SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Half-Yearly Financial Statements and Management Report for the six-month period ended 30 June 2023 (Unaudited)

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Half-Yearly Financial Statements
(Unaudited)
30 June 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.							
BALANCE SHEET AT 30 JUNE 2023 AND 31 DECEMBER 2022							
(Euros)							
ASSETS	Notes to the Financial Statements	30/06/2023	31/12/2022	EQUITY AND LIABILITIES	Notes to the Financial Statements	30/06/2023	31/12/2022
NON-CURRENT ASSETS		**455,741,487**	**441,679,128**	**EQUITY**	13	**306,089,229**	**312,056,267**
				OWN FUNDS			
Intangible fixed assets		**-**	**35**				
Software applications		-	35	**Capital**		**267,577,040**	**267,577,040**
Property, plant and equipment	6	**141,764**	**149,473**	Authorised capital		267,577,040	267,577,040
Plant and other tangible fixed assets		141,764	149,473	**Reserves**		**30,582,423**	**28,981,526**
Property investments	7	**452,749,083**	**438,508,778**	Legal and statuary		11,453,626	10,028,141
Net property investments		452,749,083	438,508,778	Other reserves		19,128,797	18,953,385
Long-term financial investments	9	**2,850,640**	**3,020,842**	**Profit (Loss) for the year**	4	**6,642,099**	**14,254,857**
Derivatives		387,054	314,056	**Valuation adjustments**	15	**387,054**	**314,056**
Other financial assets		2,463,585	2,706,786	Hedging operations		387,054	314,056
				Subsidies, donations and bequests received		**900,613**	**928,789**
				Subsidies, donations and bequests received		900,613	928,789
				NON-CURRENT LIABILITIES		**123,837,442**	**108,699,071**
CURRENT ASSETS		**28,120,813**	**23,305,342**	**Non-current payables**	14	**123,837,442**	**108,699,071**
Inventories		**131,365**	**-**	Bank borrowings		120,090,564	104,798,848
Advance payments to suppliers		131,365	-	Other financial liabilities		3,746,878	3,900,223
Trade and other receivables	10	**828,365**	**4,205,676**				
Trade receivables from sales and services		777,871	4,174,532	**CURRENT LIABILITIES**		**53,935,628**	**44,229,131**
Staff		352	944	**Current payables**	14	**42,943,569**	**35,514,866**
Current tax assets	18.1	50,142	20,362	Bank borrowings		42,302,080	35,026,384
Other tax receivables	18.1	-	9,837	Other financial liabilities		641,489	488,482
Short-term investments in Group and associate companies	9 and 20.2	**10,000,000**	**-**	**Short-term Group and associated companies' debts**	20.2	**539,448**	**3,461,920**
Short-term financial investments	9	**15,831,803**	**17,274,445**	**Trade and other payables**		**10,452.6112**	**5,252,345**
Short-term equity instruments		15,212,567	16,478,110	Suppliers		9,203,138	2,776,444
Other financial assets		619,236	796,335	Sundry creditors		852,466	2,072,207
Cash and cash equivalents	11	**1,329,281**	**1,825,221**	Other tax payables	18.1	391,007	396,594
Cash and bank		1,329,281	1,825,221	Advance payments from customers		6,000	7,100
TOTAL ASSETS		**483,862,300**	**464,984,470**	**TOTAL EQUITY AND LIABILITIES**		**483,862,300**	**464,984,469**
Notes 1-27 to the attached half-yearly financial statements are an integral part of the balance sheet at 30 June 2023.							

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. PROFIT AND LOSS ACCOUNT AS AT 30 JUNE 2023 (Euros)			
	Notes to the Financial Statements	**30/06/2023**	**30/06/2022**
CONTINUED OPERATIONS			
Revenue	19.1	**15,384,848**	**12,352,804**
Lease of property		15,384,848	12,352,804
Other operating income	19.1	**17,907**	**53,803**
Non-core and other current management income		17,907	53,803
Personnel expenses	19.2	**-298,535**	**-233,957**
Wages, salaries and similar outgoings		-242,451	-189,327
National Insurance contributions		-56,084	-44,630
Other operating expenses	19.3	**-2,032,408**	**-1,458,266**
Outside services		-1,882,036	-1,448,637
Taxes and similar levies		-150,371	-13,294
Losses, impairment and changes in provisions on trade transactions	10	-	3,665
Fixed asset depreciation	6 and 7	**-3,261,178**	**-2,917,753**
Allocation of non-financial fixed asset subsidies and others	13 and 19.1	**28,175**	**28,175**
Impairments and gains (losses) on fixed asset disposals	7	**-1,584**	**156,789**
Gains/(losses) on disposals and others		-1,584	156,789
Other gains/(losses)		**3,195**	**-30,811**
Exceptional income and expenses		3,195	-30,811
OPERATING PROFIT/(LOSS)		**9,840,421**	**7,950,784**
Financial income		**166,725**	**52,766**
From transferable securities and other financial instruments		166,725	52,766
- In Group and associated companies	20.1	157,800	50,625
- In third parties		8,925	2,142
Financial expenses	14	**-2,099,505**	**-783,399**
- In Group and associated companies		-11,498	-
- In third parties		-2,088,007	-783,399
Change in fair value of financial instruments	9	**-1,265,543**	**-3,462,716**
Profit/(loss) from the trading portfolio		-1,265,543	-3,462,716
FINANCIAL PROFIT/(LOSS)		**-3,198,322**	**-4,193,349**
PROFIT/(LOSS) BEFORE TAX		**6,642,099**	**3,757,435**
Income tax	18	-	-
PROFIT/(LOSS) FOR THE YEAR		**6,642,099**	**3,757,435**
Notes 1-27 to the attached half-yearly financial statements are an integral part of the income statement at 30 June 2023			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.			
STATEMENT OF CHANGES IN EQUITY FOR 2023 (UP TO 30 JUNE 2023)			
A) STATEMENT OF RECOGNISED INCOME AND EXPENSES			
(Euros)			
	Notes to the Financial Statements	**30/06/2023**	**30/06/2022**
PROFIT/(LOSS) FROM THE STATEMENT OF PROFIT AND LOSS (I)		**6,642,099**	**3,757,435**
Income and expenses directly attributed to equity			
- From cash flow hedges	13	72,999	244,881
TOTAL INCOME AND EXPENSES DIRECTLY ATTRIBUTED TO EQUITY (II)		**72,999**	**244,881**
Transfers to the statement of profit and loss			
- Subsidies, donations and bequests received	13	-28,175	-28,175
TOTAL AMOUNTS TRANSFERRED TO THE STATEMENT OF PROFIT AND LOSS (III)		**-28,175**	**-28,175**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**6,686,922**	**3,974,141**

Notes 1-27 to the attached interim half-yearly financial statements are an integral part of the statement of recognised income and expenses at 30 June 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.							
STATEMENT OF CHANGES IN EQUITY FOR 2023 (UP TO 30 JUNE 2023)							
B) FULL STATEMENT OF CHANGES IN EQUITY							
(Euros)							
	Capital	**Legal Reserve**	**Other Reserves**	**Profit/(Loss) for the Year**	**Subsidies, donations and bequests**	**Adjustments for Changes in value**	**Total**
CLOSING BALANCE OF 2021	**267,577,040**	**7,845,663**	**14,459,215**	**21,824,771**	**985,140**	**-283,008**	**312,408,821**
Recognised total income and expense	**-**	**-**	**-**	**14,254,857**	**-56,351**	**597,063**	**14,795,569**
Other changes in equity	**-**	**2,182,477**	**4,494,171**	**-21,824,771**	**-**	**-**	**-15,148,123**
- Distribution of earnings in 2021	-	2,182,477	4,494,171	-6,676,648	-	-	-
- Distribution of dividends	-	-	-	-15,148,123	-	-	-15,148,123
CLOSING BALANCE OF 2022	**267,577,040**	**10,028,140**	**18,953,386**	**14,254,857**	**928,788**	**314,055**	**312,056,267**
Recognised total income and expense	**-**	**-**	**-**	**6,642,099**	**-28,175**	**72,999**	**6,686,922**
Other changes in equity	**-**	**1,425,486**	**175,412**	**-14,254,857**	**-**	**-**	**-12,653,959**
- Distribution of earnings in 2022	-	1,425,486	175,412	-1,600,898	-	-	-
- Distribution of dividends	-	-	-	-12,653,959	-	-	-12,653,959
BALANCE, END OF FINANCIAL YEAR 2023 (30)	**267,577,040**	**11,453,626**	**19,128,798**	**6,642,099**	**900,613**	**387,054**	**306,089,230**
Notes 1-27 to the attached interim half-yearly financial statements are an integral part of the overall statement of changes in equity to 30 June 2023							

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.			
STATEMENT OF CASH FLOWS FOR 2023 (UP TO 30 JUNE 2023)			
(Euros)			
	Notes to the Financial Statements	**30/06/2023**	**30/06/2022**
A) CASH FLOWS FROM OPERATING ACTIVITIES		**20,349,596**	**12,522,119**
1. Profit/ (loss) before tax for the year		**6,642,099**	**3,757,434**
2. Adjustments to profit/(loss):		**6,432,908**	**6,926,138**
a) Amortisation of fixed assets (+)	6 and 7	3,261,177	2,917,753
d) Allocation of subsidies (-)	13	-28,175	-28,175
e) Income from elimination and sales of fixed assets (+/-)	7	1,584	-156,789
g) Financial income (-)	20	-166,725	-52,766
h) Financial expenses (+)	14	2,099,505	783,399
j) Variation in fair value of financial instruments (+/-)	9	1,265,543	3,462,716
3. Changes in current capital:		**8,895,953**	**2,569,180**
a) Inventory (+/-)		-131,365	7,461
b) Trade and other receivables (+/-)	10	3,407,090	2,289,972
c) Other current assets (+/-)	9	177,099	-
d) Creditors and other accounts payable (+/-)		5,206,952	378,285
e) Other current liabilities (+/-)	14 and 18.1	146,320	-102,482
f) Other non-current assets and liabilities (+/-)	9 and 14	89,856	-4,056
4. Other cash flows from operating activities		**-1,621,365**	**-730,633**
a) Payments of interests (-)	14	-1,758,311	-783,399
c) Collection of interests (+)	20	166,725	52,766
d) Collections (payments) from Corporate Income Tax (+/-)	18.1	-29,779	-
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**-17,495,322**	**-1,663,585**
6. Investment payments (-):		**-17,967,342**	**-3,887,585**
d) Real estate investments	7	-17,967,342	-3,415,192
e) Other financial assets	9	-	-472,393
7. Proceeds from divestments (+):		**472,020**	**2,224,000**
d) Real estate investments	7	472,020	2,224,000
C) CASH FLOWS FROM FINANCING ACTIVITIES		**-3,350,213**	**-11,138,166**
10. Receivables and payables from financial liability instruments		**9,303,746**	**4,009,957**
a) Issue:		**22,226,217**	**7,371,906**
1. Bonds and other marketable securities (+)	14	-	-2,000,000
2. Bank borrowings (+)	14	22,226,217	9,371,906
b) Return and amortisation of:		**-12,922,472**	**-3,361,949**
3. Payables with group and associated companies (-)	9 and 20.2	-12,922,472	-3,361,949
11. Dividend payments		**-12,653,959**	**-15,148,123**
a) Dividends (-)	4	-12,653,959	-15,148,123
D) EFFECT OF CHANGES IN INTEREST RATES		**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND EQUIVALENTS		**-495,939**	**-279,632**
Cash or equivalent at start of year.		**1,825,221**	**1,131,813**
Cash or equivalent at end of year.	11	**1,329,281**	**852,181**
Notes 1-27 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 2023.			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
Explanatory notes for the
Half-Yearly Financial Statements
at 30 June 2023
(Unaudited)

1. Company Activity

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. (hereinafter the Company), was incorporated 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. On 10 June 2014, the Extraordinary General Shareholders' Meeting of the Company approved, among other resolutions, the 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.

