SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report
March 31, 2022

Table of Contents

SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Management Report
2022
(31 March 2022)

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report at 31 March 2022

1. Explanation of the figures at 31 March 2022

A breakdown of the main figures at 31 March 2022 compared to 31 March 2021 is provided below:

	Euros		
Income statement	**31/03/2022**	**31/03/2021**	**+ / -**
Income	**5,976,769**	**5,546,169**	**8%**
Leases	5,936,335	5,501,444	
Provision of sundry services	40,434	44,725	
Operating expenses	-698,836	-463,307	51%
Net operating income (NOI)	**5,277,934**	**5,082,862**	**4%**
General expenses	-159,325	-179,218	-11%
EBITDA	**5,118,608**	**4,903,644**	**4%**
Financial profit (loss)	-335,764	-58,869	470%
EBTDA	**4,782,845**	**4,844,775**	**-1%**
Depreciation	-1,459,394	-1,388,593	
Subsidies	14,088	14,088	
Other gains (losses)	-38,829	-	
Impairment/Reversal of trade operations	-	4,275	
Profit/(loss) on disposal of real estate assets	-3,053	-6,929	
EBT	**3,295,655**	**3,467,616**	**-5%**
Corporation tax	-	-	
Net profit (loss)	**3,295,655**	**3,467,616**	**-5%**

Sector indicators as at 31 March 2022

	Euros					
	31/03/2022	**Per share**	**31/03/2021**	**Per share**	**31/12/2021**	**Per share**
Recurring net profit	3,280,477	0.74	3,122,687	0.70	12,950,956	2.91
Net value of assets	540,329,952	121.36	489,414,386	109.93	535,119,847	120.19
Costs	850,850		642,525		4,859,809	
Income	5,976,769		5,546,169		24,120,213	
Cost/income ratio	14.24%		11.59%		20.15%	
Vacancy ratio	4.51%		4.68%		4.52%	
Net profitability	4.53%		4.72%		4.52%	

Main figures as at 31 March 2022

	31/03/2022	**31/03/2021**	**31/12/2021**
Annualised income (million €)	26.89	25.57	25.77
FFO (million €)	5.04	4.88	19.25
FFO (€/share)	1.13	1.10	4.32
GAV (million €) (*)	621.08	566.62	619.67
NAV (million €) (*)	540.33	489.41	535.12
ROA	0.77%	0.81%	5.22%
ROE	1.04%	1.17%	6.89%
Gross leasable surface area (risk-free m^2) (*)	166,568	157,274	166,732
% occupancy at year end	92.50%	92.27%	92.57%
Lease portfolio (€M)	230.11	140.95	229.46
WAULT	9.35	7.21	9.39
LTV	16.25%	16.01%	15.41%
Net debt (millions €)	104.83	93.28	97.51
Profit (€/share)	0.74	0.78	4.90
Dividend (€/share)	-	-	3.40
Gross profitability via dividend	-	-	4.68%

(*) Does not include 38,545 m^2/e of undeveloped plots located in Valdebebas

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 loans 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 corporation 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.

Real estate investments (gross): As at 31 March 2022, the gross investment property portfolio measured at cost amounts to 466,360,273 euros, of which 1,634,065 euros relate to unfinished buildings awaiting completion, 23,359,246 euros to undeveloped land and the remaining 441,366,962 euros to investment property held under lease agreements. In 2022, the following investments and disinvestments took place:

Investments undertaken amounting to 1,413,422 euros:

- During 2022, additions of 1,413,422 euros were made, mainly due to the renovation of the Barceló Hotel in Isla Canela for 419,752 euros, the office building at Calle Arapiles 14 in Madrid for 655,379 euros, the office building at Calle Pradillo 42 in Madrid for 108,072 euros and the Meliá Innside Valdebebas Hotel for 129,712 euros.

Divestments made amounting to 316,819 euros:

- During 2022, 1 loft from the Coslada III development (with its annexes) was sold, resulting in a net loss of 3,061 euros, and 1 loft from the Vallecas Comercial I development (with its annexes), resulting in a net gain of 8 euros.

