SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report
31 March 2023

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SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Management Report
2023
(31 March 2023)

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report at 31 March 2023

1. Explanation of the figures at 31 March 2023

A breakdown of the main figures at 31 March 2023 compared to 31 March 2022 is provided below:

	Euros		
Income statement	**31/03/2023**	**31/03/2022**	**+ / -**
Income	**7,316,913**	**5,976,769**	**22%**
Leases	7,243,164	5,936,335	
Provision of sundry services	73,749	40,434	
Operating expenses	-1,186,009	-698,836	70%
Net operating income (NOI)	**6,130,904**	**5,277,934**	**16%**
General expenses	-186,848	-159,325	17%
EBITDA	**5,944,055**	**5,118,608**	**16%**
Financial profit (loss)	-1,304,114	-335,764	288%
EBTDA	**4,639,942**	**4,782,845**	**-3%**
Depreciation	-1,630,639	-1,459,394	
Subsidies	14,088	14,088	
Other gains (losses)	3,195	-38,829	
Impairment/Reversal of trade operations	-	-	
Profit/(loss) on disposal of real estate assets	-1,584	-3,053	
EBT	**3,025,002**	**3,295,655**	**-8%**
Corporation tax	-	-	
Net profit (loss)	**3,025,002**	**3,295,655**	**-8%**

Sector indicators as at 31 March 2023

	Euros					
	31/03/2023	**Per share**	**31/03/2022**	**Per share**	**31/12/2022**	**Per share**
Recurring net profit	3,529,816	0.79	3,280,477	0.74	17,341,974	3.90
Net value of assets	558,716,672	125.49	540,329,952	121.36	553,905,533	124.41
Costs	1,372,858		850,850		5,786,247	
Income	7,316,913		5,976,769		30,707,329	
Cost/income ratio	18.76%		14.24%		18.84%	
Vacancy ratio	7.33%		4.51%		7.11%	
Net profitability	4.40%		4.53%		4.42%	

Main figures as at 31 March 2023

	31/03/2023	**31/03/2022**	**31/12/2022**
Annualised income (million €)	29.36	26.89	29.27
FFO (million €)	5.93	5.04	24.84
FFO (€/share)	1.33	1.13	5.58
GAV (million €) (*)	689.04	621.08	680.36
NAV (million €) (*)	558.72	540.33	553.59
ROA	0.63%	0.77%	3.06%
ROE	0.96%	1.04%	4.57%
Gross leasable surface area (risk-free m^2)	221,849	166,568	221,938
% occupancy at year end	91.58%	92.50%	91.66%
Lease portfolio (€M)	225.96	230.11	221.19
WAULT	8.97	9.35	9.10
LTV	19.68%	16.25%	19.91%
Net Financial debt (millions €)	136.92	104.83	138.32
Profit (€/share)	0.68	0.74	3.20
Dividend (€/share)	-	-	2.84
Gross profitability via dividend	-	-	4.32%

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 2023, the gross investment property portfolio measured at cost amounts to 521,238,436 euros, of which 14,653,550 euros relate to unfinished buildings awaiting completion, 23,442,046 euros to land under development and the remaining 483,142,840 euros to investment property held under lease agreements.

At 31 March 2023, work in progress amounts to 14,653,550 euros and mainly relates to the cost of building a hotel and a hospital in Valdebebas for a cumulative amount of 13,710,061 euros and the start of the renovation of the Sexta Avenida shopping centre and the Isla Canela Golf Hotel for 265,000 and 260,966 euros respectively.

In 2023, the following investments and disinvestments took place:

Investments undertaken amounting to 8,990,552 euros:

- During 2023, additions of 8,990,552 euros were made, mainly due to the renovation of Isla Canela Golf Hotel in Isla Canela for 260,966 euros, the Centro Comercial del Sexta Avenida, Madrid for 206,500 euros, the construction of the Hotel Meliá Innside Valdebebas for 4,365,882 euros, and the Hospital Sanitas Valdebebas for 3,676,356 euros, both in Madrid. All these works are in progress at 31 March 2023.

Divestments made amounting to 500,058 euros:

- During 2023, one loft from the Coslada III development (with its respective annexes) was sold, resulting in a net loss in the period of 1,584 euros.

