SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Financial Statements and Directors' Report for the financial year 2023 together with the Audit Report of Financial Statements emitted by an Independent Auditor

This version of the financial statements is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Financial Statements and Directors' Report for the financial year 2023 together with the Audit Report of Financial Statements emitted by an Independent Auditor

AUDIT REPORT ON THE FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2023:

- Balance Sheets at 31 December 2023 and 2022
- Profit and Loss Account for the financial years 2023 and 2022
- Statement of Changes in Equity for the financial years 2023 and 2022
- Cash Flow Statements for the financial years 2023 and 2022
- Annual report for the financial year 2023

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Audit Report of Financial Statements emitted by an Independent Auditor

Tel: +34 91 436 41 90
Fax: +34 91 436 41 91/92
www.bdo.es

Génova 27
28004 Madrid
España

Audit report on the financial statements issued by an independent auditor

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails

To the Shareholders of **Saint Croix Holding Immobilier, SOCIMI, S.A.**:

Report on the financial statements

Opinion

We have audited the financial statements of **Saint Croix Holding Immobilier, SOCIMI, S.A.** (the Company), which comprise the balance sheet at 31 December 2023, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report for the financial year ended on that date.

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the Company's equity and financial position as at 31 December 2023, as well as its results and cash flows for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information (identified in note 3 of the report) and, in particular, with the accounting principles and criteria contained therein.

Basis for opinion

We have performed our audit in accordance with the current regulations governing the auditing of accounts in Spain. Our responsibilities in accordance with these regulations are described later in the section *Auditor's Responsibilities relating to the audit of the financial statements* of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the financial statements in Spain as required by the regulations governing the activity of auditing accounts. Accordingly, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned governing regulations, have compromised the necessary independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

The key audit matters are matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and in the formation of our opinion on these and we do not express a separate opinion on those matters.

BDO Auditores, S.L.P., sociedad limitada española, inscrita en el Registro Oficial de Auditores de Cuentas nº S1.273, es miembro de BDO International Limited, una compañía limitada por garantía del Reino Unido y forma parte de la red internacional BDO de empresas independientes asociadas.

Registro Mercantil de Barcelona, Tomo 47.820, Sección 8ª Folio 201, Hoja nº B-563.253 (Inscripción 124) CIF: B-82387572

Key Audit matters	Audit response
Valuation of property investments at financial year-end	
The heading "Property Investments" in the attached balance sheet includes the net values at 31 December 2023 of the land and buildings owned by the Company in accordance with the detail shown in note 7 of the annual report. Notes 5.2 and 5.3 of the report describe the valuation criteria for these assets at financial year-end. For the application of these criteria, the Company's management has relied on valuations performed by an independent expert, which include elements of judgment presenting varying degrees of subjectivity. The analysis of the reasonableness of the recoverable value of these assets as at 31 December 2023 has been considered the key audit matter.	We have performed, amongst others, the following audit procedures: - Understanding and analysis of the policies and procedures followed by the Company's management for the valuation of property investments at financial year-end. - Obtaining the valuation report prepared by the independent expert as of the fiscal year-end date. Based on this report, an analysis of the reasonableness of the calculations performed by the Company's management for determining the recoverable amounts of the property investments as of December 31, 2023. - Evaluation of the competence and independence of the external valuator, as well as the reasonableness of the valuation methodologies and the assumptions used, involving valuation experts in the engagement team to help with said analysis. - Evaluation of the suitability and adequacy of the information included by the Company's management in the annual report in relation to the valuation of these assets.

Other information: Management report

The other information comprises exclusively the management report for financial year 2023, the formulation of which is the responsibility of the Company’s management and does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility regarding the management report, defined in the regulation governing financial statement audit work, consists of:

a) Checking solely that certain information included in the Annual Corporate Governance Report and Annual Report on Remuneration of Directors, referred to Audit Act, has been provided in accordance with applicable regulations and, if not, report that fact.

b) Evaluate and report on concordance of the rest of the information included in the management report and the financial statements, based on the knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as evaluate and report on whether the content and presentation of the management report are in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

Based on the work performed, as described in the previous paragraph, we have verified that the information contained in section a) above is provided in accordance with applicable regulations and the rest of the information contained in the management report agrees with that in the financial statements for financial year 2023 and its content and presentation is in accordance with the applicable regulations.

The responsibility of the management and the audit committee in respect of the financial statements

The management are responsible for formulating the accompanying financial statements, so that they give a true image of the assets, the financial situation and the results of the Company, in accordance with the regulatory framework on financial information applicable to the Entity in Spain, and of the internal control that they consider necessary to allow the preparation of the financial statements free of material misstatement, due to fraud or error.

In the preparation of the financial statements, the management are responsible for assessing the Company's ability to continue as a going concern, revealing, as appropriate, the matters related with a company in operation and using the accounting principle of a going concern except if the management intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

The audit committee is responsible for supervising the process of preparing and presenting the financial statements.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with the regulations governing the audit activity in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the current regulations governing the account auditing activity in Spain, we exercise professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.

We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management.

- We conclude whether the use, by management[2], of the accounting principle of the company as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to events or conditions that can generate significant doubts about the ability of the Company to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Entity's audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the course of the audit.

We are also required to provide the Entity's audit committee with a statement that we have complied with the relevant ethical requirements, including those of independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amongst the matters that have been communicated to the Entity's audit committee, we determine those that have been of the greatest significance in the audit of the financial statements of the current period and that are, consequently, the key matters of the audit.

We describe those matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

Report on other legal and regulatory requirements

Additional report for the audit committee

The opinion expressed in this report is consistent with what was stated in our additional report for the Company's audit committee dated 6 March 2024.
Contract period

The Ordinary General Shareholders' Meeting held on 27 April 2023 appointed us as auditors for one-year period corresponding to the fiscal year ended December 31, 2023.

Prior to this, the Ordinary General Shareholders 'Meeting held on June 30, 2020, appointed us as auditors of the Company for a period of three years, and we have been continuously performing the audit work since the fiscal year ended December 31, 2020."

BDO Auditores, S.L.P. (ROAC S1273) (*ROAC - Official Registry of Account Auditors*)

Francisco J. Giménez Soler (ROAC 21.667)
Partner

6 March 2024

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Financial Statements
for the year ended on
31 December 2023
and Management Report

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BALANCE SHEET AT 31 December 2023

(euros)

ASSETS	Notes	Financial year 2023	Financial year 2022		EQUITY AND LIABILITIES	Notes	Financial year 2023	Financial year 2022
NON-CURRENT ASSETS		**497,196,045**	**441,679,127**		**EQUITY**	13	**319,312,706**	**312,056,267**
					OWN FUNDS			
Intangible fixed assets		**-**	**35**					
Computer software		-	35		**Capital**		**267,577,040**	**267,577,040**
Property, plant and equipment	6	**135,152**	**149,473**		Authorised capital		267,577,040	267,577,040
Plant and other tangible fixed assets		135,152	149,473		**Reserves**		**30,582,423**	**28,981,526**
Property investment	7	**494,268,775**	**438,508,778**		Legal and statutory		11,453,626	10,028,140
Net property investments		494,268,775	438,508,778		Other reserves		19,128,797	18,953,386
Long-term financial investments	9	**2,792,118**	**3,020,841**		**Profit (Loss) for the year**	4	**20,063,539**	**14,254,857**
Derivatives	9 and 15	217,266	314,055		**Adjustments for changes in value**	15	**217,266**	**314,055**
Other financial assets		2,574,852	2,706,786		Hedging operations		217,266	314,055
					Subsidies, donations and bequests		**872,438**	**928,789**
					Subsidies, donations and bequests		872,438	928,789
					NON-CURRENT LIABILITIES		**137,021,593**	**108,699,071**
					Long-term provisions		**894,396**	**-**
					Non-current payables	14	**136,127,197**	**108,699,071**
					Bank borrowings		132,193,018	104,798,848
					Other financial liabilities		3,934,179	3,900,223
CURRENT ASSETS		**37,332,506**	**23,305,342**					
Trade and other accounts receivable	10	**4,380,231**	**4,205,675**		**CURRENT LIABILITIES**		**78,194,252**	**44,229,131**
Accounts receivable for sales and services		3,162,792	4,174,532		**Current payables**	14	**55,009,850**	**35,514,865**
Staff		864	944		Bank borrowings		54,481,696	35,026,383
Current tax assets	18.1	110,779	20,362		Other financial liabilities		528,154	488,482
Other credits with Public Administrations	18.2	1,105,796	9,837		**Current payables with Group and associate companies**	20.2	**6,270,230**	**3,461,920**
Short-term investments in Group and associate companies	20.2	**10,000,000**	**-**		**Trade creditors and other accounts payable**		**16,914,172**	**5,252,346**
Short-term financial investments	9	**18,198,820**	**17,274,446**		Suppliers		14,122,506	2,776,442
Short-term equity instruments		17,590,326	16,478,110		Group suppliers		1,403	-
Other financial assets		608,494	796,336		Sundry creditors		2,173,090	2,072,210
Cash and cash equivalents	11	**4,753,455**	**1,825,221**		Other payables with Public Administrations	18.1	617,173	396,594
Cash and bank		4,753,455	1,825,221		Advance payments from customers		-	7,100
TOTAL ASSETS		**534,528,551**	**464,984,469**		**TOTAL EQUITY AND LIABILITIES**		**534,528,551**	**464,984,469**

Notes 1 to 27 to the attached financial statements attached hereto form an integral part of the balance sheet at 31 December 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. PROFIT AND LOSS ACCOUNT FOR 2023 (euros)			
	Notes	**Financial year 2023**	**Financial year 2022**
CONTINUED OPERATIONS			
Revenues	19.1	**34,949,845**	**30,644,323**
Rental of properties		34,949,845	30,644,323
Other operating income	19.1	**28,615**	**63,007**
Non-core and other current management income		28,615	63,007
Staff costs	19.2	**-574,286**	**-486,103**
Wages, salaries and similar outgoings		-427,118	-358,311
National insurance contributions		-147,168	-127,792
Other operating expenses		**-7,378,005**	**-5,299,973**
Charges for external services	19.3	-3,649,787	-3,010,801
Taxes and similar levies	19.3	-3,718,516	-2,289,343
Losses, impairment and changes in provisions for trade transactions	10	-9,701	171
Other current management expenses		-1	-
Fixed asset depreciation	6 and 7	**-6,436,901**	**-5,986,123**
Charging of non-financial fixed asset subsidies and others	13 and 19.1	**56,351**	**56,351**
Impairment and gain (loss) on fixed asset-write offs and disposals	7	**2,355,101**	**-128,172**
Impairment and losses		-108,609	-478,996
Gains (losses) on disposals and others		2,463,710	350,824
Other gains (losses)		**4,585**	**-20,765**
Exceptional income and expenses		4,585	-20,765
OPERATING PROFIT (LOSS)		**23,005,305**	**18,842,545**
Financial income		**1,312,977**	**402,994**
From transferable securities and other financial instruments		1,312,977	402,994
- In Group and associate companies	20.1	581,670	-
- In equity instruments	9	671,387	377,351
- In third parties		59,920	25,643
Financial expenses	14	**-5,298,569**	**-2,073,585**
From Group and associate companies	20.1	-123,579	-159,405
From payables with third parties		-5,174,990	-1,914,180
Variation in the fair value of financial instruments	9	**1,446,859**	**-2,917,097**
Gains (losses) on the trading portfolio		1,446,859	-2,917,097
Impairment and gains/losses on disposals of financial instruments	9	**985**	**-**
Gains (losses) on disposals and others		985	-
FINANCIAL PROFIT (LOSS)		**-2,537,748**	**-4,587,688**
PROFIT (LOSS) BEFORE TAX		**20,467,557**	**14,254,857**
Income tax	18	-404,018	-
PROFIT (LOSS) FOR THE YEAR	4	**20,063,539**	**14,254,857**

Notes 1 to 27 to the financial statements attached hereto form an integral part of the profit and loss account for 2023.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2023
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE
(euros)

	Notes	Financial year 2023	Financial year 2022
RESULT OF THE PROFIT AND LOSS ACCOUNT (I)	4	**20,063,539**	**14,254,857**
Income and expenses recognised directly in equity			
- For cash flow hedges	13	-96,789	597,063
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		**-96,789**	**597,063**
Transfers to profit and loss account			
- Subsidies, donations and bequests	13	-56,351	-56,351
- For cash flow hedges	13	-	-
TOTAL TRANSFERS TO PROFIT AND LOSS ACCOUNT (III)		**-56,351**	**-56,351**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		**19,910,399**	**14,795,569**