Dividends:

Dividends payable to shareholders in 2022:

The proposed distribution of results for the 2021 year to be made by the directors of the Company to the shareholders is as follows:

	Euros
Profit at 31 December 2021	**21,824,771**
Legal reserve	2,182,477
Voluntary reserve	4,494,171
Dividends	15,148,123

The proposed distribution of profits to be made by the directors of the Company to the General Shareholders Meeting entails the distribution, as dividends charged to 2021 profits, of 3.40 euros per share.

Dividends paid out by to shareholders in 2021:

The proposed distribution of results for 2020 to be made by the directors of the Company to the shareholders is as follows:

	Euros
Profit at 31 December 2020	**9,444,108**
- Legal reserve	944,411
- Dividends	8,499,697

On 29 December 2020, the Board of Directors at the Company approved the distribution of an interim dividend for 2020 of 1.57 euros gross per action, paid out on 29 December 2020, equivalent to a gross amount of 7,000,000 euros.

The proposed distribution of profits made by the directors of the Company to the General Shareholders Meeting entails the distribution, as dividends charged to 2020 profits, of 1.91 euros per share, of which 1.57 euros per share have already been paid out. The final dividend for 2020 in the amount of 1,499,697 euros approved by the General Shareholders' Meeting on 29 April 2021 was paid in full on 5 May 2021.

Net financial debt: The Company has a net financial debt of 104,834,890 euros (97,508,331 euros at 31

December 2021). The breakdown of this debt is as follows:

Details of the debt	Euros	
	31/03/2022	31/12/2021
José Abascal, 41	9,690,000	10,374,000
Titán, 13	10,311,414	10,511,131
Conde de Peñalver, 16	6,695,374	6,825,054
Valle de la Fuenfría, 3	8,140,175	8,266,780
Juan Ignacio Luca de Tena, 17	10,957,440	11,090,040
Glorieta de Cuatro Caminos 6 and 7.	3,625,000	3,800,000
Mortgage-backed debt	**49,419,403**	**50,867,006**
Bonds and debentures	2,000,000	2,000,000
Drawn down credit facilities	45,141	3,305,677
Unsecured loans	54,271,586	42,000,000
Interest accrued pending maturity	173,869	184,454
Derivative	86,589	283,008
Unsecured debt	**56,577,185**	**47,773,138**
Cash and bank	-1,161,697	-1,131,813
Net financial debt	**104,834,890**	**97,508,331**

The "Bonds and Debentures" item covers the issuance of two sets of Fixed Income securities undertaken by the Company in 2016 as part of the "2015 Fixed Income Securities Issuance Programme", for a combined amount of 10,000,000 euros, of which only 2,000,000 euros remain due at 31 March 2022 and at 31 December 2021. This amount falls due on 23 June 2022.

The average APR of both issues for the issuer was 2.73% per annum. The securities issued have been traded on the Alternative Fixed Income Market "MARF" since 24 June 2016. The financial expenses resulting from the aforementioned issuances, accrued and pending maturity in 2022, totalled 12,465 euros (62,328 at 31 March 2021), recorded under “Financial expenses” in the attached profit and loss account.

The expenses incurred each year in connection with the issue, registration and maintenance of fixed-income securities programs are registered in the Company's income statement for each year, due to their immateriality. At 31 March 2022, these expenses amounted to 3,999 euros (5,501 euros at 31 March 2021). There have been no placement costs or fees.

At 31 March 2022, the Company had mortgage debt of 49,419,403 euros pending maturity (50,867,006 euros at 31 December 2021) recorded under the "Long-term debts with credit institutions" and "Short-term debts with credit institutions" items and correspond mainly to mortgage-backed loans taken out with CaixaBank, Banco Santander, Banca March and Kutxabank, which, at 31 March 2022, are pending maturity and repayment.