- During the first quarter of the 2023 financial year, the Company recovered an amount of 308,020 euros in relation to the municipal capital gains tax paid at the time of the acquisition of the commercial building on Calle Conde de Peñalver in Madrid.

Dividends:

- **Dividends payable by the Company to shareholders in 2023:**

The proposed distribution of results for the 2022 financial year, which the directors of the Company have presented to shareholders, is as follows:

	Euros
Profit at 31 December 2022	**14,254,857**
Legal reserve	1,425,486
Voluntary reserve	175,412
Dividends	12,653,959

The proposed distribution of profits made by the directors of the Company to the General Shareholders Meeting entailed the distribution, as dividends charged to 2022 profits, of 2.84 euros per share. This proposal was approved at the General Shareholders Meeting held on 27 April 2023. This dividend will be paid by 15 May this year.

- **Dividends paid out by the Company to shareholders in 2022:**

The proposed distribution of results for 2021 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 made by the directors of the Company to the General Shareholders' Meeting entailed the distribution, as dividends charged to 2021 profits, of 3.40 euros per share. The gross dividend for 2021 in the amount of 15,148,123 euros approved by the General Shareholders' Meeting on 27 April 2022 was paid in full on 3 May 2022.

Net financial debt: The Company has a net financial debt of 136,919,613 euros (138,001,510 euros at 31 December 2022). The breakdown of this debt is as follows:

	Euros	
	31/03/2023	**31/12/2022**
José Abascal, 41	8,892,000	9,690,000
Titán, 13	9,506,527	9,708,654
Conde de Peñalver, 16	6,172,747	6,303,992
Valle de la Fuenfría, 3	7,639,899	7,763,333
Juan Ignacio Luca de Tena, 17	10,408,176	10,545,492
Glorieta de Cuatro Caminos 6 and 7	3,275,000	3,450,000
Arapiles 14	24,000,000	12,000,000
Sanitas Valdebebas Hospital (under construction)	3,200,000	-
Meliá Innside Valdebebas Hotel (under construction)	3,000,000	3,000,000
Mortgage-backed debt	**76,094,349**	**62,461,471**
Drawn down credit facilities	4,438,667	6,872,437
Long-term loans	67,519,226	70,413,976
Accrued costs (*)	-310,026	-
Interest accrued pending maturity	557,104	392,903
Derivative	-321,696	-314,055
Unsecured debt	**71,883,275**	**77,365,260**
Cash and bank	-1,058,011	-1,825,221
Intra-group debt	-10,000,000	-
Net financial debt	**136,919,613**	**138,001,510**

(*) The debt level at 31 December 2022 does not include the amount of processing costs for the outstanding loans, which amounted to 315,556 euros at that date.

At 31 March 2023, the Company had mortgage debt of 76,094,349 euros pending maturity (62,461,471 euros at 31 December 2022) 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 2023, are pending maturity and repayment.

During 2023, the Company has taken out the following loans:

- On 13 January 2023, the Company signed a line of financing for working capital with personal guarantee in the amount of €7,500,000 with Banca March, freely available and maturing on 13 January 2024.

- On 6 February 2023, the Company made the second and final drawdown of 12,000,000 euros of the loan arranged with Bankinter in 2022 to finance the refurbishment and start-up of the tertiary building owned by the Company and located at calle Arapiles 14 in Madrid. The work was completed at the end of December 2022, as the conditions precedent required for this drawdown had been fulfilled by that date, which has now occurred.

- On 23 February 2023, the Company entered into a mortgage loan with Banco Santander for 36,000,000 euros to finance the construction of a private hospital on plot TER.02-178-A1 located at Calle Gustavo Pérez Puig No. 66 in Madrid, which is owned by the Company. This hospital will be operated by Sanitas S.A. de Hospitales on the basis of the lease agreement signed between the parties in 2022. This loan has a drawdown and grace period of 3 years and an additional 10-year amortisation period with increasing instalments.

- On 28 February 2023, the Company entered into a personal guarantee loan of 10,000,000 euros with Banco Santander in order to finance its working capital. This loan has a maturity of 12 months.

The Company's LTV at 31 March 2023 was 19.68% (19.91% at 31 December 2022).