Following the completion of the process of transferring the effective head office to Madrid (Spain), the Company was registered in the Madrid Companies Registry on 15 October 2014.

Its corporate purpose includes, amongst others, the following activities:

a) 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.

b) 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.

c) 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").

d) The holding of shares or interests in collective real estate investment institutions governed by Act 35/2003 of 4 November on Collective Investment Institutions.

e) 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 SOCIMI Act sets out at any time for the company's revenue in each tax period.

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. As a result, no specific breakdowns of information on environmental matters have been included in this report on the annual accounts.

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 Madrid Companies Registry on 27 July 2016. As of that time, the Absorbing Company stopped being a Consolidated Group.

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.

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:

a) 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.

b) 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.

c) 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.

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 2023, the Company's Directors deemed that the Company complies with all the requirements laid down by the aforementioned Law.

Law 11/2021, of 9 July and Order HFP/1430/2021, of 20 December

Law 11/2021 of 9 July on measures to prevent and combat tax fraud, implementing Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practises that directly affect the functioning of the internal market, amending various tax provisions and regulating gambling, amending Law 11/2009 of 26 October, introducing a special tax on the portion of undistributed profits derived from income that has not been taxed at the general corporation tax rate and is not within the statutory reinvestment period, and adapting the information reporting requirements to the new taxation.

In this context, and with effect for tax periods beginning on or after 1 January 2021, Article 9 of Law 11/2009 of 26 October on the special corporate income tax regime for Real Estate Investment Trusts is amended. The new section 4 of Article 9 establishes that the Real Estate Investment Trust will be subject to a special tax 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 corporation 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.

Subsequently, under Order HFP/1430/2021 of 20 December, form 237 “Special Tax on Undistributed Profits of Listed Joint Stock Companies Investing in the Real Estate Market. Corporation Tax. "Self-assessment” is approved, and the form and procedure for its presentation within the self-assessment method for Corporate Income Tax is determined.

It also regulates the following aspects:

- Taxpayers required to file the form: Entities that opt to apply the SOCIMI tax regime provided for in Law 11/2009 of 26 October.

- Profit to be declared: Undistributed profits for the year from income that has not been taxed at the general corporation tax rate, except for income that falls under the reinvestment period provided for in Article 6.1.b) of Law 11/2009. This tax will be considered to be tax due for Corporation Tax.

- Tax rate: The tax rate applicable to the settlement of the tax is entered (15% from 1 January 2021).

- Entry into force and year of application: The order comes into force on 3 January 2022 and applies to tax periods beginning on or after 1 January 2021.

Deadline for filing the self-assessment: It accrues on the date of the agreement to apply the result and must be the subject of self-assessment within 2 months of the date of accrual.

3. Presentation basis of interim financial statements

a) Financial reporting regulatory framework applicable to the Company

These interim financial statements for the Company have been approved by the Directors in accordance with the financial reporting regulatory framework applicable to the Company, which is established in:

- Code of Commerce and other trade legislation.

- General Accounting Plan approved by Royal Decree 1514/2007, amended in 2016 by Royal Decree 602/2016, subsequently amended by Royal Decree 1159/2010, and subsequently amended by Royal Decree 1/2021 of 12 January, and the sectoral adjustment 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 the financial year 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 2022 financial statements were approved, without modification, by the Ordinary General Shareholders' Meeting held on 27 April 2023.

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 the close of the year ended 30 June 2023, it is possible that future events may make it necessary to adjust them either upward or downward in upcoming financial years, which will be done, as appropriate, prospectively.

At 30 June 2023, the Company has a negative working capital of 25,814,815 euros (negative 20,923,789 euros at 31 December 2022). The Company recurrently generates positive EBITDA, so the Board of Directors of the Company is of the opinion that this does not represent any uncertainty with regard to the continuity of the Company as a going concern, as it is estimated, on one hand, that the income expected next year from the contracts relating to the properties will cover part of the Company's short-term obligations. Likewise, the Company has negotiated various long-term financing formulas for its real estate assets with financial institutions to ensure that these obligations can be met. The Company is currently fully financed with sufficient financing facilities to meet the payment needs of its committed investments in the various property refurbishment and construction projects. Finally, the Company's real estate assets have significant unrealised gains based on their fair values at year-end (Note 7).

f) Comparison of the information

The information contained in these explanatory notes related with the first two quarters of 2023 is presented for purposes of comparison with the information for 2022 (balance compared with figures for the 31 December 2022 and statement of profit and loss compared with figures at 30 June 2022).

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 2022 or in the interim financial reporting at 30 June 2023.

h) Changes in accounting principles

During the six-month period ended 30 June 2023, there were no significant changes in accounting principles with respect to those applied in the year ended 31 December 2022.

4. Distribution of earnings

The proposed distribution of 2022 profits presented by the Company's directors to the shareholders and approved at the Annual General Shareholders' Meeting held on 27 April 2023, was as follows:

	Euros
Basis of distribution:	
Profit and Loss	14,254,857
Distribution:	
Legal Reserve	1,425,486
Voluntary reserve	175,412
Dividends	12,653,959

On 24 May 2023, the Company paid its shareholders a gross dividend of 12,653,959 euros for 2022 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 for the six-month period ended at 30 June 2023, in accordance with those set out by the General Accounting Plan, were as follows:

5.1 Property investments

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

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

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

The 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 has relied on level 2 estimates to determine fair value, as these estimates are based on valuation methodologies that use directly or indirectly observable market data for all significant inputs.

The Company commissioned a valuation of its assets from Jones Lang Lasalle, an independent expert. On 06 February 2023, that company published its report on the year-end fair values of all of the Company's real estate investments. These valuations were 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).

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 2023 or at 31 December 2022.

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) **Financial assets at amortised cost:**

    a. Loans and receivables: consisting of 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 lease agreements.

b) **Financial assets at fair value with changes on the profit and loss account:** 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

Financial assets at amortised cost are measured at amortised cost. However, trade receivables and payables with a maturity of less than one year that do not bear contractual interest and, where applicable, advances and loans to employees are measured at amortised cost. Dividends receivable and payments due from equity instruments expected to be received in the short term, as well as payments due from third parties from equity investments expected to be paid in the short term, are measured at nominal value if the effect of not discounting cash flows is not material.

Financial assets at fair value with changes on the profit and loss account are measured at fair value and changes in fair value are recognised 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 recorded 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.

Generally, the fair value considered by the Company relates to a reliable market value.

The Company uses the observable prices of recent transactions in the same asset being valued as a reference, or uses prices based on observable market data or indices that are available and applicable.

Accordingly, the following fair value hierarchy is established based on the following estimate levels:

a) Level 1: Estimates using unadjusted quoted prices in active markets for identical assets or liabilities available to the Company at the measurement date.

b) Level 2: Estimates using quoted prices in active markets for similar instruments or other valuation techniques for which all significant inputs are based on directly or indirectly observable market data.

c) Level 3: Estimates where a significant variable is not based on observable market data.

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

Classification

The financial liabilities held by the Company are classified into the following categories

- Financial liabilities at amortised cost: 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.

Financial liabilities at amortised cost 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 Hedging 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. The Company also assesses at inception, and periodically throughout the life of the hedge (at least at each financial statement closing), whether the hedging relationship is effective, i.e. whether the hedge ratio is consistent with the hedge ratio used for management purposes, i.e. whether it is the result of the amount of the hedged item that the entity is actually hedging and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item. The portion of the hedging instrument designated as the effective hedge may include a residual ineffective portion, as long as it does not reflect an imbalance between the weighting of the hedged item and the instrument. This ineffective portion is the excess of the change in value of the hedging instrument designated as the effective hedge over the change in value 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 2023, 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. However, the special tax rate will not apply where the dividends or profit sharing are received by other SOCIMIs, regardless of what their percentage holding may be.

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

Notwithstanding the foregoing, as described in Note 2, in Law 11/2021 of 9 July and Order HFP/1430/2021 of 20 December, a special tax on undistributed profits of listed real estate investment companies has been approved as part of the corporate income tax self-assessment form to be filed by companies opting to apply the SOCIMI tax regime provided for in Law 11/2009 of 26 October. The profit to be declared is the undistributed profit of the year resulting from income that has not been taxed at the general corporate income tax rate, with the exception of income falling within the reinvestment period provided for in Article 6.1.b) of Law 11/2009. This tax is considered a corporation tax liability and is 15% applicable to tax years starting on or after 1 January 2021. This tax is considered as a corporation tax liability for the year.

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 annual accounts, 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 annual accounts 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 annual accounts. Information about them is, however, provided to the extent to which they are not deemed as 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, plant and equipment

The balances at 30 June 2023 and 30 June 2022 and the changes in the various property, plant and equipment accounts and the related accumulated depreciation are as follows:

2023

	Euros			
	Balance at 31/12/2022	Additions	Derecognitions	Balance at 30/06/2023
Cost:				
Computer equipment	6,065	-	-	6,065
Furniture	9,109	-	-	9,109
Other fixtures	142,244	-	-	142,244
Total cost	**157,418**	**-**	**-**	**157,418**
Cumulative depreciation:				
Computer equipment	-5,423	-142	-	-5,564
Furniture	-152	-455	-	-607
Other fixtures	-2,370	-7,112	-	-9,483
Total cumulative depreciation	**-7,945**	**-7,709**	**-**	**-15,655**
Net property, plant and equipment	**149,473**	**-7,709**	**-**	**141,764**

2022

	Euros			
	Balance at 31/12/2021	Additions	Derecognitions	Balance at 30/06/2022
Cost:				
Computer equipment	6,065	-	-	6,065
Total cost	**6,065**	**-**	**-**	**6,065**
Cumulative depreciation:				
Computer equipment	-4,913	-302	-	-5,214
Total cumulative depreciation	**-4,913**	**-302**	**-**	**-5,214**
Net property, plant and equipment	**1,152**	**-302**	**-**	**850**

The main additions to property, plant and equipment at 30 June 2023 amounted to 0 euros (0 euros at 30 June 2022). The main additions to property, plant and equipment relate to the investments made in the Company's offices located on the second floor of Glorieta de Cuatro Caminos 6 and 7 in Madrid.