During 2022, the Company has taken out the following loans:

- A fixed-rate loan for the sum of 10,000,000 euros signed with Banco Santander, maturing on 18 February 2023. This loan is unsecured.

- A variable-rate loan for the sum of 3,000,000 euros signed with Abanca, maturing on 1 April 2027. This loan is unsecured.

The Company's LTV at 31 March 2022 was 16.25% (15.41% at 31 December 2021).

Income: At 31 March 2022, the Company had obtained total income of 5,976,769 euros (5,546,169 euros at 31 March 2021). The breakdown of income per asset type is as follows:

	Euros		Variation in %	
				Like for Like
	31/03/2022	31/03/2021	Growth	Growth
Hotels	1,236,412	1,075,513	14.96%	14.96%
Offices	2,466,980	2,368,422	4.16%	4.16%
Retail	2,273,376	1,755,978	29.46%	6.17%
Industrial	-	346,255	N/A	N/A
Total	**5,976,769**	**5,546,169**	**7.76%**	**7.07%**

Rental income increased by 8% year on year with a general increase in all areas, although especially in the hotels and commercial area. There are no differences in the application of the "growth" and "LFLG" criteria, apart from the impact of the income from the Sexta Avenida shopping centre acquired in the last quarter of 2021 and the disposal of the industrial building in Daganzo in the same quarter. The main deviations focus on:

- **Hotels:** The 15% increase is mainly due to the increase in revenue from the Innside Meliá Gran Vía de Madrid hotel, partially mitigated by the decrease in revenue from the Playa Canela hotel due to the change in contract terms agreed between years.

- **Offices:** Increase of 4% spread across all assets in this asset segment.

- **Commercial:** Increase of 29% spread over all assets belonging to this segment, in particular due to the income from the Sexta Avenida shopping centre acquired in the last quarter of 2021.

- **Industrial:** The only asset belonging to this segment was sold in the last quarter of 2021, so there is no income in this asset class in 2022.

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	
Operating leases	Nominal value	
Minimum instalments	31/03/2022	31/03/2021
Less than a year	26,893,426	25,566,943
Between two and five years	81,416,413	67,566,454
More than five years	121,797,346	47,816,598
Total	**230,107,185**	**140,949,995**

The Company owns the property TER.02-178-A located at Calle José Antonio Fernández Ordóñez 55 in Madrid (Valdebebas) with 38,545 m2/e for hotel and public use, on which it intends to build a hotel and convention centre and a private hospital. As at 31 March 2022, the Company has entered into agreements with Meliá Hotels International, S.A. and Sanitas, S.A. de Hospitales for the construction and subsequent long-term lease of two buildings (Hotel Innside Madrid Valdebebas T4 and Hospital Sanitas Valdebebas) on the above-mentioned land. Construction is expected to start in 2022, with the hotel to be completed by the end of 2024 and the hospital by mid-2025, after which the first rental income will be generated.

In relation to the average duration of the leases per type of property, the WAULT (Weighted average unexpired lease term) are detailed below:

Type	WAULT	
	31/03/2022	31/03/2021
Hotels	8.52	5.37
Offices	6.89	3.62
Retail	11.34	13.27
Industrial	-	6.58
Total Average	**9.35**	**7.21**

NOI: Net Operating Income was positive and amounted to 5,277,934 euros (5,082,862 euros at 31 March 2021), an increase of 4%. The breakdown of NOI per asset type is as follows:

	Euros	
	31/03/2022	31/03/2021
Hotels	1,164,803	957,625
Offices	2,090,501	2,054,748
Retail	2,022,630	1,726,286
Industrial	-	344,203
NOI	**5,277,934**	**5,082,862**

Indirect costs, which reduce revenue used to calculate NOI, increased by 51% from 463,307 euros in Q1 2021 to 698,836 euros as at 31 March 2022, due to the addition of new assets to the Company's portfolio, in particular the Sexta Avenida shopping centre.