Income: At 31 March 2023, the Company had obtained total income of 7,316,913 euros (5,976,769 euros at 31 March 2022). The breakdown of income per asset type is as follows:

	Euros		Variation in %	
				Like for Like
	31/03/2023	31/03/2022	+/-	L F L G
Hotels	1,236,101	1,236,412	-	-
Offices	3,664,774	2,466,980	49%	-2%
Retail	2,416,038	2,273,376	6%	6%
Total	**7,316,913**	**5,976,769**	**22%**	**1%**

Rental income increased by 22% compared to the previous year, with a general increase in all sectors, but especially in the office and retail sectors, while the hotels sector remained at the same level as the previous year. With regard to the application of the “growth” and “LFLG” criteria, the variation between years is positive, with an increase of 1% as a result of the elimination of the impact on revenue generation of the new investments in offices acquired in mid-2022, located at Avenida de Cantabria, 51 and Calle Santiago de Compostela, 100 bis, both in Madrid, as well as the commissioning of the office building at Calle Arapiles 14 in Madrid, which, although not a new investment, has been fully renovated since its acquisition until January 2023, the month in which it already generated its first revenue. The main deviations focus on:

- **Hotels:** Revenues are unchanged between years with no significant variations.

- **Offices:** Increase of 49% due to the commissioning of new or renovated assets such as the new investments in offices acquired in mid-2022 and located at Avenida de Cantabria, 51 and Calle Santiago de Compostela, 100 bis, both in Madrid, as well as the commissioning of the office building at Calle Arapiles 14 in Madrid and improvements due to the review of CPI in contracts already in operation such as those of the offices at Calle Titán 13, José Abascal 41 and Juan Ignacio Luca de Tena 17, all in Madrid.

- **Commercial:** Increase of 6% spread across all assets in this segment due to the application of the CPI revision.

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

	Euros	
Operating leases	Nominal value	
Minimum instalments	31/03/2023	31/12/2022
Less than a year	29,363,790	29,272,582
Between two and five years	92,130,103	87,953,936
More than five years	104,464,386	103,961,317
Total	**225,958,280**	**221,187,835**

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	
	31/03/2023	31/12/2022
Hotels	8.62	8.64
Offices	6.66	6.56
Retail	10.60	11.07
Institutional	10.00	10.00
Total Average	**8.97**	**9.07**

NOI: Net Operating Income was positive and amounted to 6,130,904 euros (5,277,934 euros at 31 March 2022), an increase of 16%. The breakdown of NOI per asset type is as follows:

	Euros	
	31/03/2023	31/03/2022
Hotels	1,121,904	1,164,803
Offices	2,942,920	2,090,501
Retail	2,066,079	2,022,630
NOI	**6,130,904**	**5,277,934**

Indirect costs, which reduce revenue used to calculate NOI, increased by 70% from 698,836 euros in Q1 2022 to 1,186,009 euros at 31 March 2023, due to the addition of new assets to the Company's portfolio.

At 31 March 2023, **EBITDA** was positive and amounted to 5,944,055 euros (5,118,608 euros at March 2022), a year-on-year increase of 16%. Corporate overheads, which reduce NOI used to calculate EBITDA, have been reduced by 17% year-on-year from 159,325 euros in 2022 to 186,848 euros as at 31 March 2023.

Financial profit (loss): The financial loss at 31 March 2023 was 1,304,114 euros (loss of 335,764 euros at September 2022). The breakdown of this result is as follows:

- The total financial income derived from the Group's financing system amounted to 0 euros (18,913 euros in March 2022), to which the financial income of third parties amounting to 2,040 euros (744 euros in March 2022) must be added.

- The Company's financial expenses were 814,541 euros (385,291 euros in March 2022) and result from the Company's financing with credit institutions for 804,326 euros and Group financing for 10,215 euros.

- The Company valued its portfolio of listed shares held in its assets at quarter-end, obtaining a negative value adjustment of 491,614 euros (positive value adjustment of 29,869 euros in the first quarter of 2022).

At 31 March 2023, **EBITDA** was positive and amounted to 4,639,942 euros (4,782,845 euros in March 2022), a year-on-year decrease of 3%.

Depreciation: Depreciation expense was 1,630,639 euros compared to 1,459,394 euros for the same period in the previous year.

Subsidies: Income from subsidies amounted to 14,088 euros (14,088 euros in March 2022).

Profit/(loss) on disposal of real estate assets: During 2023, one loft from the Coslada III development (with its respective annexes) was sold, resulting in a net loss in the period of 1,584 euros.