The charge to the income statement at 30 June 2023 for depreciation amounted to 7,709 euros (302 euros at 30 June 2022), which is recognised under "Fixed asset depreciation" in the attached income statement at 30 June 2023.

During 2023 and 2022, no finance charges have been capitalised to property, plant and equipment. Likewise, at 30 June 2023 there is no capitalised finance charge of a significant amount in property, plant and equipment.

At 30 June 2023 and 30 June 2022, the Company had no fully depreciated property, plant and equipment in use.

The company's policy is to take out insurance policies to cover the possible risks to which the various items of property, plant and equipment are subject. In the opinion of the Company's Directors, at 30 June 2023 there was no shortfall in any coverage related to these risks.

There were no real fixed assets purchase undertakings or elements outside Spanish territory at 30 June 2023 and 2022.

As indicated in Note 5.3, the Company has carried out a so-called "Impairment test" to estimate the possible existence of impairment losses that reduce the recoverable value of property, plant and equipment at an amount lower than their book value. As a result of this process, the Company did not recognise any impairment losses on property, plant and equipment in 2023 and 2022.

7. 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 2023 and 2022 is as follows:

2023

	Euros				
	Balance at 31/12/2022	Additions	Retirements/ Reversals	Transfers	Balance at 30/06/2023
Cost:					
Real estate for leases	506,948,194	142,665	-500,058	-	506,590,801
Ongoing real-estate investments	5,799,747	17,824,677	-	-	23,624,424
Total cost	**512,747,941**	**17,967,342**	**-500,058**	**-**	**530,215,225**
Cumulative depreciation:					-
Real estate for leases	-61,777,707	-3,253,433	26,454	-	-65,004,685
Total cumulative depreciation	**-61,777,707**	**-3,253,433**	**26,454**	**-**	**-65,004,685**
Impairment:					
Real estate for leases	-12,461,456	-	-	-	-12,461,457
Total impairment	**-12,461,456**	**-**	**-**	**-**	**-12,461,457**
Net property investments	**438,508,778**	**14,713,909**	**-473,604**	**-**	**452,749,083**

2022

	Euros				
	Balance at 31/12/2021	Additions	Retirements/ Reversals	Transfers	Balance at 30/06/2022
Cost:					
Real estate for leases	465,038,907	161,566	-2,310,195	-	462,890,278
Ongoing real-estate investments	223,140	3,253,627	-	-	3,476,767
Total cost	**465,262,047**	**3,415,192**	**-2,310,195**	**-**	**466,367,044**
Cumulative depreciation:					-
Real estate for leases	-56,322,178	-2,917,366	242,984	-	-58,996,560
Total cumulative depreciation	**-56,322,178**	**-2,917,366**	**242,984**	**-**	**-58,996,560**
Impairment:					
Real estate for leases	-11,982,461	-	-	-	-11,982,461
Total impairment	**-11,982,461**	**-**	**-**	**-**	**-11,982,461**
Net property investments	**396,957,408**	**497,826**	**-2,067,211**	**-**	**395,388,023**

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

	Cost at	
	30/06/2023	30/06/2022
Land	241,592,283	223,046,897
Spread	288,622,942	243,320,147
Total cost	**530,215,225**	**466,367,044**

“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 2023 were as follows:

Investments: Property investments made in 2023 totalled 17,967,342 euros. The main additions recorded under this heading relate mainly to the following investments:

- During 2023, additions amounting to 17,824,677 euros were made, mainly relating to the refurbishment of the Isla Canela Golf Hotel in Isla Canela for 300,271 euros, the Sexta Avenida Shopping Centre in Madrid for 323,750 euros, and the construction of the Meliá Innside Valdebebas Hotel for 9,047,358 euros and the Sanitas Valdebebas Hospital for 7,507,495 euros, both in Madrid. All these works are in progress at 30 June 2023.
- Additionally, the Company has incurred costs of 142,665 euros which have been capitalised as a property investment cost.

Divestments: Property write downs amounting to 500,058 euros were undertaken in the year. The main deregistrations at 30 June 2023 correspond to:

- During 2023, 1 loft of the Coslada III development (with its respective annexes) was sold, resulting in the derecognition of the gross book cost of 192,038 euros and generating a net loss for the period of 1,584 euros.

- During 2023, the Company recovered 308,020 euros in relation to the municipal capital gain paid on the acquisition of the commercial premises located on calle Conde de Peñalver in Madrid.

Transfers: During the first six months of 2023, there were no transfers from property investment in progress to property investment.

The depreciation charge at 30 June 2023 amounted to 3,253,433 euros (2,917,366 euros at 30 June 2022) and is recorded under "Depreciation and amortisation" in the Company's income statement.

Valuation of real estate assets

The Company appraised all of its real estate assets at year-end 2022 as stipulated in the standards. These valuations, conducted by independent expert Jones Lang Lasalle, have been used as the basis for the internal valuation carried out by the Company at 30 June 2023.

Based on the valuations carried out by internally updating the valuations at 31 December 2022, the fair value of the investment property reveals an unrecorded, unrealised gain (by comparison between the gross updated fair market value and the net book value) of 251,062,317 euros (239,361,554 euros at 31 December 2022), in the case of the Company's entire portfolio, except for the assets located in Valdebebas, which show an unrealised gain of 35,655,694 euros (by comparison between the gross fair value of the finished project and the total estimated costs until it is brought into operation).

No negative impact on the Company's income statement at 30 June 2023 and 30 June 2022 is apparent from the valuations performed.

The gross asset value of the property investments at 30 June 2023 and 31 December 2022, broken down by business segment, is as follows:

	Gross market value of the property investments (euros) (*)	
	30/06/2023	**31/12/2022**
Hotels (**)	204,784,981	204,000,000
Offices	285,744,971	285,681,522
Commercial	211,861,191	211,478,941
Institutional (**)	73,300,000	73,300,000
Total	**775,691,143**	**774,460,463**

(*) The net market value at 30 June 2023 amounts to 757,067,632 euros (755,866,500 euros at 31 December 2022).
(**) For the Valdebebas projects, the market value of the finished project is included. Eliminating the effect of including the market values of the two finished projects and considering the market value based on the progress of work, the gross market value of the property investment at 30 June 2023 amounts to 703,811,401 euros, with a net market value of 686,913,646 euros (680,358,044 euros at 31 December 2022, with a net value of 664,116,641 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 M² above ground level	
	30/06/2023	31/12/2022
Hotels	99,408	99,408
Offices	62,477	62,406
Commercial	40,852	40,852
Institutional	19,273	19,273
Total	**222,009**	**221,938**

At 30 June 2023, the mean level of occupation of the Company's assets dedicated to leasing is 91% (92% at 31 December 2022) based on the square metres leased.

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

The assets leased by the Company are subject to mortgage guarantees at 30 June 2023 amounting to 84,332,874 euros (62,461,471 euros at 31 December 2022), corresponding to bank mortgage loans.

The breakdown of the mortgage loan balance pending maturity and repayment at 30 June 2023 and 31 December 2022 by asset is as follows:

Property	Euros	
	30/06/2023	31/12/2022
José Abascal, 41	8,892,000	9,690,000
Titán, 13	9,303,792	9,708,654
Conde de Peñalver, 16	6,041,108	6,303,992
Valle de la Fuenfría, 3	7,518,877	7,763,333
Juan Ignacio Luca de Tena, 17	10,266,096	10,545,492
Glorieta de Cuatro Caminos 6 and 7	3,275,000	3,450,000
Arapiles, 14	24,000,000	12,000,000
Hospital Sanitas Valdebebas	6,192,000	-
Hotel Meliá Innside Valdebebas	8,844,000	3,000,000
Total amount of mortgages pending maturity on assets (Note 14)	**84,332,874**	**62,461,471**

Note: The net book value of these mortgage-backed properties at 30 June 2023 amounted to 205,062,324 euros (175,347,345 euros at 31 December 2022).

In 2023, the rental income from real estate investments belonging to the Company comes to 15,384,848 euros (12,352,804 euros in 2022). This figure includes income from the passing on of operating expenses for all related items, which amounted to 219,342 euros in 2023 (381,302 euros in the same period of 2022).

At 30 June 2023, 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 2023, the Company had fully depreciated property investment elements which were still in use to the amount of 10,278,798 euros (8,811,387 euros at 31 December 2022).

Company policy is to take out insurance policies to cover the possible risks to which property investments are subject. At 30 June 2023 there was no deficit in any coverage related to these risks.

8. Operational leasing

At 30 June 2023 and 31 December 2022, 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	
	30/06/2023	31/12/2022
Less than a year	30,552,488	29,272,582
Between two and five years	109,994,439	87,953,936
More than five years	131,666,060	103,961,317
Total	**272,212,988**	**221,187,835**

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	
	30/06/2023	31/12/2022
Hotels	9.28	8.64
Offices	6.65	6.52
Commercial	10.13	11.07
Institutional	10.00	10.00
Total Average	**9.09**	**9.10**

9. Other financial assets and investments in related companies

The balances of this headings accounts at 30 June 2023 and 31 December 2022 are as follows:

	Euros	
	Balance at	Balance at
	30/06/2023	31/12/2022
	Financial assets at amortised cost	
Derivatives	387,054	314,055
Other financial assets	2,463,585	2,706,786
Long-term / Non-current	**2,850,640**	**3,020,841**
Investments in group and associated companies	10,000,000	-
Other financial assets	619,236	796,335
Short-term / Current	**10,619,236**	**796,335**
Total	**13,469,875**	**3,817,176**

	Euros	
	Balance at	Balance at
	30/06/2023	31/12/2022
	Assets at fair value with changes in profit and loss	
Other financial assets	15,212,567	16,478,110
Short-term / Current	**15,212,567**	**16,478,110**
Total	**15,212,567**	**16,478,110**

The movement in the headings "Loans to related companies", "Other financial assets" and "Equity instruments" at 30 June 2023 and 30 June 2022 is as follows:

2023

	Euros				
	Balance at 31/12/2022	Additions	Adjustments Value	Retirements	Balance at 30/06/2023
Equity instruments	16,478,110	-	-1,265,543	-	15,212,567
Derivatives	314,055	-	72,999	-	387,054
Other financial assets	3,503,121	116,174	-	-1,155,710	2,463,585
Total	**20,295,286**	**116,174**	**-1,192,544**	**-1,155,710**	**18,063,206**

2022

	Euros				
	31/12/2021	Additions	Adjustments Value	Retirements	30/06/2022
Loans to associates	-	3,323,549	-	-	3,323,549
Equity instruments	13,399,701	-	-3,462,716	-	9,936,985
Other financial assets	2,743,776	290,558	-	-	3,034,334
Total	**16,143,477**	**3,614,107**	**-3,462,716**	**-**	**16,294,868**

Short-term investments in Group and associate companies

On 24 February 2023, the Company lent one of its shareholders, Promociones y Construcciones PYC Pryconsa, S.A., an amount of 10,000,000 euros in the form of a short-term loan maturing in 12 months at market rates.