Notes 1 to 27 to the financial statements attached hereto form an integral part of the statement of recognised income and expense corresponding to 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. STATEMENT OF CHANGES IN EQUITY FOR 2023 B) STATEMENTS OF CHANGES IN TOTAL EQUITY (euros)							
	Capital (Note 12)	**Legal reserve (Note 12)**	**Other reserves (Note 12)**	**Profit/(loss) financial year (Note 12)**	**Subsidies, donations and bequests (Note 12)**	**Adjustments for changes of value (Note 14)**	**Total**
CLOSING BALANCE FOR 2021	**267,577,040**	**7,845,663**	**14,459,215**	**21,824,771**	**985,140**	**-283,008**	**312,408,821**
Total recognised income and expenses	**-**	**-**	**-**	**14,254,857**	**-56,351**	**597,063**	**14,795,569**
Other variations in equity	**-**	**2,182,477**	**4,494,171**	**-21,824,771**	**-**	**-**	**-15,148,123**
- Distribution of profit in 2021	-	2,182,477	4,494,171	-6,676,648	-	-	-
- Distribution of dividends	-	-	-	-15,148,123	-	-	-15,148,123
CLOSING BALANCE FOR 2022	**267,577,040**	**10,028,140**	**18,953,386**	**14,254,857**	**928,788**	**314,055**	**312,056,266**
Total recognised income and expenses	**-**	**-**	**-**	**20,063,539**	**-56,351**	**-96,789**	**19,910,399**
Other variations in equity	**-**	**1,425,486**	**175,412**	**-14,254,857**	**-**	**-**	**-12,653,959**
- Distribution of profit in 2022	-	1,425,486	175,412	-1,600,898	-	-	-
- Distribution of dividends	-	-	-	-12,653,959	-	-	-12,653,959
CLOSING BALANCE FOR 2023	**267,577,040**	**11,453,626**	**19,128,798**	**20,063,539**	**872,437**	**217,266**	**319,312,706**

Notes 1 to 27 to the attached financial statements attached hereto form an integral part of the statement of changes in equity for 2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. CASH FLOW STATEMENT FOR 2023 (euros)			
	Notes	**Financial year 2023**	**Financial year 2022**
A) CASH FLOWS FROM OPERATING ACTIVITIES		**35,992,592**	**24,956,628**
1. Profit (loss) before tax for the year		**20,467,557**	**14,254,857**
2. Adjustment to income:		**6,796,605**	**10,645,802**
a) Amortisation of fixed assets (+)	6 and 7	6,436,901	5,986,123
b) Valuation corrections due to impairment (+/-)	7	108,609	478,995
c) Variation in provisions (+/-)	10	233,408	171
d) Allocation of subsidies (-)	13	-56,351	-56,351
e) Income from elimination and sales of fixed assets (+/-)	7	-2,463,710	-350,824
f) Income from derecognition and disposals of financial instruments (+/-)		-985	-
g) Financial income (-)	9	-1,312,977	-402,994
h) Financial expenses (+)	14	5,298,569	2,073,585
j) Variation in fair value of financial instruments (+/-)	9	-1,446,859	2,917,097
3. Changes in current capital:		**12,442,835**	**1,531,127**
a) Inventories (+/-)		-	-445,130
b) Trade and other receivables (+/-)	10	-948,295	-557,220
c) Other current assets (+/-)	10	-	-315,555
d) Creditors and other accounts payable (+/-)		12,077,693	3,113,328
e) Other current liabilities (+/-)		253,151	-493,572
f) Other non-current assets and liabilities (+/-)		1,060,286	229,276
4. Other cash flows from operating activities:		**-3,714,406**	**-1,475,158**
a) Payments of interests (-)	14	-4,532,948	-1,865,136
b) Dividends receivable (+)	9	671,387	377,351
c) Collection of interests (+)	9	641,590	25,643
d) Receipt (payment) of income tax (+/-)	18.1	-494,435	-13,016
B) CASH FLOWS FROM INVESTMENT ACTIVITIES		**-66,494,259**	**-54,113,819**
6. Investment payments (-):		**-75,314,460**	**-58,519,820**
a) Group and associated companies	9 and 20.2	-10,000,000	-
c) Property, plant and equipment	6	-1,105	-151,353
d) Property investments	7	-65,313,355	-52,068,463
e) Other financial assets	9	-	-304,498
f) Non-current assets kept for sale	9	-	-5,995,506
7. Proceeds from divestments (+):		**8,820,201**	**4,406,001**
a) Group and associated companies	9 and 20.2	2,809,713	-
d) Property investments	7	5,487,019	4,406,001
e) Other financial assets	9	187,842	-
f) Non-current assets kept for sale	9	335,627	-
C) CASH FLOWS FROM FINANCING ACTIVITIES		**33,429,902**	**29,850,598**
10. Receivables and payables from financial liability instruments		**46,083,862**	**44,998,722**
a) Issue:		**72,869,698**	**63,295,957**
2. Bank borrowings (+)	14	72,869,698	59,872,437
3. Payables with group companies and associated companies (+)	9 and 20.2	-	3,423,520
b) Return and amortisation of:		**-26,785,836**	**-18,297,235**
1. Bonds and other marketable securities (-)	14	-	-2,000,000
2. Bank borrowings (-)	14	-26,785,836	-16,297,235
11. Dividend payments		**-12,653,960**	**-15,148,123**
a) Dividends (-)	4	-12,653,960	-15,148,123
D) EFFECT OF CHANGES IN INTEREST RATES		**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND EQUIVALENTS		**2,928,234**	**693,408**
Cash or equivalent at start of year.	11	**1,825,221**	**1,131,813**
Cash or equivalent at end of year.	11	**4,753,455**	**1,825,221**
Note 1 to 27 to the accompanying half-year financial statements form an integrated part of the statement of cash flows for the six-month period ending 31 December 2023			

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.
Notes to the Financial Statements
for the Year Ending
31 December 2023

1. Company's activity

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. (hereinafter the “Company”), was incorporated in Luxembourg on 1 December 2011. Its registered office was located at Boulevard Prince Henri 9b, L-1724 Luxembourg, Grand Duchy of Luxembourg and the company was duly registered in the Luxembourg Companies Registry (Register de Commerce et des Sociétés) with the number B165103. On 10 June 2014, the Extraordinary General Meeting approved, among others, the relocation of the registered, tax and administrative office (headquarters) to Glorieta de Cuatro Caminos 6 and 7 in Madrid, without winding up or liquidating the company, and to continue performing the activities included under its corporate purpose in Spain as a Spanish public limited company (*sociedad anónima*) and more specifically under the legal and tax framework for listed real estate investment trusts (REITs), while maintaining the listing of all its shares on the Luxembourg Stock Exchange.

After having finalised the process of transferring the headquarters to Madrid, Spain, the Company was duly registered in the Madrid Companies Registry on 15 October 2014.

Its corporate purpose includes but is not limited to the following activities:

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

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

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

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

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

Given the nature of the activities that the Company currently performs, it has no environmental liabilities, costs, assets, provisions or contingencies which might be significant in relation to its assets, financial situation or results. As a result, no specific breakdowns of information on environmental matters have been included in these notes to the financial statements.

Mergers

- **Merger in 2016**

In 2016, a reorganisation process was carried out to optimise and simplify the corporate structure of the group headed by Saint Croix Holding Immobilier, SOCIMI, S.A. through a merger process whereby the Company absorbed the subsidiaries, Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. and Inveretiro, SOCIMI, S.A.U, agreed at the Extraordinary and Universal General Shareholders' Meetings of the Acquired Companies held on 19 May 2016 and at the Extraordinary General Shareholders' Meeting of the Acquiring Company held on 19 May 2016. Said merger was undertaken for accounting purposes on 1 January 2016 by means of the winding up without liquidation of the Absorbed Companies and the provision of all equity to the Absorbing Company. The merger agreement was made public through the Merger by Absorption deed granted on 1 July 2016 and entered in the Madrid Companies Registry on 27 July 2016. From that moment on, the Absorbing Company no longer formed a Consolidated Group.

As a result of the aforementioned operation, merger reserves of 14,154,738 euros arose on account of the difference between the individual book values and the book values incorporated as part of the merger.

The merger was undertaken under the special system of mergers, divisions, transfers of assets and exchanges of securities provided for under Chapter VIII of Law 27/2014, of 27 November on the Corporation Tax Law.

- **Merger in 2018**

On 1 March 2018, the Company acquired 100% of the shares of Bensell Mirasierra S.L.U. for 17,623,669 euros. The only real estate asset of this company was an office building located at calle Valle de la Fuenfría 3 in Madrid, with a gross leasable area of 5,987 m2 . The transaction described above generated goodwill attributable to its assets amounting to 5,506,170 euros, which was recognised as an increase in the cost of the property (separately between land and construction) and which will be depreciated (the portion attributable to construction) over the estimated useful life of the property.

An Extraordinary General Shareholders' Meeting of the Company held on 28 June 2018 approved, among others, the following resolutions:

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

- On 21 September 2018, the Company signed the deed to merge with its subsidiary. The merger agreement was registered in the Mercantile Registry of Madrid on 16 November 2018.

The merger was undertaken under the special system of mergers, divisions, transfers of assets and exchanges of securities provided for under Chapter VIII of Law 27/2014, of 27 November on the Corporation Tax Law.

Alternative Fixed Income Market

- **2015 Fixed Income Securities Issuance Programme**

On 30 September 2015, the Company filed the base informative document regarding the incorporation of mid- and long-term securities regarding a "2015 Fixed Income Securities Issuance Programme" on the Alternative Fixed Income Market ("MARF"). The Base Document was published on the website of the Alternative Fixed Income Market, as well as on the Company's website. For the purposes of registering said bond programme, the Company was awarded a credit rating of BBB, stable (investment grade) by Axesor. The programme had a duration of 1 year. The funds obtained from the issue were to be used for investment in real estate assets and renovation of the assets in the portfolio.

The main features of the aforementioned programme can be summarised as follows:

- Maximum issue amount: 80,000,000 euros
- Repayment period: Between 2 and 7 years
- Coupon: Annual
- Nominal unit value ≥ 100,000 euros
- Aimed at: accredited investors

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

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

Average APR of both issues for the issuer was 2.73% per annum. The two sets of securities issued have been traded on the Alternative Fixed Income Market “MARF” since 24 June 2016 (see Note 14).

As can be seen from the table above, at 31 December 2023 there is no outstanding debt balance after the redemption and payment of the corresponding coupon on 23 June 2022.

2. Applicable law

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 will have at least 80 per cent of the value of their urban real estate assets allocated to leasing and to land for real estate development which are to be allocated for that purpose, provided that development is initiated within three years following its acquisition, as well as holdings in the capital or assets of other entities referred to in paragraph 1 of Article 2 of the aforementioned Law.

   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 book value of the elements comprising said balances with their market value, which would then be applied to the entire year's balances. In this case, the money or credit rights from the transfer of this real estate or equity interests made in the same year or in previous years shall not be included in the calculation, as applicable, provided that, in the case of the latter, the reinvestment period established in Article 6 of this Act has not elapsed.

2. Likewise, at least 80% of the tax period income corresponding to each financial year, excluding income from the transfer of holdings and of real estate both destined to fulfilling their 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.

   Said percentage shall be calculated on the basis of the consolidated profit (loss) should the company be the parent company of a group as per the criteria set forth in Article 42 of the Code of Commerce, irrespective of its domicile and of the obligation to draw up consolidated annual accounts. 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 constituting the company's assets must be leased for at least three years. For

calculation purposes, 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) From the start date of the first tax period in which the special tax regime set forth in this Law applies, in the case of real estate included in the company's assets prior to joining the scheme, as long as that on said date the asset was leased or offered for lease. Otherwise, the provisions set forth in the following point shall apply.

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

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 regime 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 regime 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 option 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 regime 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) More flexible criteria for the inclusion and maintenance of real estate assets: 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) Reduction in capital requirements and freedom to leverage: the minimum capital required was reduced from 15 to 5 million euros, eliminating the restriction on the property investment vehicle's maximum borrowing.

c) Reduction in dividend distribution: 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 levy 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 levy below 10%, the REIT will be subject to a special levy 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 levy shall have to be paid by the REIT within two months from the date the dividends are distributed.

At year-end, the Company's directors consider that it meets all the requirements established 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 for preventing and combating tax fraud, transposing Directive (EU) 2016/1164, of the Council, of 12 July 2016, establishing rules against tax evasion with a direct impact on the domestic market, amending several tax and gaming regulation standards, amending Law 11/2009, of 26 October, establishing a special levy on undistributed profits from income not taxed at the general corporation tax rate and that are not within the legal reinvestment period, adapting the information supply obligations to the new taxation system.

In this regard, and effective for the tax periods starting 1 January 2021, it amends Article 9 of Law 11/2009, of 26 October, on the special tax regime for companies in relation to corporation tax. The new Article 9(4) establishes that Real Estate Investment Trusts shall be subject to a special levy on profits obtained during the year that are not distributed, applicable to the part generated on income not taxed at the general corporation tax rate and that is not classed as income within the legal reinvestment period, as regulated under Article 6(1)(b) of the aforementioned law. This levy shall be considered tax payable in relation to Corporation tax.

Subsequently, under Order HFP/1430/2021, of 20 December, approving form 237 “Special levy on undistributed profits by real estate investment trusts. Corporation tax. Self-assessment”, the method and procedure for filing corporation Tax in the form of self-assessments are defined.

It also regulates the following aspects:

- Those required to file the Form: Companies choosing to apply the REIT tax regime provided for in Law 11/2009 of 26 October.

- Profits to be declared: Undistributed profits in the year generated on income not taxed at the general corporation tax rate, excluding income within the reinvestment period under Article 6.1.b) of Law 11/2009. This levy shall be considered tax payable in relation to Corporation tax.

- Levy rate: The levy rate shall be introduced for the settlement of the tax (15% from 1 January 2021).

- Entry into force and year applicable: The order enters into force on 3 January 2022 and applies for tax periods starting on 1 January 2021 onwards.

- Self-assessment submission period: Accrued on the day of the appropriation of earnings agreement, subject to self-assessment in the 2 months following the accrual date.