At 31 March 2022, **EBITDA** was positive and amounted to 5,118,608 euros (4,903,644 euros at March 2021), a year-on-year increase of 4%. Corporate overheads, which reduce NOI used to calculate EBITDA, have been reduced by 11% year-on-year from 179,218 euros in 2021 to 159,325 euros as at 31 March 2022.

Financial profit (loss): The financial loss at 31 March 2022 was 335,764 euros (58,869 euros at March 2021). The breakdown of this result is as follows:

- The total financial income derived from the Group's financing system amounted to 18,913 euros (17,573 euros in March 2021), to which the financial income of third parties amounting to 744 euros (2,212 euros in March 2021) must be added.

- The Company's financial expenses were 385,291 euros (482,137 euros in March 2021) and result from the Company's financing with credit institutions and the Alternative Fixed Income Market.

- The Company valued its portfolio of listed shares held in its assets at year-end, obtaining a positive value adjustment of 29,869 euros (positive value adjustment of 403,483 euros in the first quarter of 2021).

At 31 March 2022, **EBITDA** was positive and amounted to 4,782,845 euros (4,844,775 euros in March 2021), a year-on-year decrease of 1%.

Depreciation: Depreciation expense was 1,459,394 euros compared to 1,388,593 euros for the same period in the previous year.

Subsidies: Income from subsidies amounted to 14,088 euros (14,936 euros in March 2021).

Profit/(loss) on disposal of real estate assets: During the year, 1 loft from the Coslada III development and 1 loft from the Vallecas Comercial I development were sold (including their corresponding annexes), generating net losses of 3,053 euros.

At 31 March 2022, **EBT** was positive and amounts to 3,295,655 euros (3,467,616 euros in March 2021), i.e. a 5% decrease year-on-year. Despite the 8% increase in revenue, which ultimately translates into a 4% increase in NOI after the inclusion of the new assets in 2021, the increase in the negative financial result has led to a slight decrease in profit before tax in the first quarter of 2022.

Net profit/(loss): Net profit at 31 March 2022 amounted to 3,295,655 euros (3,467,616 euros in March 2021), giving net earnings per share of 0.74 euros (0.78 euros in March 2021).

2. Valuation of real estate assets

The Company commissioned Jones Lang Lasalle, an independent expert, to conduct a valuation of its assets, which was issued on 25 January 2022, in order to determine the fair values of all its property investments at year-end. Such valuations were conducted on the basis of the market lease value (which consists of capitalising net rents from each property and updating future flows). Acceptable discount rates were used to calculate fair value for a potential investor, which are in keeping with those used by the market for properties having similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the United Kingdom's Royal Institute of Chartered Surveyors (RICS).

The key variables used in the valuations made using the discounted cash flow method are:

- Current income: the income generated by each property on the valuation date and considering non-refundable expenses only for empty spaces.

- Estimated income for empty spaces and/or new leases during the years of the cash-flow.

- Exit Yield: rate of return required at the end of the valuation period for the sale of the asset. At the end of the discount period an exit value has to be determined for the property. At that time it is not possible to reapply a cash flow discount methodology and the sale value has to be calculated according to an exit yield based on the income that the property is generating at the time of sale, provided that the cash flow projection is understood to be a stabilized income that we can capitalise on a perpetual basis.

- IRR: is the interest rate or return offered by an investment, the value of the discount rate that makes the NAV equal to zero, for a given investment project.

- ERV: Market income of the asset at the valuation date.

Said valuations generated a net loss in the Company's income statement at 31 December 2021 amounting to 385,598 euros (184,777 euros in 2020).