Assets at fair value with changes in profit or loss

Equity instruments available for sale

In 2019, the Company purchased 6,950 shares in the listed company Unibail Rodamco, with a total acquisition cost of 1,002,786 euros, which were recognised under “Current equity instruments”. At 30 June 2023, the Company valued the shares, obtaining a negative value adjustment of 3,336 euros, which was recognised under "Profit/(loss) from the trading portfolio" at 30 June 2023 (negative value adjustment of 90,142 euros at 30 June 2022).

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”. During 2022, 1,113,250 shares were acquired with a total acquisition cost of 5,995,506 euros, which are also recognised under "Short-term equity instruments". At 30 June 2023, the Company valued the shares, obtaining a negative value adjustment of 1,262,207 euros (negative adjustment of 3,372,575 euros at 30 June 2022), which was recognised under "Profit/(loss) from the trading portfolio" at 30 June 2023.

The Company has not received dividends from these financial investments in either 2023 or in 2022 (up to June). Dividends are expected to be received in the second half of the year. The Company will recognise such dividend income under "Third-party financial income" on the statement of profit and loss.

The change in fair value during the year and the cumulative change since inception is shown below:

Financial assets at fair value with changes in profit or loss								
	Euros							
	Cost		Acquisition	Fair value at		Variation	Method	
	30/06/2023	31/12/2022	2023	30/06/2023	31/12/2022	2023	FV	Level
Unibail Rodamco	1,002,786	1,002,786	-	334,643	337,979	-3,336	Quoted price	1
Inmobiliaria Colonial	17,544,042	17,544,042	-	14,877,925	16,140,131	-1,262,207	Quoted price	1
Total	**18,546,828**	**18,546,828**	**-**	**15,212,567**	**16,478,110**	**-1,265,543**		

The main valuation techniques and variables used in the measurement of fair value correspond to level 1, i.e. the quoted price of these shares on the secondary market at 30 June 2023.

Derivatives

At 30 June 2023, there was an increase in equity of 72,999 euros (increase in equity of 314,055 euros at 31 December 2022) due to the valuation of the Interest Rate Swap derivative financial instrument, which is related to Hedging instruments in Note 15.

Other current and non-current financial assets at amortised cost

The "Other non-current financial assets" and "Other current financial assets" headings include the bonds received from customers deposited in the corresponding Public Bodies related to the rentals indicated in Notes 7 and 8.

The breakdown by maturities of the items under “Other non-current financial assets” at 30 June 2023 is as follows:

	Euros					
	2023/24	2024	2025	2026	2027 and subsequent	Total
Other financial assets	619,236	23,799	295,910	606,230	1,537,647	3,082,821
Total	**619,236**	**23,799**	**295,910**	**606,230**	**1,537,647**	**3,082,821**

The breakdown by maturity at 31 December 2022 is as follows:

	Euros					
	2023	2024	2025	2026	2027 and subsequent	Total
Other financial assets	796,335	579,857	185,487	392,845	1,548,597	3,503,121
Total	**796,335**	**579,857**	**185,487**	**392,845**	**1,548,597**	**3,503,121**

10. Trade and other receivables

The breakdown of the heading at 30 June 2023 and 31 December 2022 is as follows:

	Euros	
	30/06/2023	31/12/2022
Trade receivables from sales and services	777,871	4,174,532
Staff	352	944
Current tax assets (18.2)	50,142	20,362
Other tax receivables (Note 18.1)	-	9,837
Total	**828,365**	**4,205,675**

The balance of “Trade receivables from sales and services” at 30 June 2023 and 31 December 2022 break downs as follows:

	Euros	
	30/06/2023	31/12/2022
Customers	448,983	3,848,969
Commercial paper in the portfolio	299,578	314,446
Unpaid commercial paper	29,310	11,117
Doubtful customers	3,494	3,494
Impairment	-3,494	-3,494
Total	**777,871**	**4,174,532**

The balance of customers at 30 June 2023 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	
	30/06/2023	31/12/2022
Balance at beginning of year	**-3,494**	**-3,665**
Impairment	-	-3,494
Reversal	-	3,665
Balance, end of year	**-3,494**	**-3,494**

11. Cash and cash equivalents

The balance recorded under "Cash" corresponds mainly to the balance available in current accounts at 30 June 2023 and 31 December 2022. These balances have no restrictions on their availability and accrue market interest.

12. 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 2023 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.

e) Real estate business risks

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

Other market risks to which the Company is exposed include:

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

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

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

13. Equity and Own Funds

a) Authorised capital

At 30 June 2023, 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 2023 and the average share price in the first half of 2023 were

68.80 and 66.40 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 2023 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.	448,807	10,08%

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 2023, the legal reserve was not fully constituted, its balance on that date being 11,453,626 euros (10,028,140 euros at 31 December 2022). The year-on-year change is due to the distribution of the profit for 2022 and the allocation of the legal reserve amounting to 1,425,486 euros.

Voluntary reserve

At 30 June 2023, the Company's voluntary reserve amounts to 4,974,058 euros, which originates from the distribution of the Company's profit:

- in 2019 amounting to 304,475 euros
- in 2021 amounting to 4,494,171 euros
- in 2022 amounting to 175,412 euros

The voluntary reserve is freely distributable (4,798,646 euros at 31 December 2022).

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) 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 along with the profits, if any, for 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.

As indicated in Note 2, in accordance with Law 11/2021 of 9 July and Order HFP/1430/2021 of 20 December, the Company is subject to a special tax on undistributed profits of listed real estate investment companies within corporation tax in its self-assessment format for tax years beginning on or after 1 January 2021. The current tax rate is 15% and will be considered as a corporation tax liability.

d) Capital management

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

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

e) **Valuation adjustments**

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

	Euros	
	30/06/2023	31/12/2022
Hedging operations (Note 14)	387,054	314,055
Total	**387,054**	**314,055**

f) **Capital subsidies**

The changes in this item during the first six months of 2023 are as follows:

2023

	Euros		
	31/12/2022	Amounts applied	30/06/2023
Capital subsidies	928,788	-28,175	900,613
Total	**928,788**	**-28,175**	**900,613**

2022

	Euros		
	31/12/2021	Amounts applied	30/06/2022
Capital subsidies	985,139	-28,175	956,964
Total	**985,139**	**-28,175**	**956,964**

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 2023, 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 (566,983 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 (333,630 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 2023, an amount of 28,175 euros (28,175 euros at 30 June 2022) was recognised under “Assignment of non-financing fixed asset subsidies” in the accompanying statement of profit and loss.

14. Current and non-current liabilities

The balances of the accounts of these headings at 30 June 2023 and 31 December 2022 are as follows:

	Euros	
	30/06/2023	31/12/2022
Long-term debts with credit institutions	120,090,564	104,798,848
Other financial liabilities	3,746,878	3,900,223
Total Non-current payables	**123,837,442**	**108,699,071**
Current bank borrowings	42,302,080	35,026,384
Other financial liabilities	641,489	488,482
Total Current payables	**42,943,569**	**35,514,866**
Total non-current and current payables	**166,781,011**	**144,213,937**

Financial liabilities at amortised cost

Non-current and current bank borrowings

At 30 June 2023, the Company's bank borrowings amounted to 162,392,644 euros (139,825,232 euros at 31 December 2022).

The mortgage loans in force at 30 June 2023, for which the Company is liable, have the following characteristics:

	Financial institution		Euros		
		Start	Initial amount	Capital outstanding	Date
José Abascal, 41	Banca March	2017	11,400,000	8,892,000	2031
Titán, 13	Banco Santander	2015	15,735,000	9,303,792	2025
Conde de Peñalver, 16	Banco Santander	2015	10,217,000	6,041,108	2025
Valle de la Fuenfría, 3	Kutxabank	2018	10,000,000	7,518,877	2028
Juan Ignacio Luca de Tena, 17	CaixaBank	2019	12,000,000	10,266,096	2030
Glorieta Cuatro Caminos 6 y 7	Banca March	2018	4,500,000	3,275,000	2028
Arapiles, 14	Bankinter	2022	24,000,000	24,000,000	2037
Hospital Sanitas Valdebebas (*)	Banco Santander	2023	36,000,000	6,192,000	2036
Hotel Meliá Innside Valdebebas (*)	Banco Santander	2022	33,000,000	8,844,000	2035
Total			**156,852,000**	**84,332,874**	
Opening costs	Bankinter	2022	-	-304,497	
Total			**156,852,000**	**84,028,376**	

(*) These loans are intended to finance refurbishment and construction work. The loans for the Hotel Meliá Innside Valdebebas and Hospital Sanitas Valdebebas have been arranged with Banco Santander and will be drawn down – up to 33,000,000 euros and 36,000,000 euros, respectively – during the years of construction of the building based on the progress of the works.

The personal guarantee loans in force at 30 June 2023 have the following characteristics:

		Euros		Maturity
	Start	Initial amount	Capital outstanding	
Banco Santander	2020	12,000,000	7,586,900	2025
Banco Santander	2021	30,000,000	20,822,531	2026
Banco Santander	2022	10,000,000	10,000,000	2023
Abanca	2022	3,000,000	2,400,000	2027
Pichincha	2022	5,000,000	3,359,822	2025
Banca Pueyo	2022	5,000,000	5,000,000	2030
Banca Pueyo	2022	5,000,000	5,000,000	2030
Bankinter	2022	10,000,000	9,700,000	2032
Total		**80,000,000**	**63,869,253**	

Additionally, "Current bank borrowings" includes two credit facilities taken out with Bankinter with a limit of 2,000,000 euros for one and 5,000,000 euros for the other, both maturing on 16 October 2023, as well as a credit facility signed with Banca March for 7,500,000 euros maturing on 13 January 2024. These facilities are drawn down at 30 June 2023 in the amount of 13,760,917 euros. Interest accrued and not yet due at 30 June 2023, of 734,097 euros (392,903 euros 31 December 2022) has been recognised.

Financial expenses on bank borrowings in 2023 amounted to 2,088,007 euros (783,399 euros at 30 June 2022) and are recognised under the “Financial expenses” item of the attached statement of profit and loss.

As can be seen from the information in this note, during 2022, the Company arranged various long-term loans (mortgage and non-mortgage) in order to finance its activities. The costs of arranging these loans are recognised under "Long-term bank borrowings" on the Company's balance sheet at 30 June 2023 and amount to 304,497 euros (315,555 euros at 31 December 2022), which are recognised as an expense on the income statement on an annual basis in accordance with the repayment period of the loans they relate to.

Loan interest rates are set on market terms linked to Euribor with a fixed spread, except for the loan covered by the hedging guarantee.

"Guarantees and deposits" reflects the guarantees received from clients connected with the leases set out in Notes 7 and 8.

The breakdown by due dates at 30 June 2023 is as follows:

	Euros					
	2023/24	2024 l/t	2025	2026	2027 and later	Total
Bank borrowings (*)	41,545,867	9,080,389	30,755,571	8,079,547	72,197,172	161,658,546
Interest on bank borrowings	734,097	-	-	-	-	734,097
Guarantees and deposits	641,489	26,443	343,969	1,492,503	1,883,963	4,388,367
Derivatives	-	-	-	-	-387,054	-387,054
Total	**42,921,453**	**9,106,832**	**31,099,540**	**9,572,050**	**73,694,081**	**166,393,957**

(*) Loans with mortgage guarantee amounting to 84,028,376 euros, loans amounting to 63,869,253 euros and drawdowns on a credit policy amounting to 13,760,917 euros.