3. Basis for presenting the financial statements

a) Regulatory financial reporting framework applicable to the Company

These financial statements have been produced by the Directors pursuant to the regulatory financial reporting framework applicable to the Company, established in:

- the Code of Commerce and other trade law.

- General Accounting Plan approved by Royal Decree 1514/2007, which was 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 adaptation to real-estate companies.

- The mandatory regulations approved by the Institute of Accounting and Account Audits in developing the General Accounting Plan and its complementary regulations.

- Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December, as amended by Law

11/2021, of 9 July, which regulates Listed Real Estate Investment Trusts (SOCIMI).

- Other applicable Spanish accounts regulations.

b) True and fair view

The attached financial statements have been obtained from the Company's books and are presented pursuant to the applicable regulatory financial reporting framework and, in particular, the accounting principles and criteria contained therein, in such a way that they are a true reflection of the equity, financial situation and results of the Company and the cash flows during the corresponding year.

These financial statements, which have been authorised for issue by the Directors of the Company, shall be subject to approval by the General Shareholders' Meeting, and it is considered that they will be approved without changes. In turn, the Company's financial statements for 2022 were approved without modification by the General Shareholders' Meeting held on 27 April 2023.

c) Non-mandatory accounting principles employed

No non-mandatory accounting principles have been employed. Furthermore, the Directors have created these financial statements considering all mandatory accounting standards and principles that have a significant impact on said statements. No mandatory accounting principles have been disregarded.

d) Grouping of items

Certain entries on the balance sheet, the profit and loss account, the statement of changes in equity and the cash flow statement have been grouped together to facilitate their understanding. However, to the extent by which it is significant, detailed information with breakdowns has been provided in the corresponding notes of the annual report.

e) Critical aspects of the valuation and the estimate of uncertainty

The estimates made by the Directors of the Company to value some of the assets, liabilities, revenues, expenses and undertakings booked in the financial statements attached hereto have sometimes been used in the process of producing the financial statements. These estimates essentially refer to:

- The valuation of any possible impairment losses of specific assets (see Note 5.1 and 5.3.).
- The useful life of real estate assets (see Note 5.3).
- The calculation of provisions (see Note 5.9).

Despite the fact that these estimates were made on the basis of the best available information at the end of financial year ending on 31 December 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 31 December 2023, the Company had a negative working capital balance of 40,861,746 euros (negative balance of 20,923,790 euros at 31 December 2022). This impairment to working capital is mainly due to the increase in short term maturities of financial debt. However, the Board of Directors of the Company considers that this fact does not constitute an uncertainty for the continuity of the Company, taking into account the following mitigating factors:

- The Company recurrently generates significant positive EBITDA (EBITDA in 2023 amounts to 27,035,871 euros), so it is estimated that the future income to be received in the following year, arising from the contracts associated with the real estate assets, will cover part of the Company's obligations in the short term.

- The Company's equity book value is robust and healthy, amounting to 319,312,705 euros at 31

December 2023.

- The Company's real estate assets show significant unrealised gains based on their fair values at year-end (note 7).

- The Company currently has sufficient financing facilities to meet the payment requirements for its committed investments in the various property refurbishment and construction projects. The Company has credit lines granted for an undrawn amount of 7,040,382 euros at 31 December 2023 (see note 14). The Company also has the financial support of the companies in the PER 32 Group, which would provide the necessary financing, if required, on the basis of the mutual financing framework agreement signed between the various companies in the Group (note 20.2).

- The Company is negotiating different long-term financing formulas for its real estate assets with financial institutions in order to ensure that the schedules established for these obligations can be matched to the debt repayment schedules. Transactions have been signed amounting to 25,000,000 euros after the year-end and at the time of preparing these financial statements, as mentioned in note 27.

f) Comparison of the information

The information contained in this report which refers to 2023 is presented along with the 2022 information for the purposes of comparison.

g) Correction of errors

In the production of the attached financial statements, no error has been identified that requires the re-statement of amounts included in the financial statements for 2023.

4. Profit distribution

The proposal for the distribution of the Company's profits for 2023 to be submitted by the Directors of the Company to the shareholders is as follows:

	Euros
Basis of distribution:	
Profit and Loss	20,063,539
Distribution:	
Legal reserve	2,006,354
Voluntary reserve	2,100,747
Dividends	15,956,438

5. Accounting principles and accounting and measurement rules

The main valuation principles used by the Company in drawing up its financial statements for the year ended on 31 December 2023 are as follows (in accordance with those established by the Spanish General Chart of Accounts):

5.1 Property, plant and equipment

Property, plant and equipment are initially valued at their acquisition price or production cost, which is subsequently reduced by their corresponding accumulated depreciation and impairment losses, if any.

For assets that take more than one year to become operational, capitalised costs include borrowing costs incurred before the asset is put into use and drawn down from the supplier or relating to loans or other specific or general external financing directly attributable to the acquisition or production of the asset.

Maintenance and repair costs for property, plant and equipment are recognised in the profit and loss account for the year in which they are incurred. Conversely, amounts invested in improvements that help to increase capacity or efficiency or extend the useful life of these assets are recognised as an increase in their cost.

The Company depreciates property, plant and equipment following the straight-line method by applying annual depreciation percentages calculated on the basis of the respective assets' years of estimated useful life, as follows:

	Years of Estimated Useful Life
Buildings	50
Technical facilities and machinery	8-10
Photovoltaic installations	25
Other fixtures, fittings and furnishings	10
Other fixed assets	4-5

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.

5.2 Property investment

The "property investment" 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 acquisition price or production cost, which is subsequently reduced by their corresponding accumulated depreciation and impairment losses, if any.

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

These assets are valued in accordance with the criteria indicated in Note 5.1 on property, plant and equipment.

5.3 Impairment in the value of property, plant and equipment and property investments

Whenever evidence for impairment may exist, the Company proceeds to estimate through the so-called "Impairment Test" the possible existence of impairments which reduce the recoverable value of such assets to below their book value. The recoverable amount is determined as the higher between fair value minus sales costs and usage value. As part of the calculation of the fair value, the Company has used level 2 estimates, as these are based on measurement methodologies in which all the significant variables are based on directly or indirectly observable market data.

The Company commissioned Jones Lang Lasalle, an independent expert, to conduct a valuation of its assets, which was issued on 31 January 2024, in order to determine the fair values of all its property investments at year-end. Such valuations were conducted on the basis of the market lease value (which consists of capitalising net rents from each property and updating future flows). Acceptable discount rates were used to calculate fair value for a potential investor, which are in keeping with those used by the market for properties having similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS).

The key assumptions used to determine the fair value of these assets and their sensitivity analysis are explained in Note 7.

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.

5.4 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 year-end 2023 or 2022.

Operating leases

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

Likewise, any acquisition costs of the leased asset are reflected on 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.

5.5 Financial instruments

5.5.1 Financial assets

Classification

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

a) Financial assets at amortised cost:

  i. 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.

  ii. The bonds and deposits set up by the Company in compliance with the contractual clauses of the various lease agreements.

b) Financial assets at fair value through profit and loss: assets acquired with a view to disposing of them in the short term or those that form part of a portfolio concerning which there is evidence of recent activities with this in mind.

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 their amortised cost. However, credits and debits linked to commercial operations maturing in no more than one year, and that are not associated with a contractual interest rate, in addition to, as applicable, advances and loans to staff, dividends receivable and disbursements required in relation to equity instruments, the amounts of which are expected to be received in the short term, and the disbursements required by third parties on their holdings, the amounts of which are expected to be paid out in the short term, are measured at their nominal value when the effect of not updating cash flows is not considered significant.

Financial assets at fair value through profit and loss are measured at their fair value, booking the result of variations in said fair value in the profit and loss account.

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

Generally speaking, the fair value considered by the company refers to a reliable market value.

The Company uses the observable prices of recent transactions involving the same asset measured as a reference or using prices based on observable market data or indexes that are available and are applicable.

Thus, the following fair value hierarchy is established depending on the following levels of estimation:

a) Level 1: estimates that use unadjusted listed prices on active markets for identical assets or liabilities, which the Company could assess on the measurement date.

b) Level 2: estimates that use listed prices on asset markets for similar instruments or other measurement methods in which all significant variables are based on directly or indirectly observable market data.

c) Level 3: estimates in which any 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 allocation 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.

Contrariwise, 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.

5.5.2 Financial liabilities

Classification

The financial liabilities owned 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 amortised cost.

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

5.5.3 Hedge instruments

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

For these financial instruments to qualify as hedge accounting, they are initially designated as such and the hedging relationship is documented. Furthermore, the Company initially verifies, and continues to do so over the course of its useful life (at least at the end of each year), that the hedge relationship is effective, in other words, that the hedging ratio is the same as the hedging ratio used for the purposes of management, in other words, it is the same as the ratio resulting from the amount of the hedged item that the company is actually hedging and the amount of hedge instrument that the company actually uses to hedge said amount of the hedged item. The part of the hedge instrument designated as an effective hedge could include an ineffective residual part, provided that it does not reflect an imbalance between the weightings of the hedged item and the instrument. This ineffective part shall be the same as the surplus variation in the value of the hedge instrument designated as an effective hedge against the variation in the value of the hedged item.

The Company only applies cash flow hedges, which are accounted for as described below:

- Cash flow hedges: In this type of hedging, the profit or loss on the hedging instrument which has been determined as effective hedging is temporarily recognised in equity, and charged to the profit and loss account in the same period in which the item being hedged affects the results, unless the hedge corresponds to a projected transaction which entails 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 it is acquired or assumed.

The value of the derivatives reflects the fair market value of the derivatives at 31 December 2023. These derivatives have been contracted to hedge the interest rate risk and that fair value represents the payment which would have to be made if it were decided to sell them or transfer them to a third party.

The accounting for hedges is interrupted when the hedging instrument matures or is sold, finalised or exercised, or no longer meets the criteria for hedge accounting. At that time, any cumulative gain or loss corresponding to the hedging instrument which has been recorded in equity is held within equity until the expected operation occurs. When the operation being hedged is not expected to occur, the cumulative net gains or losses recognised in equity are transferred to the net results of the period.

5.6 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 those 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.

5.7 Income tax

After its amendment by Law 16/2012 of 27 December, the special tax regime for REITs is based on a zero per cent Corporation Tax levy, 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 distribution of dividends carried out by the company. Any dividends received by the partners are exempt, except where the recipient 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 levy. 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% tax levy on the full amount of the dividends or profit sharing distributed to members whose interest in the entity's share 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 levy below ten per cent. However, the special tax levy shall not apply where the dividends or profit-sharing are received by other REITs, regardless of what their percentage holding may be.

Hence, the Company has proceeded to apply a tax levy of 0% on the dividends shared out to its shareholders since the aforementioned condition has been met.

Notwithstanding the foregoing, as indicated in Note 2, through Law 11/2021, of 9 July and Order HFP/1430/2021, of 20 December, a special levy on undistributed profits by real estate investment trusts has been approved within corporation tax, in the self-assessment category; companies choosing to apply for the REIT tax system provided for in Law 11/2009 of 26 October shall be required to file this, with the profits to be declared considered the undistributed profits during the year generated on income not taxed at the general corporation tax rate, excluding income within the reinvestment period set out under Article 6(1)(b) of Law 11/2009. This levy is considered corporation tax payable at the rate of 15% applicable to tax years starting on or after 1 January 2021.

5.8 Income and expenses

Income and expenses are booked on an accrual principle, 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 accrued on 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 is recognised as income in the profit and loss account.

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

5.9 Provisions and contingencies

When drawing up the financial statements, the Directors of the Company have differentiated 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 financial statements reflect all the provisions regarding which the likelihood of having to face an obligation is estimated to be higher than not having to do so. Contingent liabilities are not recognised in the financial statements. Information about them, however, is provided in the notes to the notes to the statements to the extent by 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.

5.10 Environmental asset elements

Environmental asset elements are deemed to be any assets which are used in a long-lasting manner in the Company's operations and principal 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.

5.11 Subsidies, donations and bequests

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

a) Non-reimbursable capital grants, 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 valuation allowance due to impairment comes about.

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

5.12 Related-party transactions

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

5.13 Cash flow statement

The cash flow statement has been prepared using the indirect method and uses the following terms with the meanings given below:

- Operating activities: activities that constitute the ordinary revenues of the company and other activities that cannot be classified as investment or financing activities.

- Investing activities: activities acquiring, selling or otherwise disposing of long term assets and other investments that are not classified as cash and cash equivalents.

- Financing activities: activities that result in changes in the amount and composition of equity and liabilities that are not part of operating activities.