At 31 March 2023, **EBT** was positive and amounts to 3,025,002 euros (3,295,655 euros in March 2022), i.e. a 8% decrease year-on-year.

Net profit/(loss): Net profit at 31 March 2023 amounted to 3,025,002 euros (3,295,655 euros in March 2022), giving net earnings per share of 0.68 euros (0.74 euros in March 2022).

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 6 February 2023, 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 2022 amounting to 478,996 euros (385,598 euros in 2021).

The gross market value of property investments at 31 March 2023 amounted to 774,801,011 euros (774,460,463 euros at 2022 year-end). The breakdown by business segment is as follows:

	Gross market value of the Property investments (Euros) (*)	
	31/03/2023	**31/12/2022**
Hotels (**)	204,513,746	204,000,000
Offices	285,601,824	285,681,522
Retail	211,685,441	211,478,941
Institutional (**)	73,000,000	73,300,000
Total	**774,801,011**	**774,460,463**

(*) The net market value at 31 March 2023 came to 756,305,080 euros (755,866,500 euros at 31 December 2022).
(**) In the case of Valdebebas projects, the market value of the completed project is included. Eliminating the effect of the inclusion of the market values of the two completed projects and considering the market value based on the progress of construction, the gross market value of investment properties at 31 March 2023 was 689,040,830 euros (680,358,044 euros at 31 December 2022) with a net value of 672,592,153 euros at 31 March 2023 and 664,116,641 euros at 31 December 2022.

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 2023 are as follows:

- Hotels (one hotel under construction)
- Offices
- Retail
- Institutional (under construction)

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

2023 (31 March)

31/03/2023	Euros				
	Hotels	**Offices**	**Retail**	**Others**	**Total**
Income	1,236,101	3,664,774	2,416,038	-	7,316,913
Indirect costs	-114,197	-721,854	-349,958	-	-1,186,009
Net Margin	**1,121,904**	**2,942,920**	**2,066,079**	**-**	**6,130,904**
General expenses	-31,566	-93,585	-61,697	-	-186,848
EBITDA	**1,090,339**	**2,849,335**	**2,004,382**	**-**	**5,944,055**
% of income	**88.21%**	**77.75%**	**82.96%**	**-**	**81.24%**
Depreciation	-589,740	-753,560	-283,448	-3,890	-1,630,639
Subsidies	14,088	-	-	-	14,088
Extraordinary profits (losses)	3,195	-	-	-	3,195
Profit/(loss) on disposal of real estate assets	-	-1,584	-	-	-1,584
Impairment/Reversal	-	-	-	-	-
Financial profit (loss)	-	-460,434	-42,900	-800,780	-1,304,114
EBT	**517,881**	**1,633,756**	**1,678,035**	**-804,670**	**3,025,002**
Corporation tax	-	-	-	-	-
Net profit (loss)	**517,881**	**1,633,756**	**1,678,035**	**-804,670**	**3,025,002**
% of income	**41.90%**	**44.58%**	**69.45%**	**-**	**41.34%**

2022 (31 March)

31/03/2022	Euros				
	Hotels	**Offices**	**Retail**	**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%**

The breakdown of the **income and net book value** for real estate assets heading at 31 March 2023 is as follows:

	Euros						
	31/03/2023			**31/03/2022**			**31/12/2022**
	Income	**%**	**Net cost**	**Income**	**%**	**Net cost**	**Net cost**
Hotels	1,236,101	17%	121,845,948	1,236,412	21%	104,489,911	117,556,061
Offices	3,664,774	50%	209,228,373	2,466,980	41%	170,926,259	209,919,449
Retail	2,416,038	33%	96,433,421	2,273,376	38%	97,730,563	96,818,388
Institutional	-	-	17,891,237	-	-	23,489,479	14,214,881
Total income	**7,316,913**	**100%**	**445,398,979**	**5,976,769**	**100%**	**396,636,212**	**438,508,778**

At 31 March 2023, 17% of revenue was generated by hotel assets, 50% by offices and 33% by commercial premises.

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

Area	Euros			
	31/03/2023		31/03/2022	
	Income	Income (%)	Income	Income (%)
Madrid	6,493,173	89%	5,131,740	86%
Huelva	823,740	11%	845,029	14%
Total	**7,316,913**	**100%**	**5,976,769**	**100%**

From a geographic point of view, all of the income obtained in the first quarter of 2023 was generated in Madrid and Huelva (both in Spain). Madrid thus accounts for 89% of revenue, and Huelva for 11%.