The breakdown by due dates at 31 December 2022 is as follows:

	Euros					
	2023	2024	2025	2026	2027 and subsequent	Total
Bank borrowings (*)	35,026,384	19,703,541	31,505,107	8,827,366	44,762,834	139,825,232
Non-current guarantees and deposits	-	448,430	205,388	1,412,640	1,833,765	3,900,223
Short-term guarantees and deposits	488,482	-	-	-	-	488,482
Total	**35,514,811**	**20,151,971**	**31,710,496**	**9,266,692**	**47,569,913**	**144,213,882**

(*) Mortgage guarantee loans amounting to 62,461,471 euros, loans with personal guarantee for 70,413,976 euros, credit facility provisions for 6,872,437 euros and interest accrued pending maturity amounting to 392,903 euros.

15. Hedge instruments

The detail of derivative financial instruments at 30 June 2023 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	387,054

The detail of derivative financial instruments, at 2022 year-end, is as follows:

	Classification	Rate	Euros Outstanding nominal amount	Maturity	Fair value Liability
Interest rate swap	Interest rate hedge	Variable to fixed	8,550,000	01.04.2026	314,055

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:

- Increase in equity of 72,999 euros in 2023 (increase in equity of 597,063 euros in 2022), which were recognised in the Company's equity under "Adjustments for changes in value".

The Company has complied with the requirements detailed in Note 5.5.3 on registration and valuation rules in order to classify the financial instruments listed above as hedges.

16. 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.

	30/06/2023	31/12/2022
	Days	
Average payment period to suppliers	44.74	44.48
Ratio of transactions paid	50.62	49.84
Ratio of transactions pending payment	35.71	21.88
	Euros	
Total payments made	12,487,524	15,562,518
Total payments outstanding	8,127,965	3,689,510

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).

As set down in Law 18/2022 of 28 September on the creation and growth of companies, the purpose of which being to reduce commercial default and financial support, the Company details below the average payment period to suppliers, the monetary volume and number of invoices paid in a period lower than the maximum period established in the default regulations and the percentage they represent of the total number of invoices and of the total monetary payments to its suppliers:

	30/06/2023	31/12/2022
Average payment period – invoices paid in a period shorter than the legal maximum period	50.62	26.09
Number invoices paid in a period shorter than the legal maximum period	853	1,520
Percentage of the total number of paid invoices	60,20%	66,61%
		Euros
Amount of the invoices paid in a period shorter than the legal maximum period	8,011,949	13,037,097
Percentage of the total amount of paid invoices	64,16%	83,77%

17. Guarantees undertaken with third parties

At 30 June 2023 the Company has a guarantee from Kutxabank to the Madrid City Council for the correct management of waste amounting of 6,431 euros, for the specific refurbishment works on the building located at calle Pradillo 42.

18. Public administrations and tax situation

18.1. Current balances with Public Administrations

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

	Euros			
	30/06/2023		31/12/2022	
	Payable	Receivable	Payable	Receivable
Withholdings on present year	50,142	-	20,362	-
Withholdings from previous years	-	-	9,837	-
Value Added Tax	-	363,465	-	306,938
Personal income tax	-	17,145	-	51,381
Withholdings on rent	-	505	-	505
Withholdings on moveable capital	-	-	-	30,287
Social Security	-	9,892	-	7,483
Total	**50,142**	**391,007**	**30,199**	**396,594**

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

Reconciliation of the accounting profit/loss and the Corporation Tax base at 30 June 2023 and 31 December 2022 is as follows:

	Euros	
	30/06/2023	31/12/2022
Profit/ (loss) before tax	7,441,766	14,254,856
Permanent differences	-	-
Temporary differences	-81,120	162,102
Previous tax base	**7,360,645**	**14,416,958**
Tax base (0%)	**7,360,645**	**14,416,958**
Tax base (25%)	-	-
Offset of negative tax bases	-	-
Tax base at 0%	**7,360,645**	**14,416,958**
Tax base at 25%	-	**-**
Total tax liability (0%)	-	**-**
Total tax liability (25%)	-	**-**
Withholdings and payment on account	50,142	20,362
Amount to (pay) / return	**50,142**	**20,362**

The temporary differences at 30 June 2023 that changed the pre-tax accounting profit amounted to a negative amount of 81,120 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 106,390 euros.

- Positive adjustment of 25,269 corresponding to the amortisation of goodwill generated by the merger (see Note 1).

At 30 June 2023, the Company has temporary differences to be allocated in the amount of 5,527,926 euros (5,847,095 euros at 31 December 2022), 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 106,390 euros, in addition to the impairment of property investments in the amount of 5,421,537 euros. Goodwill amortised associated with the Valle de la Fuenfría 3 office building pending allocation amounted to 5,085,018 euros.

At 30 June 2023, the Company had tax loss carryforwards of 357,592 euros (357,592 euros at 31 December 2022).

At 30 June 2023, there are no financial expenses which could not be deducted from the corporation tax base.

At 30 June 2023, there are tax credit carryforwards amounting to 453 euros (453 euros at 31 December 2022).

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 2022 year-end the directors proposed to the shareholders to pay dividends of 12,653,959 euros (15,148,123 euros in 2021) 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 along with the profits, if any, for 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 along with the profits, if any, for the financial year in which they have been transferred.

For these purposes, during 2022 the Company realised a gain on the sale of real estate assets of 350,824 euros on the sale of various developments in Vallecas, Sanchinarro and Coslada (net gain of 8,988,341 euros in 2021 after allotting the transaction costs for the sale of the property). During the 2022 financial year, investments in real estate assets were made for an amount exceeding 50% of the proceeds from the aforementioned sale and therefore the reinvestment requirement described above was deemed to have been met.

Corporation tax expense

Due to application of Law 11/2021, of 9 July and Order HFP/1430/2021 of 20 December approving the "special tax on undistributed profits of listed public limited companies investing in the real estate market" as part of the corporation tax self-assessment, the Company will not make a provision for corporation tax until such time as the distribution of profits is approved at the Company's General Shareholders' Meeting.

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 30/06/2023	Euros		
Property	N.T.V.:	M.V.T.:	R.D.
Gran Vía,1 1º izquierda	541,883	2,730,000	2,188,117
Gran Vía,1 1º derecha	474,791	3,013,000	2,538,209
Gran Vía,1 1º izquierda	570,505	2,873,000	2,302,495
Gran Vía 34 hotel and premises	45,845,703	43,065,500	-2,780,203
Dulcinea premises	446,843	1,525,000	1,078,157
Albalá 7 premises	846,985	2,873,300	2,026,315
Pradillo, 42	17,762,500	18,227,308	464,808
Total	**66,489,210**	**74,307,108**	**7,817,898**

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

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

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

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

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

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

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

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

Data at 30/06/2023 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.

C. Bensell Mirasierra, S.L.U.

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

Data at 30/06/2023 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

18.4. Financial years pending verification and inspection actions

In accordance with prevailing legislation in Spain, taxes cannot be considered to have been definitively settled until the returns filed have been inspected by the tax authorities or until the four-year statute of limitations period has elapsed. At 30 June 2023, the Company has taxes for the last four years open for inspection. The Directors of the Company consider that the settlements of the above-mentioned taxes have been properly filed. Hence, although discrepancies may arise regarding the tax treatment given to the operations due to the interpretation of prevailing regulations, any liabilities that may eventually result from them, should they come about, will not significantly affect the annual financial statements attached.

18.5. 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).

19. Earnings and expenses

19.1 Net turnover and other operating income

The breakdown of these headings at 30 June 2023 and 2022 is as follows:

	Euros	
	30/06/2023	30/06/2022
Hotels	3,069,339	2,850,081
Offices	7,331,005	4,866,576
Commercial	4,832,063	4,625,286
Subtotal rentals	**15,232,408**	**12,341,943**
Provision of sundry services	170,347	64,663
Operating subsidies	28,175	28,175
Total income	**15,430,930**	**12,434,782**

The Company's entire turnover in the first six months of 2023 and 2022 was generated in Spain.

19.2 Personnel expenses

The breakdown of these headings at 30 June 2023 and 2022 is as follows:

	Euros	
	30/06/2023	30/06/2022
Wages and salaries:		
Wages, salaries and similar outgoings	242,451	189,327
National Insurance contributions:		
National Insurance contributions incurred by the company	49,611	37,910
Other social expenses	6,473	6,720
Total	**298,535**	**233,957**

19.3 External charges for services, taxes and similar levies

The breakdown of this heading at 30 June 2023 and 2022 is as follows:

	Euros	
	30/06/2023	30/06/2022
Rents and levies	27,322	9,588
Repairs and maintenance	650,597	422,137
Independent professional services	130,093	142,363
Insurance policies	94,975	75,021
Banking services and similar	4,227	6,038
Advertising, publicity and public relations	10,384	14,416
Supplies	732,677	573,500
Other services	231,761	205,573
Other levies	150,371	13,294
Total	**2,032,407**	**1,461,931**

20. Related-party transactions and balances

20.1 Related-party transactions

Related-party transactions at 30 June 2023 and 2022 are as follows:

	Euros						
	30/06/2023				30/06/2022		
	Expenses	Income	Income	Expenses	Expenses	Income	Income
	Operating		income		Operating		income
Isla Canela, S.A.	88	62,438	-	-	-	54,445	-
Planificación Residencial y Gestión, S.A.U.	18,238	-	-	-	-	-	-
Cogein, S.L.U.	-	-	-	11,498	-	-	-
Promociones y Construcciones PYC Pryconsa, S.A.	567,764	12,009	157,800	-	13,239	11,521	50,625
Total	**586,090**	**74,447**	**157,800**	**11,498**	**13,239**	**65,966**	**50,625**

At 30 June 2023, 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.
- **PER 32, S.**L.: Direct shareholder of the Company with an 8.60% stake.
- **Planificación Residencial y Gestión, S.A.U.:** A company in which Promociones y Construcciones PYC Pryconsa, S.A. holds an 100.00% interest.
- **Promociones y Construcciones PYC Pryconsa, S.A.:** Direct shareholder of the Company with an 11.19% stake.
- **Cogein, S.L.U.:** Direct shareholder of the Company with a 10.08% stake.

20.2 Balances with Group and associated companies

The balances with Group and associated companies at 30 June 2023 and 31 December 2022 are as follows:

2023

	Euros	
	Loans granted to related companies	Loans received from related companies
Promociones y Construcciones PYC Pryconsa, S.A. (Note 9)	10,000,000	-
Cogein, S.L.U.	-	539,448
Total	**10,000,000**	**539,448**

2022

	Euros	
	Loans extended to related companies	Loans received from related companies
Cogein, S.L.U.	-	3,461,920
Total	**-**	**3,461,920**

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. The term of this agreement was established for an annual period, which is tacitly renewed for annual periods unless the parties expressly agree otherwise.