6. Property, plant and equipment

The balances at 31 December 2023 and 31 December 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	Recognitions	Derecognitions	Balance at 31/12/2023
Cost:				
Data processing equipment	6,065	-	-2,178	3,887
Furniture and fittings	9,109	1,105	-	10,213
Other fixtures	142,244	-	-	142,245
Total cost	**157,418**	**1,105**	**-2,178**	**156,345**
Accumulated depreciation:				
Data processing equipment	-5,423	-272	2,178	-3,517
Furniture and fittings	-152	-929	-	-1,081
Other fixtures	-2,370	-14,225	-	-16,595
Total accumulated depreciation	**-7,945**	**-15,426**	**2,178**	**-21,193**
Net tangible fixed assets	**149,473**	**-14,321**	**-**	**135,152**

2022

	Euros			
	Balance at 31/12/2021	Recognitions	Derecognitions	Balance at 31/12/2022
Cost:				
Data processing equipment	6,065	-	-	6,065
Furniture and fittings	-	9,109	-	9,109
Other fixtures	-	142,244	-	142,244
Total cost	**6,065**	**151,353**	**-**	**157,418**
Accumulated depreciation:				
Data processing equipment	-4,913	-510	-	-5,423
Furniture and fittings	-	-152	-	-152
Other fixtures	-	-2,370	-	-2,370
Total accumulated depreciation	**-4,913**	**-3,032**	**-**	**-7,945**
Net tangible fixed assets	**1,152**	**148,321**	**-**	**149,473**

The main additions to property, plant and equipment in 2023 relate to investments in the Company's offices located on the second floor of Glorieta de Cuatro Caminos 6 and 7 in Madrid. Investments in this respect totalled 1,105 euros (151,353 euros in 2022).

The main disposals in 2023 from property, plant and equipment relate to the elimination of a Wimax point at the Isla Canela Golf Hotel.

The depreciation charge of 15,426 euros (3,032 euros in 2022) was recognised in the income statement for the year 2023 under "Depreciation and amortisation" in the accompanying profit and loss account as at 31 December 2023.

During the financial years 2023 and 2022, no finance charge has been capitalised under property, plant and equipment. Also, at 31 December 2023 there are no capitalised finance charges of a material amount in respect of property, plant and equipment.

At the end of the years ended 31 December 2023 and 31 December 2022, the Company had fully depreciated property, plant and equipment in use. At year-end 2023, the acquisition cost of this equipment amounted to 10,908 euros (4,914 euros in 2022).

The Company's policy is to take out insurance policies to cover the possible risks to which the various items of its property, plant and equipment are subject. As at the year ended 31 December 2023, in the opinion of the directors of the Company, there is no hedging deficit in respect of these risks.

As at 31 December 2023 and 2022, there are no commitments to purchase fixed assets or property outside Spain.

As disclosed in Note 5.3, the Company has performed an impairment test to assess the possible existence of impairments that reduce the recoverable amount of property, plant and equipment to an amount less than their book value. As a result of this process, the Company has not recognised any impairment losses on property, plant and equipment in 2023 and 2022.

7. Property investment

The movements in this item of the balance sheet, as well as the most significant information which affected this item during 2023 and 2022 are as follows:

2023

	Euros				
	Balance at 31/12/2022	**Additions**	**Disposals/ Reversals**	**Transfers**	**Balance at 31/12/2023**
Cost:					
Properties for leases	506,948,194	20,796,021	-3,715,702	1,603,811	525,632,324
Ongoing real-estate investments	5,799,747	44,517,334	-	-1,603,811	48,713,270
Total cost	**512,747,941**	**65,313,355**	**-3,715,702**	**-**	**574,345,594**
Accumulated depreciation:					
Properties for leases	-61,777,707	-6,421,440	692,393	-	-67,506,753
Total accumulated depreciation	**-61,777,707**	**-6,421,440**	**692,393**	**-**	**-67,506,753**
Impairment:					
Properties for leases	-12,461,456	-344,990	236,381	-	-12,570,066
Total impairment	**-12,461,456**	**-344,990**	**236,381**	**-**	**-12,570,066**
Net property investments	**438,508,778**	**58,546,925**	**-2,786,928**	**-**	**494,268,775**

2022

	Euros				
	Balance at 31/12/2021	**Additions**	**Disposals/ Reversals**	**Transfers**	**Balance at 31/12/2022**
Cost:					
Properties for leases	465,038,907	39,363,304	-4,582,569	7,128,552	506,948,194
Ongoing real-estate investments	223,140	12,705,159	-	-7,128,552	5,799,747
Total cost	**465,262,047**	**52,068,463**	**-4,582,569**	**-**	**512,747,941**
Accumulated depreciation:					
Properties for leases	-56,322,178	-5,982,921	527,392	-	-61,777,707
Total accumulated depreciation	**-56,322,178**	**-5,982,921**	**527,392**	**-**	**-61,777,707**
Impairment:					
Properties for leases	-11,982,461	-664,400	185,405	-	-12,461,456
Total impairment	**-11,982,461**	**-664,400**	**185,405**	**-**	**-12,461,456**
Net property investments	**396,957,408**	**45,421,142**	**-3,869,772**	**-**	**438,508,778**

The distribution of the cost between the land and spread of the leased properties is as follows:

	Cost at	
	31/12/2023	**31/12/2022**
Properties for leases		
Land	250,231,964	241,654,180
Spread	275,400,360	265,294,014
Total cost	**525,632,324**	**506,948,194**

The “Real estate investments” item reflects the net cost of the real estate assets in use and operation and leased through one or more operating leases, or the assets which are unoccupied but are destined to be leased through one or more operating leases.

The main changes in this item during 2023 were as follows:

Investments: Property investments made in 2023 totalled 65,313,355 euros (52,068,463 euros in 2022). The main additions recorded under this heading relate mainly to the following investments:

- On 27 December 2023, the Company signed a public deed for the acquisition of two office buildings located at calle Julián Camarillo, 19 and Julián Camarillo, 21, both in Madrid, owned by JC19 PROPCO 4, S.L. The total cost associated with these two transactions was 20,366,970 euros.

- There were additions to assets under construction amounting to 44,517,334 euros, corresponding to the cost of renovating and refurbishing hotels amounting to 1,777,177 euros, the buildings at Valle de la Fuenfría, 3 (706,006 euros) and Titán 13 (92,975 euros), as well as the Sexta Avenida shopping centre (6,242,041 euros) and the start of construction work on the Valdebebas Hospital and Hotel in Madrid (35,699,134 euros), which will be leased to Sanitas S.A. de Hospitales and Meliá Hotels International, S.A., respectively, once completed. All of these assets are located in Madrid.

- Furthermore, the Company has incurred in costs of 429,051 euros, capitalised as the cost of property investment.

Disposals: Disposals in property for a gross amount of 3,715,702 euros (4,582,569 euros in 2022) were made this year, The main derecognitions in 2023 relate to:

- Sale of several properties with their corresponding annexes in Vallecas Comercial I (1 unit), Sanchinarro VII (1 unit) and Coslada III (1 unit) for a gross cost of 534,383 euros, which were sold to third parties. These sales transactions gave rise to a combined net gain of 67,715 euros, which was recognised under “Impairment and gains or losses on disposals of non-current assets” in the profit and loss account at 31 December 2023.

- On 31 July 2023, the resulting Urban Plot PR-4, belonging to the district of San Blas de Madrid, included in API 20.12 Julián Camarillo Sur of the General Plan of Madrid 1997, was sold. A tertiary commercial building had been built on this plot, located at calle Albalá 7, which has been disposed of for a gross book cost of 2,873,300 euros. This divestment gave rise to a net gain of 2,395,995 euros, which was recognised under "Impairment and gains or losses on disposals of non-current assets" in the profit and loss account at 31 December 2023.

- In addition, the Company has derecognised costs of 308,019 euros in the Conde de Peñalver premises.

Transfers: During the year, ongoing real-estate investments have been transferred to property investments for the sum of 1,603,811 euros (7,128,552 euros in 2022), as a result of the completion of refurbishment work on several hotels (928,805 euros), the office building at Calle Valle de la Fuenfría, 3 (508,607 euros) and the office building at Calle Titán 13 (166,400 euros), all of them in Madrid.

Furthermore, the Company proceeded to appraise all of its real estate assets at year-end 2023 as stipulated in the standards. Said appraisals, which were conducted by the independent expert Jones Lang LaSalle, resulted in a fair value for some assets lower than their net book value. The Company has therefore calculated the corresponding impairments. The net impact on the income statement for 2023 was therefore negative in the amount of 108,609 euros (negative 478,996 euros in 2022).

Depreciation in 2023 totalled 6,421,440 euros (5,982,921 euros in 2022), recognised under “Fixed asset depreciation” on the Company’s income statement.

Fair value measurement and sensitivity

The methodology used by the independent appraiser in the valuations to determine the fair value of the investment property has followed the RICS principles, which basically uses discounted cash flows as the valuation method, consisting of capitalising the net income from each property and discounting the future flows, applying market discount rates, over a ten-year time horizon and a residual value calculated by capitalising the estimated income at the end of the projected period to an estimated yield. The buildings were valued individually, taking into account each of the lease contracts in force at the end of the year and their duration. Buildings with non-rented areas have been valued on the basis of estimated future income, discounting a marketing period.

Also, for the ongoing property investments relating to the construction of the hospital and hotel in Valdebebas, the Company has based its valuation on the value of the completed building or finished project included in the independent valuer's valuation, which consists of comparing the value of the assets once they are developed and in operation with the costs incurred at year end, plus the costs that will be incurred until they are in operation. The management of the Company considers this valuation method to be appropriate as there is no doubt that these projects will be carried out on the terms currently planned, as the projects are already being implemented and the Company already has the necessary financing to carry them out in their current configuration.

The valuation criteria applied were the same as those used in previous years. Similarly, the value of the completed building was taken into account in the case of the Valdebebas hotel and hospital real estate project under construction, which the company is currently developing.

The key variables of this method are the determination of net income, the duration of the leases, the period of time during which the leases are discounted, the approximation to the value that is made at the end of each period and the target internal rate of return-used to discount the cash flows.

The independent expert applies the following valuation methods to the property investments:

Valuation method	% according to GAV	
	2023	2022
Cash flow discount	24%	25%
Capitalisation	64%	70%
DCF and residual	10%	3%
Comparison	1%	1%
Total	**100%**	**100%**

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

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

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

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

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

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

- CAPEX: Estimated investments (CAPEX) in each of the assets are included.

2023

The main assumptions used to calculate the fair value of the real estate assets for 2023 were as follows:

	Euros			
	Current Income	ERV	Exit Yield	IRR
Hotels	N/A	N/A	6.82%	9.00%
Offices	13,414,365	16,193,077	5.01%	N/A
Retail	7,626,754	6,948,344	3.41%	N/A
Shopping centres	1,570,512	4,160,537	7.55%	9.55%

2022

The main assumptions used to calculate the fair value of the real estate assets for 2022 were as follows:

	Euros			
	Current Income	ERV	Exit Yield	IRR
Hotels	9,291,336	8,588,259	6.16%	8.07%
Offices	13,582,453	14,002,719	4.35%	N/A
Retail	7,256,979	6,454,183	3.41%	N/A
Shopping centres	3,334,260	3,121,368	8.03%	10.03%

The effect of a one-quarter of one point change in the required rates of return, calculated as income on the market value of the assets, in the asset and in the profit and loss account, for the property investment under operation, would be as follows:

	Yield (Euros)			
	2023		2022	
	-0.25%	+0.25%	-0.25%	+0.25%
Hotels	4,026,698	-4,479,354	3,200,000	-3,100,000
Offices	16,010,000	-14,630,000	16,430,000	-14,730,000
Retail	14,166,000	-12,299,000	15,990,000	-13,740,000
Institutional	3,900,000	-3,600,000	4,100,000	-3,600,000
Total	**38,102,698**	**-35,008,354**	**39,720,000**	**-35,170,000**

In addition, the sensitivity analysis of a 10% change in ERV (market rent on the asset at the valuation date) would be as follows:

	ERV (euros)			
	2023		2022	
	-10%	-10%	-10%	+10%
Offices	-25,130,000	24,900,000	-24,180,000	24,130,000
Retail	-19,390,000	19,411,000	-21,200,000	23,980,000
Total	**-44,520,000**	**44,311,000**	**-45,380,000**	**48,110,000**

Lastly, the sensitivity analysis of a quarter point variation of the IRR would be as follows:

	IRR (Euros)			
	2023		2022	
	-0.25%	-0.25%	-0.25%	+0.25%
Hotels	3,603,610	-3,811,085	2,800,000	-2,700,000
Commercial (shopping centre only)	710,000	-680,000	550,000	-530,000
Land	-	-	400,000	-400,000
Total	**4,313,610**	**-4,491,085**	**3,750,000**	**-3,630,000**

Valuation of real estate assets and impact on profit (loss) for the year:

Based on the valuations performed, there has been a negative net impact on the Company's income statement at 31 December 2023 for the sum of 108,609 euros (negative net impact of 478,996 euros at 31 December 2022); the breakdown by asset type and changes in provision for impairment of property investments is as follows:

	Euros	
	2023	2022
Balance at beginning of year	**-12,461,457**	**-11,982,461**
Hotels	-198,538	-508,175
Retail	-146,452	-156,225
Impairment	**-344,990**	**-664,400**
Offices	-	147,972
Retail	236,381	37,433
Reversals	**236,381**	**185,405**
Balance, end of year	**-12,570,066**	**-12,461,457**

Furthermore, based on the valuations performed, the fair value of property investments shows an unrecognised gain (by comparison between the gross updated market fair value and the net carrying value) of 247,439,373 euros (241,849,266 at 31 December 2022) considering in both figures the current residual value of the two buildings under construction in Valdebebas (hotel and hospital).