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 2023, the occupation rate of the Company's assets allocated to leases was 92% (93% in March 2022 and 92% in December 2022) based on square metres leased, with the breakdown as follows:

Type of asset	% occupation			Floor area in m^2 above ground level		
	31/03/2023	31/03/2022	31/12/2022	31/03/2023	31/03/2022	31/12/2022
Hotels	100%	100%	100%	99,408	80,135	99,408
Offices	95%	90%	95%	62,316	45,698	62,406
Retail	61%	80%	62%	40,852	40,736	40,852
Institutional	100%	-	100%	19,273	-	19,273
Total	**92%**	**93%**	**92%**	**221,849**	**166,568**	**221,938**

At 31 March 2023, the hotels were fully leased; offices were partially leased at 95%; commercial premises were 61% leased. The contracts for the future leasing of the buildings to be constructed on the plots under construction, which guarantee 100% future occupancy, were included in the calculation of occupancy. The Gross Leasable Area (GLA) was 221,849 m2.

With respect to Plot TER.02-178-A (Valdebebas) for hotel and institutional use, following the signing of the leases for future use and the commencement of construction, the Company has, since the final quarter of 2022, included the square metres of this property in the gross leasable area for hotel and institutional use, which was divided into two in 2022, each with a total area of 19,273 m2.

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.

	31/03/2023	31/12/2022
	Days	
Average payment period to suppliers	27.72	35.70
Ratio of paid transactions	36.77	38.25
Ratio of transactions pending payment	19.33	30.13
	Euros	
Total payments made	5,855,089	2,490,012
Total payments pending	6,307,236	1,143,198

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 provision of services entrusted to the supplier and eventual payment of the operation.

The maximum legal payment period applicable to the Company in 2023 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).

In accordance with Law 18/2022 of 28 September on the creation and growth of companies, the aim of which is to reduce non-payment and financial support, the company discloses below the average time taken to pay suppliers, the volume of money and the number of invoices paid in a period that is less than the maximum set in the late payment regulations, as well as the percentage that these represent of the total number of invoices and total money paid to its suppliers:

	31/03/2023	31/12/2022
Average payment period – invoices paid in a period shorter than the legal maximum period	36.77	26.09
Number of invoices paid in less than the maximum legal period	423	1,520
Percentage of total number of paid invoices	63.90%	66.61%
	Euros	
Amount of invoices paid in less than the legal maximum time limit.	4,902,471	13,037,097
Percentage of the total amount of paid invoices	83.73%	83.77%

6. Earnings per share

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

	Euros	
	31/03/2023	31/03/2022
Net profit	3,025,002	3,295,655
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**0.68**	**0.74**

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 2023, 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 2023, 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 2023

Given the Company's activity, its Directors consider that 2023 will continue to be positive as regards the maintenance of long-term lease contract conditions. The outlook is therefore positive, taking into account the long-term lease contracts with top quality lessees in the hotel, offices, commercial and institutional (healthcare) 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.

In 2022, the Company began construction of the Innside Madrid Valdebebas T4 Hotel and the Sanitas Valdebebas Hospital, among other projects, on the 38,545 m2/e hotel and institutional property TER.02-178-A at Calle José Antonio Fernández Ordóñez 55 in Madrid (Valdebebas). These construction works will entail a significant investment until their final handover, which is scheduled for summer 2024 in the case of the hotel, and spring 2025 in the case of the hospital. To this end, by signing two long-term loans with mortgage guarantees with Banco Santander for a total of 69,000,000 euros, the company has designed a specific financing plan that guarantees the existence of financial resources to carry out these works. So far, only 6,200,000 euros of these funds, i.e. 9% of the total funds, have needed to be drawn down.

The construction progress of the hotel is currently at 20% and that of the hospital at 12%, both slightly above the planned progress of the works and costs.

In addition to the above work, the Company will start renovating the Sexta Avenida shopping centre in Madrid in 2023 as part of its real estate assets repositioning strategy.

11. Information on conflicts of interest among the Directors

At 31 March 2023, 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 2023 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 2023

Mr. Marco Colomer Barrigón
Chairman and Chief Executive Officer