- On 1 April 2023, Promociones y Construcciones PYC provides various services, including the assignment of the use of space, administrative, accounting and tax work, among others, to the other companies of the PER32 group. The agreement is for a term is of three years and is automatically renewed for three-year terms unless one of the Companies withdraws.

- On 1 September 2022, the various companies of the PER 32 Group signed a framework agreement for reciprocal financing whereby any company with excess liquidity can finance the other companies that require such financing under market conditions as long as their financing needs are covered. The agreement is for a term is of three years and is automatically renewed for three-year terms unless one of the Companies withdraws.

- On 1 November 2022, a sublease contract was signed with Planificación Residencial y Gestión, S.A.U. for part of the second floor of the office building located at Glorieta de Cuatro Caminos 6 and 7. The term of the sublease is the same as that of the lease entered into by Planificación Residencial y Gestión, S.A.U. as lessee.

As a result of the mergers described in Note 1, all the obligations and rights arising from the following contracts with Promociones y Construcciones PYC Pryconsa, S.A. and Isla Canela, S.A. were 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.

21. Remuneration for the Board of Directors and Senior Management

Total remuneration paid in the first six months of 2023 and 2022 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	
	30/06/2023	30/06/2022
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 2023 and 31 December 2022 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 2023 and 2022, 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 at 30 June 2023 and 31 December 2022 was as follows:

30/06/2023			31/12/2022		
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.

22. Disclosure on situations of conflicts of interest involving the directors

At 30 June 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 of the Board of Directors any direct or indirect conflict of interest with those of the Company.

23. Other information

23.1 Personnel

The average number of people employed during the first half of 2023 and 2022 broken down by job category is as follows:

Categories	30/06/2023	30/06/2022
Management	1	1
Graduates	2	1
Administrative staff	4	4
Total	**7**	**6**

Likewise, the distribution by gender at the end of 30 June 2023 and 2022 broken down by category was as follows:

Categories	30/06/2023		30/06/2022	
	Men	Women	Men	Women
Directors	3	2	3	2
Management	1	-	1	-
Graduates	2	-	1	-
Administrative staff	1	3	2	2
Total	**7**	**5**	**7**	**4**

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

23.2 Audit fees

During the first half of 2023 and 2022, fees relating to audit services and other services rendered by the Company's auditor, BDO Auditors, S.L.P., 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	
	30/06/2023	30/06/2022
Audit Services	15,043	14,475
Other verification services	-	-
Total audit and related services	**15,043**	**14,475**
Tax assessment services	-	-
Other services	-	-
Total Professional Services	**15,043**	**14,475**

24. 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 2023 and 31 December 2022, 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.

25. 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:

- Hotels
- Offices
- Commercial
- Institutional

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

	Euros					
30/06/2023	**Hotels**	**Offices**	**Commercial**	**Institutional**	**Others**	**Total**
Income	3,069,339	7,476,591	4,856,824	-	-	15,402,755
Indirect costs	-126,394	-1,215,897	-617,780	-	-	-1,960,071
Net operating income	**2,942,945**	**6,260,694**	**4,239,044**	**-**	**-**	**13,442,683**
Overheads	-73,904	-180,023	-116,944	-	-	-370,871
EBITDA	**2,869,040**	**6,080,671**	**4,122,100**	**-**	**-**	**13,071,812**
% of income	**93,47%**	**81,33%**	**84,87%**	**-**	**-**	**84,87%**
Depreciation	-1,179,244	-1,508,321	-565,868	-	-7,744	-3,261,178
Subsidies	28,175	-	-	-	-	28,175
Extraordinary gains/(losses)	3,195	-	-	-	-	3,195
Gain/(loss) on disposal of real estate assets	-	-1,584	-	-	-	-1,584
Impairment/Reversal of provisions	-	-	-	-	-	-
Financial profit/(loss)	-	-703,157	-44,349	-	-2,450,817	-3,198,322
EBIT	**1,721,167**	**3,867,609**	**3,511,884**	-	**-2,458,561**	**6,642,099**
Corporation tax	-	-	-	**-**	-	-
Net profit/(loss)	**1,721,167**	**3,867,609**	**3,511,884**	-	**-2,458,561**	**6,642,099**
% of income	**56,08%**	**51,73%**	**72,31%**	-	**-**	**43,12%**

2022

	Euros					
30/06/2022	**Hotels**	**Offices**	**Commercial**	**Institutional**	**Others**	**Total**
Income	2,887,801	4,879,096	4,639,709	-	-	12,406,606
Indirect costs	-121,991	-701,690	-571,801	-	-	-1,395,482
Net operating income	**2,765,810**	**4,177,406**	**4,067,909**	**-**	**-**	**11,011,125**
Overheads	-69,924	-118,140	-112,343	-	-	-300,407
EBITDA	**2,695,887**	**4,059,266**	**3,955,565**	**-**	**-**	**10,710,718**
% of income	**93,35%**	**83,20%**	**85,25%**	**-**	**-**	**86,33%**
Depreciation	-1,165,224	-1,184,225	-567,917	-	-387	-2,917,753
Subsidies	28,175	-	-	-	-	28,175
Extraordinary gains/(losses)	-30,811	-	-	-	-	-30,811
Gain/(loss) on disposal of real estate assets	-	156,789	-	-	-	156,789
Impairment/Reversal of provisions	-	3,665	-	-	-	3,665
Financial profit/(loss)	-273,973	-3,510,666	37	-	-408,746	-4,193,349
EBIT	**1,254,054**	**-475,171**	**3,387,685**	-	**-409,133**	**3,757,435**
Corporation tax	-	-	-	**-**	-	-
Net profit/(loss)	**1,254,054**	**-475,171**	**3,387,685**	-	**-409,133**	**3,757,435**
% of income	**43,43%**	**-9,74%**	**73,02%**	**-**	**-**	**30,29%**

The breakdown of the **income and net book value** for real estate assets heading at 30 June 2023 is as follows:

	Euros					
	30/06/2023			30/06/2022		31/12/2022
	Income	%	Net book value	Income	%	Net book value
Hotels	3,069,339	20%	126,209,156	2,887,801	23%	102,661,073
Offices	7,476,591	49%	208,549,301	4,879,096	39%	209,919,449
Commercial	4,856,824	31%	96,268,250	4,639,709	37%	96,818,388
Institutional	-	-	21,722,376	-	-	14,214,881
Total income	**15,402,755**	**100%**	**452,749,083**	**12,406,606**	**100%**	**423,613,790**

At 30 June 2023, 20% of revenue was generated by hotel assets, 49% by offices and 31% by commercial premises. At 30 June 2023, the hotels were fully leased; offices were 93% leased; commercial premises were 61% leased and the Institutional area was 100% leased. At 30 June 2023, the occupancy rate of the real estate assets was 91%. The Gross Leasable Area (GLA) was 222,009 m2.

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

Area	Euros			
	30/06/2023		30/06/2022	
	Income	Income (%)	Income	Income (%)
Madrid	13,107,193	85,10%	10,231,238	82,47%
Huelva	2,295,562	14,90%	2,175,369	17,53%
Total	**15,402,755**	**100,00%**	**12,406,606**	**100,00%**

From a geographic point of view, all of the income obtained in the first half of 2023 was generated in Madrid and Huelva (both in Spain). Madrid remains in first place, contributing around 85% of total income, followed by Huelva with 15%.

It is also interesting to consider changes in **occupancy rates** by **asset types**. At 30 June 2023, the occupancy rate of the Company's assets for leasing was 91% (93% in June 2022) based on the square metres leased, the breakdown of which was as follows:

Asset type	% occupancy			Floor area in m^2 above ground level		
	30/06/2023	30/06/2022	31/12/2022	30/06/2023	30/06/2022	31/12/2022
Hotels	100,00%	100,00%	100,00%	99,408	98,637	99,408
Offices	93,03%	92,23%	95,41%	62,477	44,919	62,406
Commercial	60,65%	79,98%	61,73%	40,852	40,736	40,852
Institutional	100,00%	-	100,00%	19,273	-	19,273
Total	**90,80%**	**92,98%**	**91,66%**	**222,009**	**165,789**	**221,938**

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.

26. International Financial Reporting Standards

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

Once the General Accounting Plan approved by Royal Decree 1514/2007 of 16 November – amended by

Royal Decree 1159/2010, which was amended in 2016 by Royal Decree 602/2016 and amended by 1/2021 of 12 January – has been applied to Company operations, there are no significant differences between this standard and IFRS-EU, except for the inclusion of capital grants, net of their corresponding tax effect, in the Company's equity.

At 30 June 2023 and 2022, the Company does not have any lease agreements in force under which it acts as a lessee (operating lease) and therefore IFRS 16 does not apply to the recognition of a right to use the asset and a liability for the lease.

In addition, the amendments to IFRS 16 "Leases: COVID-19 Related Rent Concessions beyond 30 June 2021" with mandatory application from 1 April 2021 have no effect on the Company's equity and results.

27. Subsequent events

Subsequent to 30 June 2023 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred.

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

Description	2023
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 in 2021 allocated to reserves: 6,676,648 euros - Profits in 2022 allocated to reserves: 1,600,898 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 in 2021 allocated to reserves: 6,676,648 euros - Profits in 2022 allocated to reserves: 1,600,898 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 • Distribution of dividends in 2021: 15,148,124 euros • Distribution of dividends in 2022: 12,653,959 euros **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • Distribution of dividends in 2009: 3,382,919 euros • Distribution of dividends in 2010: 3,121,886 euros • Distribution of dividends in 2011: 3,585,669 euros • Distribution of dividends in 2012: 156,295 euros • Distribution of dividends in 2013: 1,209,306 euros

	• Distribution of dividends in 2014: 10,874,427 euros • Distribution of dividends in 2015: 14,799,010 euros **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • Distribution of dividends in 2015: 1,987,206 euros
• Dividends from income subject to the general tax rate.	-
• 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 • Distribution of dividends in 2021: 15,148,124 euros • Distribution of dividends in 2022: 12,653,959 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: 01/04/2016 • 2016 Dividends: 29/06/2017 • 2017 Dividends: 26/04/2018 • 2018 Dividends: 25/04/2019 • 2019 Dividends: 30/06/2020 • 2020 Dividends: 29/04/2021 • 2021 Dividends: 27/04/2022 • 2022 Dividends: 27/04/2023 **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** • 2009 Dividends: 29/06/2010 • 2010 Dividends: 30/06/2011 • 2011 Dividends: 28/06/2012 • 2012 Dividends: 20/06/2013 • 2013 Dividends: 30/06/2014 • 2014 Dividends: 22/06/2015 • 2015 Dividends: 01/04/2016 **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** • 2015 Dividends: 01/04/2016
f) Acquisition date of the properties allocated to lease which generate income subject to this special scheme and that remain on the company's balance sheet at the reporting date.	**Properties from the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** The properties were owned by the absorbed company on 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

