 euros (794,513 euros at June 2020). The breakdown of this result is as follows:

- The total financial income derived from the Group's financing system amounted to 40,384 euros (408,247 euros in June 2020), to which the financial income of third parties amounting to 59,195 euros (48,023 euros in June 2020) must be added.

- Financial expenses amounted to 981,303 euros (868,727 euros in June 2020).

- During the first half of 2021, the Company recognised a positive effect on the income statement for a net amount of 844,598 euros (a negative amount of 382,056 euros in June 2020) 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 1,572,296 shares of Inmobiliaria Colonial SOCIMI, S.A.

At 30 June 2021, **EBITDA** was positive and amounted to 9,437,007 euros (5,438,909 euros at June 2020), a year-on-year increase of 74%.

Depreciation: Depreciation expenses amounted to 2,817,258 euros (2,772,933 euros at 30 June 2020). The 2% increase is a result of new year-on-year investments.

Subsidies: Income from subsidies amounted to 28,175 euros (29,871 euros in June 2020).

Gain/(loss) on disposal of real estate assets: At 30 June 2021, 3 lofts with their corresponding annexes in Coslada III were sold to third parties for a gross cost of 589,038 euros. These sales transactions generated a joint net loss of 13,485 euros (net loss of 75,233 euros at 30 June 2020), which has been recorded under "Impairments and gains (losses) on fixed asset disposals" in the statement of profit and loss at 30 June 2021.

At 30 June 2021, **EBIT** was positive and amounted to 6,665,720 euros (2,614,914 euros at June 2020), a year-on-year increase of 155%.

Net profit/(loss): Net profit at 30 June 2021 was positive, amounting to 6,665,720 euros (2,614,914 euros in June 2020), giving net earnings per share of 1.50 euros (0.59 euros in June 2020).

2. Valuation of real estate assets

The Company commissioned a valuation of its assets from CBRE Valuation Advisory, S.A., an independent expert. On 9 February 2021, CBRE published its report on the year-end fair values of all of the Company's real-estate investments. This valuation was based on the market rental values (which involves 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 Royal Institute of Chartered Surveyors (RICS).

While the COVID-19 pandemic is affecting the economy and may have an impact on the value of assets, as of the date of the valuation issued by the expert, a number of real estate markets are operating once again, and, consequently, the valuation of these assets is not subject to "material valuation uncertainty", pursuant to VPS3 and VPGA10 of the RICS Global Valuation Standards.

The directors of the Company consider that no significant changes occurred in the first six months of 2021 in either the variables used by the independent expert in the valuation at year-end 2020, or in the contents or conditions of the current lease contracts used in the valuation.

According to the valuations made at 31 December 2020, 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 195,525,576 euros (191,763,275 euros at 31 December 2020), 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.

The gross asset value of the property investments at 30 June 2021 and 31 December 2020, broken down by business segment, is as follows:

	Gross market value of the property investments (euros) (*)	
	30/06/2021	31/12/2020
Hotels	145,681,835	142,268,491
Offices	181,113,823	181,113,823
Commercial	195,810,240	195,810,240
Industrial	19,583,300	19,583,300
Plots	24,427,590	24,427,590
Total	**566,616,787**	**563,203,443**

(*) The net market value as of 30 June 2021 amounts to 547,517,790 euros.

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 2021 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.

Segment expenses are calculated as the directly attributable expenses incurred in the operating activities, plus the corresponding proportion of the expenses that can be reasonably allocated to the segment.