The gross market value of property investments (considering the H.E.T. or "completed building assumption" in the case of the two ongoing Valdebebas projects) at 2023 year-end amounted to 795,908,004 euros (774,460,463 euros at 2022 year-end). The breakdown by business segment is as follows:

	Gross market value of the Property investments (Euros) (*)	
	31/12/2023	31/12/2022
Hotels (**)	211,158,528	204,000,000
Offices	304,822,198	285,681,522
Retail	205,927,278	211,478,941
Institutional (**)	74,000,000	73,300,000
Total	**795,908,004**	**774,460,463**

(*) The net market value at 31 December 2023 came to 774,013,880 euros (755,866,500 euros in 2022).
(**) In the case of Valdebebas projects, the market value of the completed project is included. Eliminating the impact of the inclusion of the market values of the two completed projects and taking into account the market value based on the progress of work, the gross market value of the property investment at year-end 2023 amounts to 741,708,148 euros (2022: 680,358,044 euros), with a net value of 721,209,000 euros (2022: 664,116,641 euros). The estimated cost to be incurred in both projects until completion is as follows: Hotel (18,598,844 euros) and Hospital (29,828,505 euros).

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

	Floor area in m² above ground level	
	31/12/2023	31/12/2022
Hotels	99,408	99,408
Offices	76,277	62,406
Retail	40,030	40,852
Institutional	19,273	19,273
Total	**234,987**	**221,938**

At 31 December 2023, the average occupancy rate of the Company's leased assets was 83% (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 in the province of Huelva.

Furthermore, the Companies' assets are affected by mortgage guarantees amounting to 104,182,095 euros at 31 December 2023 (62,461,471 euros at 31 December 2022), corresponding to bank mortgage-backed loans.

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

Property	Euros	
	2023	2022
José Abascal, 41	8,892,000	9,690,000
Titán, 13	8,896,495	9,708,654
Conde de Peñalver, 16	5,776,643	6,303,992
Valle de la Fuenfría, 3	7,274,621	7,763,333
Juan Ignacio Luca de Tena, 17	9,981,936	10,545,492
Glorieta de Cuatro Caminos 6 and 7.	3,100,000	3,450,000
Arapiles 14	24,000,000	12,000,000
Hospital Valdebebas	16,196,400	-
Hotel Valdebebas	20,064,000	3,000,000
Total value of mortgages pending maturity on assets (Note 13)	**104,182,095**	**62,461,471**

NB: The net book value of these mortgage-backed properties at 31 December 2023 amounted to 224,008,687 euros (175,347,345 euros at 31 December 2022).

In 2023, the rental income from real estate investments belonging to the Company comes to 34,674,207 euros (30,644,323 euros in 2022). This figure includes income from the passing on of operating expenses for all related items, which amounted to 868,682 euros in 2023 (1,047,429 euros in 2022).

At year-end 2023, there was no kind of constraint on making new real estate investments, or on collecting the income arising from them or concerning the resources that could be obtained from a possible disposal.

At 2023 year-end, the Company had fully amortised property investments which were still in use amounting to 10,425,990 euros (8,811,387 euros at 2022 year-end).

The Company's policy is to take out insurance policies to cover the possible risks that may affect its real estate investments. At the end of 2023, there will be no shortfalls relating to any of the aforementioned risks.

8. Operating leases

At the end of 2023 and 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 condominium 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	
	2023	2022
Less than a year	31,075,627	29,272,582
Between one and five years	119,670,583	87,953,936
More than five years	118,685,132	103,961,317
Total	**269,431,342**	**221,187,835**

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

	WAULT	
	31/12/2023	31/12/2022
Hotels	9.19	8.64
Offices	6.20	6.52
Retail	9.88	11.07
Institutional	10.00	10.00
Total Average	**8.83**	**9.10**

9. Other financial assets and investments in related companies

The balances of the accounts in this item at year-end 2023 and 2022 are as follows:

	Euros	
	Balance at 31/12/2023	Balance at 31/12/2022
	Financial assets at amortised cost	
Derivatives	217,266	314,055
Other financial assets	2,574,851	2,706,786
Long-term / non-current	**2,792,117**	**3,020,841**
Other financial assets	608,494	796,336
Short-term / Current	**608,494**	**796,336**
Total	**3,400,611**	**3,817,177**

	Euros	
	Balance at 31/12/2023	Balance at 31/12/2022
	Assets at fair value through profit or loss	
Other financial assets	17,590,326	16,478,110
Short-term / Current	**17,590,326**	**16,478,110**
Total	**17,590,326**	**16,478,110**

The movement in the headings “Other financial assets” and “Equity instruments” and “Derivatives” in the short and long term during the financial years 2023 and 2022 is as follows:

2023

	Euros			
	Balance at 31/12/2022	Adjustment Value	Disposals	Balance at 31/12/2023
Equity instruments	16,478,110	1,446,859	-334,643	17,590,326
Derivatives	314,055	-96,789	-	217,266
Other financial assets	3,503,121	-	-319,775	3,183,346
Total	**20,295,286**	**1,350,070**	**-654,418**	**20,990,938**

2022

	Euros				
	Balance at 31/12/2021	Additions	Adjustment Value	Disposals	Balance at 31/12/2022
Equity instruments	13,399,701	5,995,506	-2,917,097	-	16,478,110
Derivatives	-	-	314,055	-	314,055
Other financial assets	2,743,776	937,232	-	-177,887	3,503,121
Total	**16,143,477**	**6,932,738**	**-2,603,042**	**-177,887**	**20,295,286**

Assets at fair value through profit or loss

Equity instruments available for trading

In 2019 the Company purchased 6,950 shares in the listed company Unibail Rodamco, for a total acquisition cost of 1,002,786 euros, which were recognised under “Short-term equity instruments”. At 13 September 2023, the Company sold these shares, obtaining a gain of 985 euros, which was recognised under “Income from sales of financial instruments” at 31 December 2023 (0 euros in 2022). In addition, valuation losses of 3,336 euros (90,281 euros in 2022) were recognised for this asset in 2023.

In 2020, the Company purchased 1,572,296 shares in the listed company Inmobiliaria Colonial SOCIMI, S.A., for a total acquisition cost of 11,548,536 euros, which were recorded under “Short-term equity instruments”. During the 2022 financial year, 1,113,250 shares with a total acquisition cost of 5,995,506 euros were acquired, which are also recognised under “Short-term equity instruments”. At 31 December 2023, the Company valued these shares, obtaining a negative value adjustment of 1,450,196 euros, which was recognised under “Results of trading portfolio” (negative value of 2,826,816 euros in 2022).

During 2023, the Company received dividends associated with these financial investments for the sum of 671,387 euros (377,351 euros in 2022). This income is recognised in the Company’s income statement under “Third-party financial income”.

The change in fair value, during the year and accumulated since it was originated, is shown below:

Financial assets at fair value through profit or loss							
	Euros						
	Cost		Fair value at		Change	Method	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	2023	FV	Level
Inmobiliaria Colonial SOCIMI, S.A.	17,544,042	17,544,042	17,590,326	16,140,131	1,450,195	Listing	1
Total	**17,544,042**	**17,544,042**	**17,590,326**	**16,140,131**	**1,450,195**		

The main measurement techniques and variables used to measure fair value correspond to level 1, i.e., the listing price of these shares on the secondary market at 31 December 2023.

Derivative

At 31 December 2023 there was a variation of 96,790 euros due to the valuation of the derivative financial instrument Interest Rate Swap (SWAP). This amount is related to the heading Hedging instruments in Note 15.

Current and non-current financial assets amortised cost

The "Other non-current financial assets" and "Other non-current financial assets" items reflect the bonds connected with the leases set out in Note 8 received from clients and deposited with public authorities.

The breakdown by due dates of the entries that comprise the “Other non-current financial assets” item at 31 December 2023 is as follows:

	Euros					
	2024	2025	2026	2027	2028 and subsequent	Total
Other financial assets	608,494	298,542	662,536	43,126	1,570,647	3,183,346
Total	**608,494**	**298,542**	**662,536**	**43,126**	**1,570,647**	**3,183,346**

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 accounts receivable

The breakdown of the item at year-end 2023 and 2022 was as follows:

	Euros	
	31/12/2023	31/12/2022
Accounts receivable for sales and services	3,162,792	4,174,532
Staff	864	944
Current tax assets (18.2)	110,779	20,362
Other credits with Public Administrations (Note 18.1)	1,105,796	9,837
Total	**4,380,231**	**4,205,675**

The balance of the "Accounts receivable for sales and services" can be broken down as follows, for year end 2023 and 2022:

	Euros	
	31/12/2023	31/12/2022
Customers	2,649,239	3,848,969
Customers, invoices to be formalised	152,024	-
Commercial paper in portfolio	299,845	314,446
Outstanding papers	61,684	11,117
Customers with doubtful debts	13,195	3,494
Impairment	-13,195	-3,494
Total	**3,162,792**	**4,174,532**

The customer balance at the end of 2023 primarily includes some of the amounts pending payment corresponding to income from the fourth quarter of 2023 in addition to the variable income from specific hotels belonging to the Company that is calculated and invoiced at the end of the year based on GOP and income for the year.

Changes in the impairment of customers recognised is as follows, with an impact on the income statement for the year 2023 of 9,701 euros (171 profit for the year 2023):

	Euros	
	2023	2022
Balance at beginning of year	**-3,494**	**-3,665**
Impairment of customers	-9,701	-3,494
Reversal of commercial credits	-	3,665
Balance, end of year	**-13,195**	**-3,494**

11. Cash and cash equivalents

The balance stated under "Cash" primarily corresponds to the balance available in current accounts on 31 December 2023 and 2022. The availability of these balances is subject to no restrictions and they accrue interest at market rates.

12. Information on the nature of financial instruments and their level of risk

The management of the Company's financial risks is centralised in the Group's Financial Management and PER 32 Group policies, which has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks which impact the Company are set out below:

a) Credit risk

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

b) Liquidity risk

Taking into account the current situation of the financial market and the estimates made by the Directors of the Company on the Company's cash generating capacity, the Directors believe that the Company has enough capacity to obtain financing from third parties were it necessary to make new investments. Consequently, there is no evidence that the Company will encounter liquidity problems in the medium term.

Liquidity is guaranteed by the nature of the investments made and lessees' high credit ratings, as well as by the collection guarantees set forth in prevailing agreements.

c) Exchange rate risk

As regards the Company's exchange rate risk at 31 December 2023, it did not have any assets or liabilities in foreign currencies. Hence, there is no risk in this regard.

d) Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities accruing fixed interest rates, as well as the future flows of assets and liabilities tied to variable interest rates. Although it takes into account the use of hedging transactions in order to achieve a balance in the debt structure that minimises the cost of debt over the multi-year horizon with reduced volatility in the income statement.

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

e) Real estate business risks

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

Other market risks to which the Company is exposed include:

- **Regulatory risks**: the Company is bound to comply with several general and specific legal provisions in force (legal, accounting, environmental, employment, tax, data protection provisions, among others) which apply to it. Any regulatory changes that come about in the future may have a positive or negative effect on the Company.

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

13. Total equity and shareholders' equity

a) Authorised capital

At 31 December 2023, the Company's subscribed share capital was comprised of 4,452,197 registered shares at a par value of €60.10 each. All these shares belong to a single class and series and all have been fully subscribed and paid up, which means that the Company's registered share capital amounts to 267,577,040 euros.

All the shares that make up the share capital have the same rights, there being no statutory restrictions on their transferability.

All the Company's shares have been admitted to trading on the Luxembourg Stock Exchange since 21 December 2011. The year-end share price, the average share price in the last quarter of the year and the average for 2023 were 69.00, 68.50 and 67.83 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 accounting record.

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 per cent and who receive dividends or a share-out of profits are obliged to give the company notice of the tax levy on the dividends received within ten days, counting from the date after the day they are received.

The companies holding an interest in the share capital equivalent to or greater than 10% at 31 December 2023 were as follows:

	Number of Shares	Percentage Interest
Promociones y Construcciones PYC Pryconsa, S.A.	498,360	11.19%
Cogein, S.L.U.	448,807	10.08%

The Company belongs to the PER 32 Group, whose ultimate Parent Company is PER 32, S.L., domiciled in Madrid, which files the consolidated financial statements with the Madrid Companies Registry

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, pursuant to Law 11/2009 regulating real estate investment trusts (REITs), the legal reserve of companies that have chosen to apply the special tax regime established by this Law may not exceed 20% of their share capital. The articles of these companies may not establish any 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 31 December 2023, the legal reserve had not yet been fully allocated.

Voluntary reserve

Following the distribution of the Company’s profit in 2022, the balance of this equity item came to 4,974,058 euros; this reserve unrestricted.

Merger reserve

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

c) Distribution of profits

REITs are governed by the special tax regime 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 in the form of dividends. Such distribution must be resolved as set out below within the six months following the end of each financial year:

a) 100% of the profit from dividends or profit-sharing distributed by the entities referred to in section 1, article 2 of this Law.

b) 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 properties or interests included under the corporate purpose within the three years following the date of transfer. Failing this, such profits must be fully distributed together with the profits, if any, from the year in which the reinvestment period ends. Should the elements subject to reinvestment be transferred before the maintenance period elapses, any profits from them must be fully distributed together 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.

c) At least 80 per cent 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 regime 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 regime set forth in this Act may not exceed twenty per cent 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, pursuant to Law 11/2021, of 9 July and Order HFP/1430/2021, of 20 December, the Company is subject to special taxation on undistributed profit by real estate investment trusts as part of corporation tax, in the self-assessment category, for tax years starting on or after 1 January 2021. The tax rate in force is 15% and is considered as corporation tax payable.