<table>
<tr><td></td><td>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</td></tr>
<tr><td></td><td>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 Innside Meliá Gran Vía: 16/05/2002
- Retail outlet at Gran Vía 34: 16/05/2002
- Retail outlet on Dulcinea: 21/09/1995
- Pradillo 41 offices: 27/02/2009
- Retail outlet at Albalá 7: 26/09/2003
- Gran Vía 1-1º and 2º Dcha. offices: 15/10/1993
- Gran Vía 1-1º Izda offices: 10/02/1998
- Building on Plaza España, Castellón: 29/12/2011</td></tr>
<tr><td></td><td>Properties from the absorbed company INVERETIRO, SOCIMI, S.A.U.
- Titán, 13 offices: 12/02/2014
- Conde de Peñalver, 16 premises: 01/12/2013</td></tr>
<tr><td></td><td>Properties from the absorbed company BENSELL MIRASIERRA, S.L.U.
Valle de la Fuenfría, 3: 09/03/2015</td></tr>
<tr><td></td><td>Direct acquisitions made in the Company and that are still owned:
- 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
- Building at Arapiles, 14: 08/10/2021
- Sexta Avenida Shopping Centre: 30/11/2021
- Santiago de Compostela 100 bis offices: 27/07/2022
- Avenida de Cantabria 51 offices: 27/07/2022</td></tr>
<tr><td>g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.</td><td>2019: Unibail Rodamco. 6,950 shares (Current value 0.33 million euros)
2020: Inmobiliaria Colonial: 1,572,296 shares
2021: Inmobiliaria Colonial: 1,113,250 shares
(Total current value of Inmobiliaria Colonial €14.88m)</td></tr>
<tr><td>h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Law.</td><td>The breakdown of real estate assets and their gross book cost, expressed in millions of euros, is as follows:
<table>
<tr><td>Meliá Atlántico</td><td>36.54</td></tr>
<tr><td>Barceló Isla Canela</td><td>28.41</td></tr>
<tr><td>Iberostar Isla Canela</td><td>25.95</td></tr>
<tr><td>Meliá Innside Gran Vía</td><td>24.85</td></tr>
<tr><td>Playa Canela</td><td>17.63</td></tr>
<tr><td>Isla Canela Golf</td><td>5.58</td></tr>
<tr><td>Hotel Valdebebas (in construction)</td><td>23.94</td></tr>
<tr><td>Hotels</td><td>162.90</td></tr>
<tr><td>Pradillo 42</td><td>22.39</td></tr>
<tr><td>Sanchinarro VI</td><td>5.87</td></tr>
<tr><td>Sanchinarro VII</td><td>0.86</td></tr>
<tr><td>Titán 13</td><td>32.02</td></tr>
<tr><td>Valle de la Fuenfría, 3</td><td>18.36</td></tr>
<tr><td>José Abascal 41</td><td>25.61</td></tr>
<tr><td>Juan Ignacio Luca de Tena,17</td><td>30.80</td></tr>
<tr><td>Avda. Cantabria, 51</td><td>16.75</td></tr>
<tr><td>Santiago Compostela, 100 bis</td><td>22.33</td></tr>
<tr><td>Orense 62</td><td>4.40</td></tr>
<tr><td>Arapiles, 14</td><td>36.32</td></tr>
<tr><td>Coslada III</td><td>0.01</td></tr>
<tr><td>Vallecas Comercial I</td><td>1.89</td></tr>
<tr><td>Gran Vía 1 (2º derecha)</td><td>2.87</td></tr>
<tr><td>Gran Vía 1 (1º derecha)</td><td>3.01</td></tr>
<tr><td>Gran Vía 1 (2º izquierda)</td><td>1.94</td></tr>
</table></td></tr>
</table>

	Offices	**225.43**
	Gran Vía 34	21.53
	Plaza España	15.10
	Conde Peñalver 16	20.12
	Gran Vía 55	13.46
	Cuatro Caminos	7.12
	Goya 59	15.81
	Sexta Avenida Shopping Centre	11.27
	Vallecas Comercial II	3.91
	Marina Isla Canela Shopping Centre	4.72
	Albalá 7	2.87
	Gran Vía 1 (1º izquierda)	2.73
	Dulcinea 4	1.53
	Commercial	**120.16**
	Hospital Valdebebas (in construction)	21.72
	Institutional	**21.72**
	Total real estate assets:	**530.21**
	Unibail Rodamco	0.33
	Inmobiliaria Colonial:	14.88
	Total:	**545.43**
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 - Profits in 2021 allocated to voluntary reserves: 4,494,171 euros - Profits in 2022 allocated to voluntary reserves: 175,412 euros	

SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Management Report
30/06/2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management Report at 30 June 2023

1. Explanation of the figures at 30 June 2023

A breakdown of the main figures at 30 June 2023 compared to 30 June 2022 (31 December 2022 for the balance sheet) is provided below:

Income statement	Euros		
	30/06/2023	30/06/2022	+ / -
Income	**15,402,755**	**12,406,606**	**24%**
Leases	15,232,408	12,341,943	
Provision of sundry services	170,347	64,663	
Operating expenses	-1,960,071	-1,395,482	40%
Net operating income (NOI)	**13,442,683**	**11,011,124**	**22%**
Overheads	-370,871	-300,407	23%
EBITDA	**13,071,812**	**10,710,717**	**22%**
Financial profit/(loss)	-3,198,322	-4,193,349	-24%
EBITDA	**9,873,490**	**6,517,368**	**51%**
Depreciation	-3,261,178	-2,917,753	
Subsidies	28,175	28,175	
Impairment/Reversal of trade operations	-	3,665	
Other gains/(losses)	3,195	-30,811	
Gain/(loss) Disposal of real estate assets	-1,584	156,789	
EBIT	**6,642,099**	**3,757,433**	**77%**
Corporation tax	-	-	
Net profit/(loss)	**6,642,099**	**3,757,433**	**77%**

Sectoral indicators at 30 June 2023

	Euros					
	30/06/2023	Per share	30/06/2022	Per share	31/12/2022	Per share
Net recurring profit	7,933,477	1.78	7,081,034	1.59	17,341,974	3.90
Net value of assets	557,151,548	125.14	528,391,676	118.68	553,905,533	124.41
Costs	2,330,943		1,695,888		5,786,247	
Income	15,402,755		12,406,606		30,707,329	
Cost/income ratio	15,13%		13,67%		18,84%	
Unoccupied ratio	7,27%		4,27%		7,11%	
Net yield	4,52%		4,45%		4,42%	

Key figures at 30 June 2023, 30 June 2022 and 31 December 2022

	Data at		
	30/06/2023	30/06/2022	31/12/2022
Annualised income (€M)	30.55	26.94	29.27
FFO (€M)	13.06	10.63	24.84
FFO (€/share)	2.93	2.39	5.58
GAV (€M)	703.81	623.15	680.36
NAV (€M)	557.15	528.39	553.59
ROA	1,37%	0,91%	3,06%
ROE	2,17%	1,25%	4,57%
Gross leasable area (m^2 risk free)	222,009	165,789	221,938
Occupancy rate % at closing	90,80%	92,98%	91,66%
Lease portfolio (€M)	272.21	223.28	221.19
WAULT	9.09	9.33	9.10
LTV	21,29%	16,55%	19,99%
Net debt (€M)	150.68	104.91	138.32
Profit (€/share)	1.49	0.84	3.20
Dividend (€/share)	-	-	2.84
Dividend gross yield	-	-	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 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 2023, the Company's gross property investments amounted to 530,215,225 euros. The main movements recorded in this heading during 2023 were as follows:

Investments: Property investments made in 2023 totalled 17,967,342 euros. The main additions recorded under this heading relate mainly to the following investments:

- During 2023, additions amounting to 17,800,901 euros were made, mainly relating to the refurbishment of the Isla Canela Golf Hotel in Isla Canela for 300,271 euros, the Sexta Avenida Shopping Centre in Madrid for 323,750 euros and the construction of the Meliá Innside Valdebebas Hotel for 9,047,358 euros, and the Sanitas Valdebebas Hospital for 7,505,139 euros, both in Madrid. All these works are in progress at 30 June 2023.

- Additionally, the Company has incurred costs of 166,441 euros which have been capitalised as a property investment cost.

Divestments: Property write downs amounting to 500,058 euros were undertaken in the year. The main deregistrations for 2023 correspond to:

- During 2023, 1 loft of the Coslada III development (with its respective annexes) was sold, resulting in the derecognition of the gross book cost of 192,038 euros and generating a net loss for the period of 1,584 euros.

- During 2023, the Company recovered 308,020 euros in relation to the municipal capital gain paid on the acquisition of the commercial premises located on calle Conde de Peñalver in Madrid.

Transfers: During the first six months of 2023, there were no transfers from property investment in progress to property investment.

The depreciation charge for 2023 amounted to 3,253,433 euros (2,917,366 euros in 2022) and is recorded under "Depreciation and amortisation" in the Company's income statement.

Dividends:

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

The proposed distribution of results for the 2022 year, which the Company Directors submitted to shareholders, was 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 profit distribution proposal submitted by the Company's directors to the General Shareholders' Meeting was to distribute 2.84 euros per share as a dividend on the profit for the 2022 financial year. The 2022 gross dividend, amounting to 12,653,959 euros, approved by the General Shareholders Meeting on 27 April 2023, was fully paid out on 24 May 2023.

- **Dividends paid by the Company to shareholders in 2021:**

The proposed distribution of results for the 2021 year, which the Company Directors submitted to shareholders, was 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 profit distribution proposal submitted by the Company's directors to the General Shareholders' Meeting was to distribute 3.40 euros per share as a dividend on the profit for the 2021 financial year. The 2021 gross dividend, amounting to 15,148,123 euros, approved by the General Shareholders Meeting on 27 April 2022, was fully paid out on 3 May 2022.

Net financial debt: The Company had net financial debt of 150,676,309 euros (137,685,956 euros at 31 December 2022). The breakdown of this debt is as follows:

	Euros	
	30/06/2023	31/12/2022
José Abascal, 41	8,892,000	9,690,000
Titán, 13	9,303,792	9,708,654
Conde de Peñalver, 16	6,041,108	6,303,992
Valle de la Fuenfría, 3	7,518,877	7,763,333
Juan Ignacio Luca de Tena, 17	10,266,096	10,545,492
Glorieta de Cuatro Caminos 6 and 7	3,275,000	3,450,000
Arapiles, 14	24,000,000	12,000,000
Hospital Valdebebas	6,192,000	-
Hotel Valdebebas	8,844,000	3,000,000
Debt with mortgage guarantee	**84,332,874**	**62,461,471**
Available credit facilities	13,760,917	6,872,437
Long-term loans	63,869,253	70,413,976
Accrued opening costs	-304,497	-315,556
Interest accrued due	734,097	392,903
Derivatives	-387,054	-314,055
Unsecured debt	**77,672,716**	**77,049,705**
Cash and bank	-1,329,281	-1,825,221
Interco Pryconsa	-10,000,000	-
Net financial debt	**150,676,309**	**137,685,956**

As of 30 June 2023, the Company had an outstanding mortgage loan debt amounting to 84,332,874 euros (31 December 2022: 62,461,471 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 2023 had not yet matured or been repaid.