The gross market value of property investments at 31 March 2022 amounted to 621,079,357 euros (619,668,431 euros at 2021 year-end). The breakdown by business segment is as follows:

	Euros	
	31/03/2022	**31/12/2021 (*)**
Hotels	147,557,242	147,040,000
Offices	232,175,088	231,411,637
Retail	214,157,401	214,157,401
Plots	27,189,626	27,059,393
Total	**621,079,357**	**619,668,431**

(*) The net market value at 31 December 2021 comes to 601,220,000 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 as follows:

- Hotels
- Offices
- Retail
- 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

2022 (31 March)

31/03/2022	Euros					
	Hotels	Offices	Retail	Industrial	Others	Total
Income	1,236,412	2,466,980	2,273,376	-	-	5,976,769
Indirect costs	-71,609	-376,480	-250,746	-	-	-698,836
Net Margin	**1,164,803**	**2,090,501**	**2,022,630**	**-**	**-**	**5,277,934**
General expenses	-32,960	-65,763	-60,602	-	-	-159,325
EBITDA	**1,131,844**	**2,024,737**	**1,962,028**	**-**	**-**	**5,118,608**
% of income	**91.54%**	**82.07%**	**86.30%**	**-**	**-**	**85.64%**
Depreciation	-582,612	-592,620	-283,957	-	-206	-1,459,394
Subsidies	14,088	-	-	-	-	14,088
Extraordinary profits (losses)	-38,829	-	-	-	-	-38,829
Profit/(loss) on disposal of real estate assets	-	-3,053	-	-	-	-3,053
Impairment/Reversal	-	-	-	-	-	-
Financial profit (loss)	-	-75,822	-18,011	-	-241,931	-335,764
EBT	**524,490**	**1,353,243**	**1,660,059**	**-**	**-242,137**	**3,295,655**
Corporation tax	-	-	-	-	-	-
Net profit (loss)	**524,490**	**1,353,243**	**1,660,059**	**-**	**-242,137**	**3,295,655**
% of income	**42.42%**	**54.85%**	**73.02%**	**-**	**-**	**55.14%**

2021 (31 March)

31/03/2021	Euros					
	Hotels	Offices	Retail	Industrial	Others	Total
Income	1,075,513	2,368,422	1,755,978	346,255	-	5,546,169
Indirect costs	-117,888	-313,674	-29,692	-2,053	-	-463,307
Net Margin	**957,625**	**2,054,748**	**1,726,286**	**344,203**	**-**	**5,082,862**
General expenses	-34,754	-76,533	-56,743	-11,189	-	-179,218
EBITDA	**922,871**	**1,978,215**	**1,669,544**	**333,014**	**-**	**4,903,644**
% of income	**85.81%**	**83.52%**	**95.08%**	**96.18%**	**-**	**88.41%**
Depreciation	-539,973	-554,267	-257,964	-36,006	-383	-1,388,593
Subsidies	14,088	-	-	-	-	14,088
Extraordinary profits (losses)	-	-	-	-	-	-
Profit/(loss) on disposal of real estate assets	-	-6,929	-	-	-	-6,929
Impairment/Reversal	-	-	4,275	-	-	4,275
Financial profit (loss)	-	-141,653	-180,390	-	263,174	-58,869
EBT	**396,986**	**1,275,366**	**1,235,465**	**297,008**	**262,790**	**3,467,616**
Corporation tax	-	-	-	-	-	-
Net profit (loss)	**396,986**	**1,275,366**	**1,235,465**	**297,008**	**262,790**	**3,467,616**
% of income	**36.91%**	**53.85%**	**70.36%**	**85.78%**	**-**	**62.52%**

The breakdown of the **income and net book value** for real estate assets heading at 31 March 2022 is as follows:

	Euros						
	31/03/2022			31/03/2021			31/12/2021
	Income	%	Net cost	Income	%	Net cost	Net cost
Hotels	1,236,412	21%	104,489,911	1,075,513	19%	106,025,973	104,555,280
Offices	2,466,980	41%	170,926,259	2,368,422	43%	142,346,015	171,032,480
Retail	2,273,376	38%	97,730,563	1,755,978	32%	88,199,714	98,012,024
Industrial	-	-	-	346,255	6%	12,846,675	-
Plots	-	-	23,489,479	-	-	23,267,079	23,357,622
Total income	**5,976,769**	**100%**	**396,636,212**	**5,546,169**	**100%**	**372,685,457**	**396,957,406**

At 31 March 2022, 21% of revenue was generated by hotel assets, 41% by offices and 38% by commercial premises.