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-backed 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) Adjustments for changes in value

The breakdown and nature of other adjustments for changes in value is as follows:

	Euros	
	31/12/2023	31/12/2022
Hedging operations (Note 15)	217,266	314,055
Total	**217,266**	**314,055**

f) Capital grants

The activity in this heading during 2023 and 2022 was as follows:

2023

	Euros		
	31/12/2022	**Applications**	**31/12/2023**
Capital grants	928,789	-56,351	872,437
Total	**928,789**	**-56,351**	**872,437**

2022

	Euros		
	31/12/2021	**Applications**	**31/12/2022**
Capital grants	985,139	-56,351	928,789
Total	**985,139**	**-56,351**	**928,789**

Due to the change in taxation pursuant to the amendment introduced by Law 16/2012 of 27 December to Law 11/2009 regulating Listed Real Estate Investment Trusts on the Real Estate Market, the Company started to pay tax at the levy of 0%. Therefore, the Company has adjusted the tax effect or the deferred tax liability and included the gross amount in “Subsidies, donations and bequests” 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 31 December 2023, the following were yet to be taken to the statement of profit and loss:

- Subsidy granted by the Directorate-General of Regional Economic Incentives for the nominal amount of 1,550,000 euros (552,152 euros yet to be taken to the statement of profit and loss) corresponding to 10% of the investment made to build Hotel Iberostar Isla Canela in Ayamonte, Huelva.

- Subsidy granted by the Directorate-General of Regional Economic Incentives for the nominal amount of 1,106,000 euros (320,285 euros yet to be taken to the statement of profit and loss) corresponding to 10% of the investment made to build Hotel Playa Canela 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 which gave rise to 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 56,351 euros (56,351 euros in 2022) was registered under “Allocation of grants for non-financial and other assets” in the accompanying profit and loss account.

14. Current and non-current liabilities

The balances of the accounts in this item at the end of 2023 and 2022 are as follows:

	Euros	
	31/12/2023	31/12/2022
Long-term debts with credit institutions	132,193,018	104,798,848
Other financial liabilities	3,934,179	3,900,223
Total long-term liabilities	**136,127,197**	**108,699,071**
Short-term debts with credit institutions	54,481,696	35,026,384
Other financial liabilities	528,154	488,482
Total current payables	**55,009,851**	**35,514,866**
Total current and non-current financial debts	**191,137,048**	**144,213,937**

Financial assets at amortised cost

Non-current and current bank borrowings

At 31 December 2023, the Company's bank borrowings came to 186,674,715 euros (139,825,232 euros at 31 December 2022).

The mortgage loans in force at 31 December 2023, for which the Company is liable, have the following characteristics:

	Financial institution	Start	Euros		Maturity
			Initial amount	Outstanding capital	
José Abascal, 41	Banca March	2017	11,400,000	8,892,000	2031
Titán, 13	Banco Santander	2015	15,735,000	8,896,495	2025
Conde de Peñalver, 16	Banco Santander	2015	10,217,000	5,776,643	2025
Valle de la Fuenfría, 3	Kutxabank	2018	10,000,000	7,274,621	2028
Juan Ignacio Luca de Tena, 17	CaixaBank	2019	12,000,000	9,981,936	2030
Glorieta de Cuatro Caminos 6 and 7,	Banca March	2018	4,500,000	3,100,000	2028
Arapiles 14	Bankinter	2022	24,000,000	24,000,000	2037
Hotel Valdebebas (*)	Banco Santander	2022	33,000,000	20,064,000	2035
Hospital Valdebebas (*)	Banco Santander	2023	36,000,000	16,196,400	2036
Total			**156,852,000**	**104,182,095**	
Opening costs	Bankinter	2022	-	-293,439	
Total			**156,852,000**	**103,888,656**	

(*) These loans are intended to finance construction work. The loans for the Valdebebas Hotel and Valdebebas Hospital were agreed with Banco Santander and the drawdown of up to 33,000,000 euros and up to 36,000,000 will take place during the building's construction years, based on the progress of construction.

The personal guarantee loans in force at 31 December 2023 have the following characteristics:

	Start	Maturity	Euros	
			Initial amount	Outstanding capital
Banco Santander	2020	2025	12,000,000	6,092,933
Banco Santander	2021	2026	30,000,000	17,201,709
Abanca	2022	2027	3,000,000	2,100,000
Pichincha	2022	2025	5,000,000	2,551,846
Banca Pueyo	2022	2030	5,000,000	5,000,000
Banca Pueyo	2022	2030	5,000,000	4,821,429
Bankinter	2022	2032	10,000,000	9,400,000
Banco Santander	2023	2024	10,000,000	10,000,000
BBVA	2023	2024	17,000,000	17,000,000
Total			**97,000,000**	**74,167,916**

In addition, the heading "Short-term bank borrowings" includes three credit facilities, two entered into with Bankinter, one with a limit of 2,000,000 euros and the other with a limit of 5,000,000 euros, both maturing on 21 January 2024, and another with Banca March with a limit of 7,500,000 euros with a maturity of 11 January

2025.. These policies are drawn down at 31 December 2023 in the amount of 7,459,618 euros (6,872,437 euros at 31 December 2022). Furthermore, accrued and unpaid interest at 31 December 2023 came to 1,158,525 euros (392,903 euros at 31 December 2022).

The financial expenses arising from debts with credit institutions in 2023 amounted to 5,174,990 euros (1,914,180 euros in 2022) and are recorded under the “Financial expenses” heading on the attached profit and loss account.

As can be seen from the information described in this note, the Company has taken out various long-term loans (mortgages and non-mortgage loans) in 2023 to finance its activities. The cost of closing these loans is included in “Long-term debts with credit institutions” in the Company's balance sheet as at 31 December 2023 and amounts to 293,439 euros, which is recorded annually as an expense in the income statement according to the repayment period of the loans to which they are linked.

Loan interest rates are set on market terms linked to Euribor with a fixed spread, with the exception of the loan hedged with a hedge guarantee.

The “Bonds and deposits” item reflects the guarantees received from clients connected with the leases set out in Note 7.

The breakdown by due dates at 31 December 2023 is as follows:

	Euros					
	2024	2025	2026	2027	2028 and subsequent	Total
Debts with credit institutions (*)	54,459,580	30,972,889	8,505,150	6,842,564	85,894,531	186,674,715
Long-term bonds and deposits	-	351,986.32	1,601,968.92	157,771.94	1,822,452	3,934,179
Short-term bonds and deposits	528,154	-	-	-	-	528,154
Total	**54,987,735**	**31,324,875**	**10,107,119**	**7,000,336**	**87,716,983**	**191,137,048**

(*) Mortgage-backed loans in the amount of 104,182,095 euros, loans with a personal guarantee in the amount of 74,167,916 euros, drawdowns on credit facilities in the amount of 7,459,618 and interest accrued pending maturity in the amount of 1,158,525 euros.

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

	Euros					
	2023	2024	2025	2026	2027 and subsequent	Total
Debts with credit institutions (*)	35,026,384	19,703,541	31,505,107	8,827,366	44,762,834	139,825,232
Long-term bonds and deposits	-	448,430	205,388	1,412,640	1,833,765	3,900,223
Short-term bonds 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-backed loans in the amount of 62,461,471 euros, loans with a personal guarantee in the amount of 70,413,976 euros, drawdowns on credit facilities in the amount of 6,872,437 and interest accrued pending maturity in the amount of 392,903 euros.

15. Hedge instruments

The breakdown of derivative financial instruments at 2023 year-end is as follows:

	Classification	Type	Euros Outstanding balance	Maturity	Fair value Asset
Interest rate swap	Interest rate hedge	Variable to Fixed	8,550,000	01.04.2026	217,266

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

	Classification	Type	Euros Outstanding balance	Maturity	Fair value Asset
Interest rate swap	Interest rate hedge	Variable to Fixed	8,550,000	01.04.2026	314,055

On 17 February 2017, the Company entered into an Interest Rate Swap derivative financial instrument amounting to 8,550,000 euros, the term of which is 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:

- An equity reduction of 96,790 euros in 2023 (increase of 597,063 euros in 2022), which has been recorded in the Company's equity under the "Adjustments for changes in value" heading.

The Company has complied with the requirements set out in Note 5.5.3 on registration and valuation standards to be able to classify the financial instruments detailed above as hedges.

16. Disclosure on supplier payment deferrals

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

	2023	2022
	Days	
Average payment period to suppliers	54.57	44.48
Ratio of paid transactions	58.33	49.84
Ratio of transactions pending payment	45.07	21.88
	Euros	
Total payments made	32,966,886	15,562,518
Total payments pending	13,040,320	3,689,510

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

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

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

The maximum legal payment period applicable to the Company in 2023 according to Law 3/2004, of 29 December, establishing measures to combat delinquency in commercial transactions, is 30 days from the date on which said Law was published to the present (unless any of the conditions established therein are fulfilled, allowing the maximum legal payment period to be extended to 60 days).

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

	2023	2022
Average payment period – invoices paid in a period shorter than the legal maximum period	25.49	26.09
Number of invoices paid in less than the maximum legal period	1,808	1,520
Percentage of total number of paid invoices	60.11%	66.61%
	Amount	
Amount of invoices paid in less than the legal maximum time limit.	17,222,302	13,037,097
Percentage of the total amount of paid invoices	56.00%	83.77%

17. Guarantees undertaken with third parties

At 31 December 2023, the Company had been granted two guarantees from Kutxabank to the Madrid City Council for the proper disposal of waste in the amount of 6,431 euros for the one-off refurbishment works of the building at 42 Calle Pradillo, and for 34,259 euros for the works at the Sexta Avenida Shopping Centre in Madrid.

18. Public administrations and tax situation

18.1. Current balances with Public Administrations

The breakdown of the accounts receivable and payable from/to Public Administrations is as follows:

	Euros			
	31/12/2023		31/12/2022	
	Owed	Due	Owed	Due
Withholdings during the year	-	-	20,362	-
Withholdings from previous years	-	-	9,837	-
Value Added Tax	1,105,796	562,065	-	306,938
Personal Income Tax	-	21,590	-	51,381
Rent withholdings	-	505	-	505
Withholdings on movable capital	-	23,480	-	30,287
Corporation tax	110,779	-	-	-
Social Security	-	9,533	-	7,483
Total	**1,216,575**	**617,173**	**30,199**	**396,594**

The heading Value Added Tax has a credit and debit balance due to the result of the VAT settlement for the month of November 2023 in the amount of 562,065 euros debited on 2 January 2024. The debit amount of 1,105,796 euros is VAT to be offset as a result of the settlement of December 2023.

18.2 Reconciliation between accounting profit or loss and the tax base

The reconciliation between the accounting profit or loss and the Corporation Tax base in 2023 and 2022 was as follows:

	Euros	
	2023	2022
Profit (loss) before tax	20,467,557	14,254,856
Permanent differences	-	-
Temporary differences	-104,170	162,102
Prior tax base	**20,363,386**	**14,416,958**
Tax base (0%)	18,387,909	**14,416,958**
Tax base (25%)	1,975,478	-
Offsetting of negative tax bases	-357,592	-
Tax base at 0%	**18,387,908**	**14,416,958**
Tax base at 25%	**1,617,886**	**-**
Total tax liability (0%)	**-**	**-**
Total tax liability (25%)	**404,472**	**-**
Deductions	-453	-
Tax due	404,018	-
Withholdings and interim payments	-514,797	-20,362
Net (payable)/refunded	**-110,779**	**-20,362**

Temporary differences in 2023 that changed the pre-tax accounting profit amounted to a negative 321,388 euros and corresponded to:

- Downward adjustment for the recovery of the depreciation allocation for non-deductible property investments pursuant to Law 16/2012, establishing that accounting depreciation of tangible and intangible fixed assets, in addition to property investments, were only deductible up to 70% of the depreciation that would have been fiscally deductible recovering, from 2015, on a 10-year straight-line basis, the amount of 212,779 euros.

- Upward adjustment for the impairment of property investments in 2023 in the amount of 344,990 euros.

- Downward adjustment as a consequence of the reversal of impairment on real estate investments amounting to 236,381 euros.

At the end of 2023, the Company has temporary differences pending allocation of 5,525,707 euros (5,847,095 euros in 2022), for which the deferred tax asset has not been booked given that the levy applicable is 0%. Said temporary differences include the amount of adjusted depreciation in 2013 and 2014 pending deduction in the amount of 212,779 euros, in addition to the impairment of property investments in the amount of 5,312,928 euros.

At 31 December 2023, the Company has no tax loss carryforwards to offset, having offset them all this year (357,592 euros at 31 December 2022).

At the end of 2023, there were no financial expenses that have not been deducted from the tax base for corporation tax.

Likewise, at 31 December 2023 there are tax credits to be applied as the outstanding tax credit for donations in this year has been applied (453 euros at 31 December 2022).

Pursuant to Article 9.2 of Law 11/2009 of 26 October governing Listed Real Estate Investment Trusts, as amended by Law 16/2012 of 27 December, the tax self-assessment return has to be filed on the part of the period's tax base which proportionally corresponds to the dividend whose distribution has been resolved with regard to the profit obtained in the year. As indicated in Note 4, at 2023 year-end the directors proposed to the shareholders to pay dividends of 15,956,437 euros (12,653,959 euros in 2022) and, accordingly, corporation tax was payable on this dividend in the amount of 0 euros. The after-tax profit for 2023 amounted to 20,063,539 euros (14,254,856 euros in 2022).