The Company's LTV at 30 June 2023 was 21.29% (19.91% at year-end 2022).

Income: As at 30 June 2023, the Company had obtained total income of 15,402,755 euros (12,406,606 euros at 30 June 2022). The breakdown of income by asset type is as follows:

	Euros		**Variation in %**	
				Like for Like
	30/06/2023	**30/06/2022**	**Growth**	**Growth**
Hotels	3,069,339	2,887,801	6,29%	6,29%
Offices	7,476,591	4,879,096	53,24%	-0,16%
Commercial	4,856,824	4,639,709	4,68%	4,68%
Institutional	-	-	-	-
Total	**15,402,755**	**12,406,606**	**24,15%**	**3,15%**

Rental income has increased by 24% year-on-year (3% stripping out the effect of investments and divestments during the year).

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

	Euros	
	Nominal value	
	30/06/2023	**31/12/2022**
Less than a year	30,552,488	29,272,582
Between two and five years	109,994,439	87,953,936
More than five years	131,666,060	103,961,317
Total	**272,212,988**	**221,187,835**

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	
	30/06/2023	**31/12/2022**
Hotels	9.28	8.64
Offices	6.65	6.52
Commercial	10.13	11.07
Institutional	10.00	10.00
Total Average	**9.09**	**9.10**

NOI: Net Operating Income was positive and amounted to 13,442,683 euros (11,011,125 euros at 30 June 2022), up by 22%. The breakdown of NOI by asset type is as follows:

	Euros	
	30/06/2023	**30/06/2022**
Hotels	2,942,945	2,765,810
Offices	6,260,694	4,177,406
Commercial	4,239,044	4,067,909
Institutional	-	-
NOI	**13,442,683**	**11,011,125**

At 30 June 2023, **EBITDA** was positive and amounted to 13,071,812 euros (10,710,717 euros in June 2022), a year-on-year increase of 22%.

Financial gain/(loss) The financial loss at 30 June 2023 is 3,198,322 euros (4,193,349 euros at June 2022). The breakdown of this result is as follows:

- The total financial income derived from the Group's financing system amounted to 157,800 euros (50,625 euros in June 2022), to which the financial income of third parties amounting to 8,925 euros (2,142 euros in June 2022) must be added.

- The total financial expense derived from the Group's financing system amounted to 11,498 euros (0 euros in June 2022), to which the financial expenses of third parties amounting to 2,088,007 euros (783,399 euros in June 2022) must be added.

- During the first half of 2023, the Company recognised a negative effect on the income statement for a net amount of 1,265,543 euros (a negative amount of 3,462,716 euros in June 2022) 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 2,685,546 shares of Inmobiliaria Colonial SOCIMI, S.A.

At 30 June 2023, **EBITDA** was positive and amounted to 9,873,490 euros (6,517,369 euros at June 2022), a year-on-year increase of 51%.

Depreciation: Depreciation expenses amounted to 3,261,178 euros (2,917,753 euros at 30 June 2022). The 12% increase is a result of new year-on-year investments.

Subsidies: Income from subsidies amounted to 28,175 euros (28,175 euros in June 2022).

Gain/(loss) on disposal of real estate assets: At 30 June 2023, 1 loft with its corresponding annexes in Coslada III was sold to a third party for a gross cost of 192,038 euros. This sales transaction generated a net loss of 1,584 euros (net profit of 156,789 euros at 30 June 2022), which has been recorded under “Impairments and gains (losses) on fixed asset disposals” in the income statement at 30 June 2023.

At 30 June 2023, **EBIT** was positive and amounted to 6,642,099 euros (3,757,433 euros at June 2022), a year-on-year increase of 77%.

Net profit/(loss): Net profit at 30 June 2023 was positive, amounting to 6,642,099 euros (3,757,433 euros in June 2022), giving net earnings per share of 1.49 euros (0.84 euros in June 2022).

2. Valuation of real estate assets

The Company commissioned a valuation of its assets from Jones Lang Lasalle, an independent expert. On 06 February 2023, that company published its report on the year-end fair values of all of the Company's real estate investments. These valuations were 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).

During the first six months of 2023, in the opinion of the Directors of the Company, there has been no material change in the variables used in the above-mentioned 2022 year-end valuation by the independent expert or in the content or terms of the current leases used in that valuation, other than the inflation and interest rate hikes that are expected to have a negative impact on the asset valuations at year-end.

Based on the valuations carried out by internally updating the valuations at 31 December 2022, the fair value of the investment property reveals an unrecorded, unrealised gain (by comparison between the gross updated fair market value and the net book value) of 251,062,317 euros (239,361,554 euros at 31 December 2022), in the case of the Company's entire portfolio, except for the assets located in Valdebebas, which show an unrealised gain of 35,655,694 euros (by comparison between the gross fair value of the finished project and the total estimated costs until it is brought into operation).

No negative impact on the Company's income statement at 30 June 2023 and 30 June 2022 is apparent from the valuations performed.

The gross asset value of the property investments at 30 June 2023 and 31 December 2022, broken down by business segment, is as follows:

	Gross market value of the property investments (euros) (*)	
	30/06/2023	31/12/2022
Hotels (**)	204,784,981	204,000,000
Offices	285,744,971	285,681,522
Commercial	211,861,191	211,478,941
Institutional (**)	73,300,000	73,300,000
Total	**775,691,143**	**774,460,463**

(*) The net market value at 30 June 2023 amounts to 757,067,632 euros (755,866,500 euros at 31 December 2022).
(**) For the Valdebebas projects, the market value of the finished project is included. Eliminating the effect of including the market values of the two finished projects and considering the market value based on the progress of work, the gross market value of the property investment at 30 June 2023 amounts to 703,811,401 euros, with a net market value of 686,913,646 euros (680,358,044 euros at 31 December 2022, with a net value of 664,116,641 euros).

3. 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 Institutional sector, ensuring the Company's viability in the medium term, along with new lease agreements with lessees possessing outstanding solvency ratings.

4. 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.

	30/06/2023	31/12/2022
	Days	
Average payment period to suppliers	44.74	44.48
Ratio of transactions paid	50.62	49.84
Ratio of transactions pending payment	35.71	21.88
	Euros	
Total payments made	12,487,524	15,562,518
Total payments outstanding	8,127,965	3,689,510

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).

As set down in Law 18/2022 of 28 September on the creation and growth of companies, the purpose of which being to reduce commercial default and financial support, the Company details below the average payment period to suppliers, the monetary volume and number of invoices paid in a period lower than the maximum period established in the default regulations and the percentage they represent of the total number of invoices and of the total monetary payments to its suppliers:

	30/06/2023	31/12/2022
Average payment period – invoices paid in a period shorter than the legal maximum period	50.62	26.09
Number invoices paid in a period shorter than the legal maximum period	853	1,520
Percentage of the total number of paid invoices	60,20%	66,61%
		Euros
Amount of the invoices paid in a period shorter than the legal maximum period	8,011,949	13,037,097
Percentage of the total amount of paid invoices	64,16%	83,77%

5. Earnings per share at 30 June 2023

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

	Euros	
	30/06/2023	30/06/2022
Net Profit	6,642,099	3,757,435
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**1.49**	**0.84**

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.

6. Acquisition of treasury shares

At 30 June 2023, the Company did not hold any treasury shares.

7. Research and development activities

The Company does not carry out research and development activities.

8. 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:

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 2023 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.

e) Real estate business risks

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

Other market risks to which the Company is exposed include:

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

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

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

9. Outlook for 2023

Given the Company's activity, its directors consider that 2023 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, commercial and institutional 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, construction work began on a new hotel and conference centre on plot TER.02-178-A and a hospital on plot TER.02-178-A1, for tertiary and institutional use, located on calle José Antonio Fernández Ordóñez, 55 and calle Gustavo Pérez Puig no 66, in Madrid, in the Specific Planning Area APE 16.11. RP "Ciudad Aeroportuaria y Parque de Valdebebas". Its characteristic use is tertiary, applying Ordinance TER_2, and has a combined above ground level development potential of 38,545 m2e. In 2023, construction is progressing normally with a degree of progress of 31% for the hotel and 21% for the hospital, both in line with the forecast construction schedule.

In June 2023, work began on remodelling and repositioning the Sexta Avenida shopping centre in Madrid.

In April 2022, the Company initiated a plan to raise debt capital to secure funding for the new projects initiated in that financial year and expected to commence in 2023 that would require specific financing. These include (i) the construction of the new properties described above, (ii) the complete renovation of the building for public use at Calle Arapiles 14 in Madrid, (iii) the acquisition of an office building at Avda. de Cantabria 51 in Madrid, (iv) the acquisition of an office building at Calle de Santiago de Compostela 100 bis in Madrid and (v) the remodelling and repositioning of the Sexta Avenida shopping centre in Madrid.

To date, the company has taken out mortgage financing for 93,000,000 euros and non-mortgage financing for 38,000,000 euros. Of the mortgage financing, 39,036,000 euros has been drawn down at present, with the remainder being dependent on the progress of the works financed. The non-mortgage financing was fully drawn down at the time of signing the contracts.

The reason for the decline in the stock market value of the financial investments in the shares of Unibail and Colonial has been the devaluation of the market value of the properties of both companies, especially those of the latter. It is possible that the price of these securities will continue to suffer for some time from high inflation and the uncertainties arising from the war in Ukraine, even if the companies are able to sell properties that achieve a much higher value than that resulting from the application of the average discount assigned to them by the stock exchange. Given the quality of the assets in the portfolios of both companies, the directors of the Company are confident that both companies, particularly Colonial, will return to reasonable valuations in the medium term and will be able to recover the impairment now suffered and recognised. In the meantime, the Company continues to receive the dividends that are distributed annually.

10. Disclosure on conflicts of interest involving the directors

At 30 June 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 of the Board of Directors any direct or indirect conflict of interest with those of the Company.

11. Subsequent events

Subsequent to 30 June 2023 and up until the approval date of the Company's interim financial statements, no relevant subsequent events have occurred.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Directors' Declaration of Responsibility

For the purposes of Article 8 of Royal Decree 1362/2007, of 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 2023 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 2023 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, 27 July 2023

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr Jose Luis Colomer Barrigón
(Vice-Chairman)

Ms Irene Hernández Álvarez
(Director)

Ms Mónica de Quesada Herrero
(Director)

Mr José Juan Cano Resina
(Non-member Secretary)

Diligence in the Preparation of Interim Financial Statements

The preparation of these interim financial statements and management report has been approved by the Board of Directors at its meeting on 27 July 2023. Said interim financial statements and the consolidated half-yearly management report appear on 63 sheets of ordinary paper, numbered from 1 to 63, 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, 27 July 2023

Mr Marco Colomer Barrigón
(Chairman and Chief Executive Officer)

Mr Juan Carlos Ureta Domingo
(Director)

Mr Jose Luis Colomer Barrigón
(Vice-Chairman)

Ms Irene Hernández Álvarez
(Director)

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(Director)

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(Non-member Secretary)