Segmented income statement

2021 (30 June)

	Euros					
30/06/2021	Hotels	Offices	Commercial	Industrial	Others	Total
Income	2,251,318	4,534,972	3,525,630	579,513	-	10,891,434
Indirect costs	-325,166	-665,597	-118,847	-7,535	-	-1,117,145
Net operating income	**1,926,152**	**3,869,375**	**3,406,784**	**571,978**	**-**	**9,774,289**
Overheads	-62,044	-124,979	-97,162	-15,971	-	-300,156
EBITDA	**1,864,108**	**3,744,396**	**3,309,621**	**556,007**	**-**	**9,474,133**
% of income	**82.80%**	**82.57%**	**93.87%**	**95.94%**	**-**	**86.99%**
Depreciation	-1,119,459	-1,109,119	-515,929	-72,011	-741	-2,817,258
Subsidies	28,175	-	-	-	-	28,175
Extraordinary gains/(losses)	22,731	-	-	-	-	22,731
Gain/(loss) on disposal of real estate assets	-	-13,485	-	-	-	-13,485
Impairment/Reversal of provisions	-	-	8,550	-	-	8,550
Financial profit/(loss)	-	-340,703	-342,920	53,318	593,179	-37,126
EBT	**795,556**	**2,281,089**	**2,459,323**	**537,314**	**592,439**	**6,665,720**
Corporation tax	-	-	-	-	-	-
Net profit/(loss)	**795,556**	**2,281,089**	**2,459,323**	**537,314**	**592,439**	**6,665,720**
% of income	**35.34%**	**50.30%**	**69.76%**	**92.72%**	**-**	**61.20%**

2020 (30 June)

	Euros					
30/06/2020	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%**

The breakdown of the **income and net book value** for real estate assets heading at 30 June 2021 is as follows:

	Euros					
	30/06/2021			30/06/2020		31/12/2020
	Income	%	Net book value	Income	%	Net book value
Hotels	2,251,318	20.67%	105,525,975	1,484,415	19.85%	103,845,471
Offices	4,534,972	41.64%	141,545,737	3,157,592	42.22%	142,988,883
Commercial	3,525,630	32.37%	87,941,750	2,283,083	30.53%	88,457,678
Industrial	579,513	5.32%	12,810,670	554,008	7.41%	12,882,682
Plots	-	-	23,267,079	-	-	23,265,453
Total income	**10,891,434**	**100.00%**	**371,091,211**	**7,479,098**	**100%**	**371,440,168**

At 30 June 2021, 21% of revenue was generated by hotel assets, 42% by offices, 32% by commercial premises and the remaining 5% by industrial properties. At 30 June 2021, the hotels were fully leased; offices were 90% leased; commercial premises were 63% leased and the industrial area was 100% leased. At 30 June 2021, the occupancy rate of real estate assets was 92%. The Gross Leasable Area (GLA) was 157,086 m2.

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

Area	Euros			
	30/06/2021		30/06/2020	
	Income	Income (%)	Income	Income (%)
Madrid	8,813,311	80.92%	6,310,066	84.37%
Huelva	2,078,123	19.08%	1,169,032	15.63%
Total	**10,891,434**	**100.00%**	**7,479,098**	**100.00%**

From a geographic point of view, all of the income obtained in the first half of 2021 was generated in Madrid and Huelva (both in Spain). Madrid remains in first place, contributing around 81% of total income, followed by Huelva with 19%.

It is also interesting to consider changes in **occupancy rates** by **asset types**. At 30 June 2021, the level of occupancy of the Company's assets for leasing was 91.80% (93.13% in June 2020) based on the square metres leased, the breakdown of which was as follows:

Asset type	% occupancy			Floor area in m^2 above ground level		
	30/06/2021	30/06/2020	31/12/2020	30/06/2021	30/06/2020	31/12/2020
Hotels	100.00%	100.00%	100.00%	80,135	80,135	80,135
Offices	89.65%	90.49%	90.72%	39,158	39,764	39,436
Commercial	63.21%	70.58%	66.58%	23,982	23,982	23,982
Industrial	100.00%	100.00%	100.00%	13,810	13,810	13,810
Total	**91.80%**	**93.13%**	**92.58%**	**157,086**	**157,692**	**157,364**

During the first six months of 2021, the occupancy rate of real estate has decreased slightly with respect to that existing on 31 December 2020.

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 deferrals for suppliers

The information required by the Third Additional Provision of Act 15/2010 of 5 July (modified through the Second Final Provision of Act 31/2014, of 3 December) is provided below. This has been prepared in accordance with the Institute of Accounting and Auditing (ICAC) Resolution of 29 January 2016, on the information to be included in the notes to the financial statements in relation to average payments periods for suppliers in commercial operations.