Furthermore, pursuant to Article 6 of Law 11/2009 of 26 October, amended by Law 16/2012 of 27 December, the Company is obliged to distribute dividends equal to 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 properties or interests included under the corporate purpose within the three years following the date of transfer. Failing this, such profits must be fully distributed together with the profits, if any, from the year in which the reinvestment period ends. If the elements subject to reinvestment are transferred before the maintenance period established in paragraph 3, article 3 of this Act elapses, those profits must be fully distributed together with the profits, if any, from the year in which they have been transferred. As a result of the sale of property assets in 2023, a net gain of 3,707,603 euros was obtained and the following distribution of profit is proposed:

- From the gain from the sale of real estate assets acquired in the pre-Real Estate Investment Trust period taxed at 25% and amounting to 1,975,478 euros, the Company's directors propose allocating 10% to the legal reserve (230,058 euros) and 90% to the voluntary reserve (2,070,525 euros) from the accounting profit generated (2,300,583 euros).

- For the rest of the gain originating from the sale of real estate assets acquired in the pre-Real Estate Investment Trust period amounting to 1,732,125 euros, the Company's directors propose allocating 10% to the legal reserve (6,716 euros), 45% to the voluntary reserve (30,222 euros) and the other 45% to distribution of dividends (30,222 euros), from the accounting profit generated (67,161 euros).

Additional information on Deferred Income

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. (now S.L.U.) which took place on 22 December 2009. The assets contributed by Cogein, S.L. (now S.L.U.) were subject to the tax neutrality regime.

Pursuant to the foregoing, in order to comply with the provisions of Article 86 of the LIC, the following information is hereby included:

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

- Hotel Tryp Atocha: 2001 (sold in 2015)
- Rutilo premises: 2000 (sold in 2019)
- Hotel Innside Meliá Gran Vía: 2002
- Retail outlet at Gran Vía 34: 2002
- Retail outlet on Dulcinea: 1995
- Pradillo 42 offices: 2009
- Albalá 7 premises: 2003 (sold in 2023)
- 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 transferor 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 31 December 2023 Property	Euros		
	N.T.V.:	M.V.T.:	R.D.
Gran Vía,1 1º izquierda	541,883	2,730,000	2,188,117
Gran Vía,1 1º derecha	474,791	3,013,000	2,538,209
Gran Vía,1 1º izquierda	570,505	2,873,000	2,302,495
Gran Vía 34 hotel and premises	45,845,703	43,065,500	-2,780,203
Dulcinea premises	446,843	1,525,000	1,078,157
Pradillo, 42	17,762,500	18,227,308	464,808
Total	**65,642,225**	**71,433,808**	**5,791,583**

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

c) No tax benefits are enjoyed by the transferor entity concerning which the absorbed entity must comply with specific requirements pursuant to the provisions of Article 84.1 of the Corporation Tax Act ("LIS").

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

Compañía Ibérica de Bienes Raíces 2009, SOCIMI, S.A.U. was established following the partial division of Isla Canela, S.A., which occurred on 29 December 2009. The assets contributed by Isla Canela, S.A. were treated under the tax neutrality system.

Pursuant to the foregoing, in order to comply with the provisions of Article 86 of the LIC, the following information is hereby included:

a) Tax period during 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 transferor 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 31 December 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 Mall	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 value of transfer
R.D. Deferred income

c) No tax benefits are enjoyed by the transferor entity concerning which the absorbed entity must comply with specific requirements pursuant to the provisions of Article 84.1 of the Corporation Tax

Act (“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. (now 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 31 December 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 value of transfer
R.D. Deferred income

18.3. Reconciliation between the accounting profit and corporation tax expenses

The reconciliation between the accounting profit or loss and the corporation tax base for the years ending 31 December 2023 and 2022 is as follows:

	Euros	
	2023	2022
Profit (loss) before tax	20,467,557	14,254,856
Permanent differences	-	-
Temporary differences	-104,170	162,102
Prior tax base	**20,363,387**	**14,416,958**
Tax base (0%)	18,387,909	**14,416,958**
Tax base (25%)	1,975,478	-
Offsetting of negative tax bases	-357,592	-
Tax base at 0%	**18,387,909**	**14,416,958**
Tax base at 25%	**1,617,886**	**-**
Total tax liability (0%)	**-**	**-**
Total tax liability (25%)	**404,472**	**-**
Deductions	-453	-
Tax expense recognised in the profit and loss account	**404,018**	**-**

18.4. Years open for review and tax audits

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

18.5. Reporting requirements as a REIT

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

19. Income and expenses

19.1 Net turnover, other operating income and subsidies

The breakdown of these items at 31 December 2023 and 2022 is as follows:

	Euros	
	2023	2022
Hotels	10,325,785	9,747,961
Offices	15,187,824	11,331,546
Retail	9,436,236	9,564,815
Rental subtotal	**34,949,845**	**30,644,323**
Provision of sundry services	28,615	63,007
Capital grants taken to profit and loss	56,351	56,351
Total income	**35,034,811**	**30,763,680**

The Company's entire turnover in 2023 and 2022 was generated in Spain.

19.2 Staff costs

The balance of this item in 2023 and 2022 was comprised as follows:

	Euros	
	2023	2022
Wages and salaries:		
Wages, salaries and similar outgoings	427,118	358,311
National Insurance contributions:		
Social Security contributions incurred by the company	92,117	74,088
Other social expenses	55,051	53,704
Total	**574,286**	**486,103**

19.3 External charges for services, taxes and similar levies

The breakdown of this item for 2023 and 2022 is as follows:

	Euros	
	2023	2022
Leases	52,933	27,921
Repairs and maintenance	1,224,454	851,544
Independent professional services	437,361	365,912
Insurance policies	99,380	78,669
Banking services and similar	8,035	9,012
Advertising and public relations	48,866	21,951
Supplies	1,301,591	1,245,470
Other services	477,167	410,322
Other levies	3,718,515	2,289,343
Total	**7,368,302**	**5,300,144**

20. Related-party transactions and balances

20.1 Related-party transactions

The transactions made with related companies in 2023 and 2022 were as follows:

2023

	Euros			
	31/12/2023			
	Financial income	Income	Financial income	Income
Isla Canela, S.A.	89,455	221,305	113,515	-
Promociones y Construcciones PYC Pryconsa, S.A.	2,191,936	25,779	-	511,713
Planificación Residencial y Gestión, S.A.U.	34,190	610	-	31,327
Cogein, S.L.U.	-	472	10,064	-
Propiedades Cacereñas, S.L.U.	-	321	-	-
Triangulo Plaza Cataluña, S.L.	-	210	-	-
Jardins Sottomayor - Imobiliária e Turismo, SA	-	3,209	-	-
Cotos Capital S.L.	-	317	-	-
Pryconsa Senyor, S.L.	-	9,711	-	-
Promoción, Gestión y Marketing Inmobiliario, S.L.	-	457	-	38,630
Total	**2,315,581**	**262,391**	**123,579**	**581,670**

2022

	Euros		
	31/12/2022		
	Financial income	Income	Income income
Isla Canela, S.A.	126,218	108,891	-
Promociones y Construcciones PYC Pryconsa, S.A.	670,098	25,253	26,519
Planificación Residencial y Gestión, S.A.U.	5,317	689	-
Cogein, S.L.U.	-	751	132,886
Propiedades Cacereñas, S.L.U.	-	294	-
Triangulo Plaza Cataluña, S.L.	-	260	-
Jardins Sottomayor - Imobiliária e Turismo, SA	-	3,267	-
Codes Capital Partners, S.L.U.	-	-	-
Cotos Capital S.L.	-	322	-
Pryconsa Senyor, S.L.	-	5,813	-
Promoción, Gestión y Marketing Inmobiliario, S.L.	-	1,208	-
Per 32, S.L.	-	183	-
Total	**801,633**	**146,931**	**159,405**

At 31 December 2023, the relationship between the companies with which the Company has relevant "Related party transactions and balances" is as follows:

- **Isla Canela, S.A.:** This company is 93.90% owned by PER 32, S.L., which is the holding company of the group where the company is finally consolidated.
- **Promociones y Construcciones PYC Pryconsa, S.A.:** Direct shareholder of the Company with an 11.19% stake.
- **Planificación Residencial y Gestión, S.A.U.:** A company in which Promociones y Construcciones PYC Pryconsa, S.A. holds an 100% interest.
- **Cogein, S.L.U.:** Company 100% owned by PER 32, S.L.
- **Propiedades Cacereñas, S.L.U.:** Company 100% owned by PER 32, S.L.
- **Triangulo Plaza Cataluña, S.L.:** A company in which Promociones y Construcciones PYC Pryconsa, S.A. holds 44.42% and Cogein, S.L.U. 55.58%.
- **Jardins Sottomayor - Imobiliária e Turismo, S.A.:** A Portuguese company ultimately owned by Marco Colomer Barrigón and José Luis Colomer Barrigón (both members of the Board of Directors

of the Company and direct shareholders of the Company).

- **Cotos Capital S.L.:** Company owned 54% by PER 32, S.L. and 46% by Codes Capital Partners, S.L.U. (the latter is wholly owned by PER 32, S.L.).
- **Pryconsa Senyor, S.L.:** 36.08% owned by Cogein and 63.92% owned by Promociones y Construcciones PYC Pryconsa, S.A.
- **Promoción, Gestión y Marketing Inmobiliario, S.L.:** This company is 51.08% owned by Cogein, S.L.U. and ultimately owned by Marco Colomer Barrigón and José Luis Colomer Barrigón (both members of the Company's Board of Directors and direct shareholders of the Company).

20.2 Balances with Group and related companies

Balances with related companies at 31 December 2023 and 2022 are as follows:

2023

	Euros	
	Loans granted to related companies	**Loans received from related companies**
Cogein, S.L.U.	-	6,270,230
Promociones y Construcciones PYC Pryconsa, S.A.	10,000,000	-
Total	**10,000,000**	**6,270,230**

2022

	Euros	
	Loans granted 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 which the Company has with related companies are as follows:

- On 30 April 2018, the Company signed a lease agreement for parking spaces with Promociones y Construcciones, PYC, Pryconsa, S.A., under which the latter leases 17 parking spaces to the Company located in the building at Glorieta de Cuatro Caminos, 6 and 7, Madrid. The contract term is for five years, starting on 1 May 2018, extendable for five-year periods unless expressly agreed by the parties.

- On 28 April 2017, the Company entered into a technical service provision agreement with Promociones y Construcciones PYC Pryconsa, S.A., consisting of (i) technical assistance with the properties constructed by the latter and (ii) integrated project management of remodelling, refurbishment or adaptation works to properties owned by the Company, in exchange for remuneration of 5% calculated using the value of the works performed under the aforementioned contract. The duration of this contract was established for an annual period, tacitly renewable for annual periods, unless the parties expressly indicate otherwise.

- On 1 September 2022, the various companies in the PER 32 group signed a framework agreement on mutual financing, under which any company with surplus liquidity can finance the other companies requiring such financing at market conditions, provided their financing needs are met. The agreement has a term of three years, which can be automatically extended for another three years unless one of the companies waives it.

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

- On 1 April 2023, the various companies in the PER 32 group signed a framework agreement under which they agreed to establish a multilateral services provision service, under which any company can provide one or more services in the activity of various areas. The agreement has a term of three years, which can be automatically extended for another three years unless one of the companies waives it.

As a result of the mergers set out in Note 1, all obligations and rights deriving from the following agreements with 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. provides 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

The total remuneration due in 2023 and 2022 for all items of the members of the Board of Directors and the senior management of Saint Croix Holding Immobilier, SOCIMI, S.A. and people performing similar duties at the end of each year can be summarised as follows:

	Euros	
	2023	2022
Fixed remuneration	40,000	40,000
Variable remuneration	1,000	1,000
Allowances	10,000	10,000
Total	**51,000**	**51,000**

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

Furthermore, at 31 December 2023 and 2022, there were no advances or credits or any other kind of pension or life insurance guarantees or obligations in connection with current and 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 have been no agreements between the Company and any of the Directors or persons acting on their behalf, linked to operations other than in the normal course of business or that have not been undertaken in normal conditions.

The number of Directors distributed by gender was as follows in 2023 and 2022:

2023			2022		
Male	Female	Total	Male	Female	Total
3	2	5	3	2	5

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

22. Information on conflicts of interest among the Directors

At year-end 2023, neither the members of the Board of Directors of Saint Croix Holding Immobilier, SOCIMI, S.A. or the parties related to them, as laid down pursuant to the Corporate Enterprises Act, had reported to the other members the Board of Directors any direct or indirect conflict of interests with those of the Company.

23. Other information

23.1 Personnel

The average number of people employed in 2023 and 2022 broken down by job category is as follows:

	2023	2022
Management	1	1
Technical staff	1	1
Administrative staff	4	4
Total	**6**	**6**

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

	2023		2022	
	Male	Female	Male	Female
Directors	3	2	3	2
Management	1	-	1	-
Technical staff	1	-	1	-
Administrative staff	2	2	2	2
Total	**7**	**4**	**7**	**4**

No individuals with a level of disability equal to or greater than 33% were employed at year-end 2023 and 2022.