The breakdown of contribution to **income from a geographic standpoint** is as follows:

Area	Euros			
	31/03/2022		31/03/2021	
	Income	Income (%)	Income	Income (%)
Madrid	5,131,740	85.86%	4,465,440	80.51%
Huelva	845,029	14.14%	1,080,729	19.49%
Total	**5,976,769**	**100.00%**	**5,546,169**	**100.00%**

From a geographic point of view, all of the income obtained in the first quarter of 2022 was generated in Madrid and Huelva (both in Spain). Madrid thus accounts for 86% of revenue, and Huelva for 14%.

Furthermore, it is of interest to highlight the evolution of the **occupation rates** by type of asset from the **standpoint of asset types**: At 31 March 2022, the occupation rate of the Company's assets allocated to leases was 93% (92% in March 2021 and 92% in December 2021) based on square metres leased, with the breakdown as follows:

Type of asset	% occupation			Floor area in m^2 above ground level		
	31/03/2022	31/03/2021	31/12/2021	31/03/2021	31/03/2021	31/12/2021
Hotels	100.00%	100.00%	100.00%	80,135	80,135	80,135
Offices	90.49%	89.56%	89.52%	45,698	39,347	45,861
Retail	79.98%	66.41%	80.40%	40,736	23,982	40,736
Industrial	-	100.00%	-	-	13,810	-
Total	**92.50%**	**92.27%**	**92.33%**	**166,568**	**157,274**	**166,732**

As at 31 March 2022, the hotels are fully let; the offices are 90% partially let; the commercial premises are 80% let and contracts have been signed for the future letting of the buildings to be constructed on the undeveloped land, ensuring a future occupancy rate of 100%. At 31 March 2022, the occupancy rate of real estate assets was 93% (deducting the effect of plots). The Gross Leasable Area (G.L.A.) is 166,568 m2 lettable (without taking into account the buildable area of the undeveloped plots).

The trend in the occupation rate of the Company's real estate assets is highly stable and enhances its solvency given the quality of its tenants, lease agreements and new properties.

4. Property Investment

Due to the widespread recent reduction in expected yields, 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 current expected revenues from existing lease contracts contingent on how quickly the negative effects of the pandemic abate, especially in the hotel segment.

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 contracts with lessees possessing outstanding solvency ratings.

5. Disclosure on supplier payment deferrals

Below is the information required by Additional Provision Three of Law 15/2010 of 5 July (modified under the Second Final Provision of Law 31/2014 of 3 December) prepared according to the Resolution of 29 January 2016, of the Institute of Accounting and Auditing, on the information to be included in the record of annual financial statements relating to the average period for payment to suppliers in commercial transactions.

	31/03/2022	31/12/2021
	Days	
Average payment period to suppliers	35.70	41.78
Ratio of paid transactions	38.25	44.27
Ratio of transactions pending payment	30.13	27.43
	Euros	
Total payments made	2,490,012	6,777,911
Total payments pending	1,143,198	1,174,472

Pursuant to the ICAC Resolution, to calculate the average payment period to suppliers, commercial transactions corresponding to the accrued delivery of goods or provision of services from the date on which Law 31/2014 of 3 December came into force, have been taken into consideration.

For the sole purpose of providing the information set out in the Resolution, suppliers are considered as trade creditors concerning debts with suppliers of goods or services, included in the "Suppliers" and "Sundry creditors" items of the current liabilities in the balance sheet.

The "average payment period to suppliers" is understood as the period of time that elapses from the delivery of goods or the provisions of services entrusted to the supplier and eventual payment of the operation.

The maximum legal payment period applicable to the Company in 2021 according to Law 3/2004, of 29 December, establishing measures to combat delinquency in commercial transactions, is 30 days from the date on which said Law was published to the present (unless any of the conditions established therein are fulfilled, allowing the maximum legal payment period to be extended to 60 days).