	30/06/2021	30/06/2020
	Days	
Average payment period to suppliers	41.76	93.90
Ratio of transactions paid	41.22	93.67
Ratio of transactions pending payment	45.29	94.48
	Euros	
Total payments made	4,716,655	5,912,736
Total payments outstanding	727,323	2,363,113

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.

For the exclusive purposes of providing the information required in this Resolution, suppliers are considered trade creditors due to debts with suppliers of goods or services, included under the “Suppliers” and “Sundry creditors” headings in current liabilities in the balance sheet.

The “Average payment period to suppliers” is 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 in 2020 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).

6. Earnings per share at 30 June 2021

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

	Euros	
	30/06/2021	30/06/2020
Net Profit	6,665,720	2,614,914
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**1.50**	**0.59**

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 2021, 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 the policies of the PER Group in which it is integrated, 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:

g) 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.

h) 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.

i) Exchange rate risk

The Company did not have any significant assets or liabilities in foreign currencies at 30 June 2021 and therefore had no exchange rate risk.

j) 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 2020, the Company arranged a long-term loan for 12,000,000 euros with Banco Santander at a fixed rate. It matures on 22 December 2025. In 2021, the Company arranged another long-term loan for 30,000,000 euros with Banco Santander at a fixed rate. It matures on 11 March 2026.

k) 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.

l) Risks of the COVID-19 pandemic

In January 2020, COVID-19 appeared in China. Having spread around the world, the World Health Organisation classified it as a pandemic at 11 March 2020. On 15 March 2020, the Spanish government decreed a state of alert until 21 June as a result of the pandemic. Spain has also ordered a number of mobility restrictions since. This event significantly affects economic activity worldwide and, as a result, the Company's operations and financial results. The Company implemented a contingency plan to mitigate as far as possible the impact on results.

Therefore, the Company has had to sign different deferrals or interest-only arrangements in the contracts with the lessees of the assets, and it has managed to partially offset their impact through some additional contracts in other assets.

The extent to which COVID-19 will impact future results will depend on future developments that cannot be reliably predicted, including actions to contain or the disease, the vaccination process, and how its impact on the economies of affected countries may be allayed. Nonetheless, the Company's Directors do not envision any scenario in which this risk could significantly affect the value of the Company's real estate assets or compromise the continuity of the Company's business.

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.

10. Outlook for 2021

Given the Company's activity, its directors consider that 2021 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 2021, 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 2021 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred except for:

The final provision two of Law 11/2021, of 9 July, on measures to prevent and combat tax fraud introduces measures that affect the tax regime of REITS with effect for tax periods beginning on or after 1 January 2021.

Law 11/2009, of October 26, is amended to establish a special tax of 15% on the portion of undistributed earnings from income that has not been taxed at the general corporate income tax rate and is not within the legal reinvestment period: In this case, the entity will be subject to a special tax of 15% on the amount of the profits obtained in the year that are not subject to distribution, in the portion arising from income that has not been taxed at the general corporate income tax rate or income subject to the reinvestment period regulated in letter b) of paragraph 1 of Article 6 of this Law. This tax will be considered to be tax due for Corporation Tax.

The special tax will accrue on the date the General Shareholders' Meeting, or equivalent body, resolves upon the appropriation of earnings for the year, and must be carried out by self-assessment and paid within two months from the date of accrual. The officer of the Ministry of Finance shall establish the form and place of presentation of this special tax.

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 2021 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 2021 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, 29 July 2021

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr José Luis Colomer Barrigón
(Vice-Chairman)

Ms Irene Hernández Álvarez
(Director)

Ms Mónica de Quesada Herrero
(Director)

Mr José Juan Cano Resina
(Non-member Secretary)

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

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 29 July 2021. Said interim financial statements and the consolidated half-yearly management report appear on 64 sheets of ordinary paper, numbered from 1 to 64, 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, 29 July 2021

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr José Luis Colomer Barrigón
(Vice-Chairman)

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