6. Earnings per share at 31 March 2022

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

	Euros	
	31/03/2022	31/03/2021
Net profit	3,295,655	3,467,616
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**0.74**	**0.78**

Basic earnings per share are calculated as the sum of net profit for the period attributable to the Company and the weighted average number of common shares in circulation during the period.

In turn, diluted earnings per share are calculated as the sum of net profit/losses for the period attributable to ordinary shareholders, adjusted based on the effect attributable to potential common shares with a dilutive effect and the weighted average number of common shares in circulation during the period, adjusted based on the weighted average number of common shares that would be issued if all potential common shares were converted into common shares in the company. To this end, it is considered that the conversion takes place at the start of the period or at the time potential common shares are issued, if they have been put into circulation during the period in question.

7. Acquisition of treasury shares

At 31 March 2022, the Company did not hold any treasury shares in its portfolio.

8. Research and development activities

The Company does not carry out research and development activities.

9. Main risks to the Company

The management of the Company's financial risks is centralised in the Group's Financial Management and in the policies of the Group in the consolidation scope of which it lies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks which impact the Company are set out below:

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 Directors of the Company on the Company's cash generating capacity, the Directors believe that the Company 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 lessees' high credit ratings, as well as by the collection guarantees set forth in prevailing agreements.

c) Exchange rate risk

As regards the Company's exchange rate risk at 31 March 2022, it did not have any assets or liabilities in foreign currencies. Hence, there is no risk in this regard.

d) Interest rate risk

The Company has two long-term loans financing mainly long-term assets, as well as short-term working capital financing facilities. The risk of 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.

e) Real estate business risks

Changes in the economic situation at both local and international levels, occupation and employment growth rates, interest rates, tax legislation and consumer confidence have a significant impact on the real estate 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 has the existence of microeconomic and macroeconomic aspects that directly or indirectly affect the way the property market performs, particularly the rentals which make up the Company's main investment activity.

Other market risks to which the Company is exposed include:

- **Regulatory risks**: the Company is bound to comply with several general and specific legal provisions in force (legal, accounting, environmental, employment, tax, data protection provisions, among others) which apply to it. Any regulatory changes that come about in the future 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. As a result, this could have a negative effect on the yield and performance of these assets if tenants renegotiate current lease agreements.

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 2022

Given the Company's activity, the Directors of the Company consider that 2022 will continue to be positive as regards the maintenance of long-term lease contract conditions. The forecasts are therefore positive, taking into account the long-term lease agreements with top-quality lessees in the hotel industry and in the office and retail sectors, which guarantee the business's viability in the medium and long-term, as well as the new retail outlet lease agreements with lessees having outstanding solvency ratings.

In 2022 and subsequent years, the Company will begin construction of the Innside Madrid Valdebebas T4 Hotel and the Sanitas Valdebebas Hospital, among other projects, on the 38,545 m2/e hotel and residential property TER.02-178-A at Calle José Antonio Fernández Ordóñez 55 in Madrid (Valdebebas). These construction works will entail a significant investment over the next two and a half years, for which the Company has already designed the financing procedure to be implemented in the coming months.

In addition to the aforementioned works, the Company is in the process of renovating the office building at Calle Arapiles 14 in Madrid.

While the refurbishment of the office building will take less than 9 months, and therefore, start to generate income as soon as the refurbishment work is compete and the building handed over to the tenant, the construction of properties on the plot in Valdebebas will take 24 to 30 months.

11. Information on conflicts of interest among the Directors

At 31 March 2022, 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 the Board of Directors any direct or indirect conflict of interests with those of the Company.

12. Subsequent disclosures

From 31 March 2022 and up to the date of approval of this management report, no significant events have occurred that could significantly affect the information set forth herein.

Madrid, 27 April 2022

Mr. Marco Colomer Barrigón
Chairman and Chief Executive Officer