23.2 Audit fees

The fees for account auditing services and other services provided by the Company's auditor, BDO Auditores, S.L.P., or by a company related to the auditor or jointly owned or controlled by it were as follows in 2023 and 2022:

	Euros	
	Services provided by the auditor of accounts and related companies	
	2023	2022
Audit services	30,600	29,380
Other verification services	-	-
Total audit and related services	**30,600**	**29,380**
Tax advisory services	-	-
Other services	-	-
Total professional services	**30,600**	**29,380**

24. Environmental information

Environmental activities consist of any activities aimed at preventing, reducing or repairing damages produced to the environment.

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

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

At 31 December 2023 and 2022, the Company had not booked any provision for possible environmental risks, given that the Directors do not believe that there are any significant contingencies related to possible litigation, compensation or other concepts.

25. Segmented reporting

2023

	Euros				
	Hotels	**Offices**	**Retail**	**Others**	**Total**
Income	10,325,785	15,207,228	9,445,448	-	34,978,460
Indirect costs	-1,238,655	-3,427,483	-2,436,042	-	-7,102,179
Net Margin	**9,087,130**	**11,779,745**	**7,009,406**	**-**	**27,876,281**
General expenses	-248,092	-365,376	-226,941	-	-840,410
EBITDA	**8,839,037**	**11,414,369**	**6,782,465**	**-**	**27,035,871**
% of income	**85.60%**	**75.06%**	**71.81%**	**-**	**77.29%**
Depreciation	-2,288,731	-3,020,644	-1,112,065	-15,460	-6,436,901
Subsidies	56,351	-	-	-	56,351
Extraordinary profits (losses)	4,585	-	-	-	4,585
Profit/(loss) on disposal of real estate assets	-	2,463,710	-	-	2,463,710
Impairment/Reversal of trade operations	-	-	-	-9,701	-9,701
Impairment/Reversal of real estate assets	-198,538	-	89,929	-	-108,609
Financial profit (loss)	-	-2,505,699	-294,890	262,839	-2,537,749
EBT	**6,412,704**	**8,351,736**	**5,465,440**	**237,678**	**20,467,557**
Corporation tax	-	-	-	-404,018	-404,018
Net profit (loss)	**6,412,704**	**8,351,736**	**5,465,440**	**-166,340**	**20,063,539**
% of income	**62.10%**	**54.92%**	**57.86%**	**0.00%**	**57.36%**

2022

	Euros				
	Hotels	**Offices**	**Retail**	**Others**	**Total**
Income	9,785,315	11,352,483	9,569,532	-	30,707,329
Indirect costs	-1,105,863	-2,505,625	-1,541,024	-	-5,152,512
Net Margin	**8,679,451**	**8,846,859**	**8,028,508**	**-**	**25,554,818**
General expenses	-201,949	-234,292	-197,495	-	-633,736
EBITDA	**8,477,503**	**8,612,567**	**7,831,012**	**-**	**24,921,082**
% of income	**86.63%**	**75.87%**	**81.83%**	**-**	**81.16%**
Depreciation	-2,327,936	-2,519,145	-1,135,839	-3,203	-5,986,123
Subsidies	56,351	-	-	-	56,351
Extraordinary profits (losses)	-20,765	172	-	-	-20,593
Profit/(loss) on disposal of real estate assets	-	350,824	-	-	350,824
Impairment/Reversal of real estate assets	-	-478,996	-	-	-478,996
Financial profit (loss)	-	-779,421	-155,478	-3,652,788	-4,587,688
EBT	**6,185,153**	**5,186,000**	**6,539,695**	**-3,655,991**	**14,254,857**
Corporation tax	-	-	-	-	-
Net profit (loss)	**6,185,153**	**5,186,000**	**6,539,695**	**-3,655,991**	**14,254,857**
% of income	**63.21%**	**45.68%**	**68.34%**	**0.00%**	**46.42%**

The breakdown of the **income and net book value** of real estate assets, including property, plant and equipment in progress, at 31 December 2023 and 31 December 2022 is as follows:

	Euros					
	31/12/2023			31/12/2022		
	Income	%	Net cost	Income	%	Net cost
Hotels	10,325,785	30%	135,536,452	9,785,315	32%	117,556,061
Offices	15,207,228	43%	228,032,522	11,352,483	37%	209,919,449
Retail	9,445,448	27%	99,476,270	9,569,532	31%	96,818,388
Institutional	-	0%	31,223,531	-	-	14,214,881
Total	**34,978,460**	**100%**	**494,268,775**	**30,707,329**	**100%**	**438,508,778**

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

	Euros			
	31/12/2023		31/12/2022	
	Income	%	Income	%
Madrid	26,283,435	76%	22,306,777	72.64%
Huelva	8,695,025	25%	8,400,553	27.36%
Total	**34,978,460**	**100%**	**30,707,329**	**100.00%**

Furthermore, it is of interest to highlight the evolution of the **occupation rates** by type of asset from the **standpoint of asset types**: The occupation rate of the Company's assets allocated to leases at 31 December 2023 amounted to 83% of the floor space (sq.m.) leased (92% in 2022), which breaks down as follows:

	31/12/2023		31/12/2022	
	m2	Occupation	m2	Occupation
Hotels	99,408	100%	99,408	100%
Offices	76,277	71%	62,406	95%
Retail	40,030	59%	40,852	62%
Institutional	19,273	100%	19,273	100%
Total	**234,987**	**83%**	**221,938**	**92%**

During 2023, the occupancy rate of the properties was reduced by 8 points compared to that of 31 December 2022, mainly due to the start of work on the Sexta Avenida shopping centre, which led to the closure of the shops until the next opening.

26. International Financial Reporting Standards

Pursuant to Article 525 of the Corporate Enterprises Act, companies that have issued securities which are traded on a regulated market in any Member State of the European Union, in terms of Article 1.13 of Directive 93/22/EEC of the Council, of 10 May 1993, concerning investment services in the scope of traded securities and which, pursuant to the regulations in force, only publish separate financial statements, shall be obliged to state the main variations in shareholders' equity in the notes to the financial statements and in the profit and loss account, when applying the International Financial Reporting Standards adopted by the European Union (hereinafter, “the IFRS-EU”).

Having applied the General Accounting Plan approved under Royal Decree 1514/2007, of 16 November, amended by Royal Decree 1159/2010, amended in 2016 by Royal Decree 602/2016 and amended by Royal Decree 1/2021 of 12 January, to the Company's operations, there are no significant differences between said rule and the IFRS-EU, with the exception of the inclusion of capital grants, net of their corresponding tax effect, in the Company's net equity.

At the end of 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.

Furthermore, the amendments to IFRS 16 "Leases: COVID-19 Related Rent Concessions beyond 30 June 2021", which applies on a mandatory basis from 1 April 2021 onwards, does not have any impact on the Company's equity and profit.

27. Subsequent disclosures

From 31 December 2023 until the date of preparation of the Company's financial statements for 2023, no relevant events have occurred that need to be specified in this section, with the exception of the following:

- On 11 January 2024, the Company entered into a personal guarantee loan of 15,000,000 euros with Banco March in order to finance its working capital. This loan has a maturity of 24 months with tacit renewal at the end of the first 12 months.

- On 28 February 2024, the Company renewed a short term personal guarantee loan of 10,000,000 euros with Banco Santander which, in addition to being renewed at maturity, has been extended to 5 years with partial annual repayments and a final repayment of 50% of the initial principal amount.

Annex 1. Reporting requirements 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 regime set forth in said Law applies.	**Profits allocated 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 levy.	- Tax gain of 2019 for the sale of Rutilo 21, 23 and 25: 572,893 euros
- Profits from income subject to tax at a levy 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 levy of 0%.	**Profits allocated 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 levy.	-
- 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 levy 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 levy.	-
- Dividends charged to reserves subject to taxation at 19%.	-
- Dividends charged to reserves subject to taxation at 0%.	-
e) Date of the dividend pay-out resolution referred to by items c) and d) above.	**Dividends distributed by the Company** - 2015 dividends: 01 April 2016 - 2016 dividends: 29 June 2017 - 2017 dividends: 26 April 2018 - 2018 dividends: 25 April 2019 - 2019 dividends: 30 June 2020 - 2020 dividends: 29 April 2021 - 2021 dividends: 27 April 2022 - 2022 dividends: 27 April 2023 **Dividends distributed by the absorbed company COMPAÑÍA IBÉRICA DE BIENES RAÍCES 2009, SOCIMI, S.A.U.** - 2009 dividends: 29 June 2010 - 2010 dividends: 30 June 2011 - 2011 dividends: 28 June 2012 - 2012 dividends: 20 June 2013 - 2013 dividends: 30 June 2014 - 2014 dividends: 22 June 2015 - 2015 dividends: 01 April 2016 **Dividends distributed by the absorbed company INVERETIRO, SOCIMI, S.A.U.** - 2015 dividends: 01 April 2016
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 on 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 transaction of Isla Canela, S.A., the dates of ownership are as follows: - Hotel Isla Canela Golf: 28/12/2007 - Hotel Barceló Isla Canela: 06/07/1998 - Hotel Iberostar Isla Canela: 01/07/2002 - Hotel Playa Canela: 16/05/2002 - Hotel Meliá Atlántico: 25/05/2000 - Marina Isla Canela Shopping Mall: 17/10/2000 - Property at Calle Gran Vía 1: 19/10/1987
	The following real estate investments, which were acquired from the related

	company Promociones y Construcciones, PYC, Pryconsa, S.A. were included in 2012: - Offices Sanchinarro VI: 29/11/2012 - Offices Sanchinarro VII: 29/11/2012 - Vallecas Comercial I: 30/10/2012 - Vallecas Comercial II: 30/10/2012 - Offices Coslada III: 29/11/2012
	Properties from the absorbed company COMPAÑÍA IBÉRICA DE RENTAS URBANAS 2009 SOCIMI, S.A.U., The properties were owned by the absorbed company on 22 December 2009. Due to the partial spin-off of the related company, Cogein, S.L.U., the ownership dates are as follows - Hotel 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 - 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
	Properties from the absorbed company INVERETIRO, SOCIMI, S.A.U. - Titán 13 office: 12/02/2014 - Business premises at Conde de Peñalver 16: 01/12/2013
	Properties from the absorbed company BENSELL MIRASIERRA, S.L.U. Valle de la Fuenfría, 3: 09/03/2015
	Direct acquisitions made by the Company and that remain under its control: - Retail outlet at Gran Vía 55: 01/03/2016 - Edificio José Abascal 41: 02/12/2016 - Building at Orense, 62: 07/02/2017 - Business Premises at Goya, 59: 10/02/2017 - Business 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 - Offices Santiago de Compostela 100 bis: 27/07/2022 - Offices Avenida de Cantabria 51: 27/07/2022 - Offices Julián Camarillo 19: 27/12/2023 - Offices Julián Camarillo 21: 27/12/2023
g) Acquisition date of interests in the capital of the entities referred to in paragraph 1, Article 2 of this Law.	2020: Inmobiliaria Colonial: 1,572,296 shares 2021: Inmobiliaria Colonial: 1,113,250 shares (Total current value of Inmobiliaria Colonial 17.59 million euros)
h) Identification of the assets calculated within the eighty per cent referred to by paragraph 1, Article 3 of this Law.	The breakdown of real estate assets and their gross booked cost expressed as millions of euros, is as follows:

Meliá Atlántico	36.88
Barceló Isla Canela	28.72
Vila Galé Isla Canela	26.16
Meliá Innside Gran Vía	24.85
Playa Canela	17.68
Isla Canela Golf	5.68
Hotel Valdebebas (under construction)	33.59
Hotels	**173.54**
Pradillo 42	22.43
Sanchinarro VI	5.65
Sanchinarro VII	0.86
Titán 13	32.07
Valle de la Fuenfría, 3	19.05
José Abascal 41	25.73
Juan Ignacio Luca de Tena,17	30.80
Avda. Cantabria, 51	16.75
Santiago Compostela, 100 bis	22.33
Orense 62	4.43
Arapiles 14	36.32
Coslada III	0.01
Vallecas Comercial I	1.76
Julián Camarillo, 19	9.14
Julián Camarillo, 21	11.23
Gran Vía 1 (2º derecha)	2.87
Gran Vía 1 (1º derecha)	3.01
Gran Vía 1 (2º izquierda)	1.94

	Offices **246.38** Gran Vía 34 21.53 Plaza España 15.10 Conde Peñalver 16 20.12 Gran Vía 55 13.46 Cuatro Caminos 6 7.12 Goya 59 15.81 Sexta Avenida shopping centre 17.19 Vallecas Comercial II 3.91 Marina Isla Canela Shopping Mall 4.72 Gran Vía 1 (1º izquierda) 2.73 Dulcinea 4 1.53 **Retail** **123.20** Valdebebas Hospital (under construction) 31.22 **Institutional** **31.22** **Total real estate assets** **574.35** Inmobiliaria Colonial: 17.59 **Total:** **591.94**
i) Reserves from years in which the special tax regime set forth in this Act has applied and which 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.	2019 profit allocated to voluntary reserves: 304,475 euros

SAINT CROIX
HOLDING IMMOBILIER,
SOCIMI, S.A.

Management Report
2023

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

Management report at year-end 2023

1. Explanation of figures at 31 December 2023

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

	Euros		
	31/12/2023	**31/12/2022**	**+ / -**
Income	**34,978,460**	**30,707,330**	**14%**
Leases	34,949,845	30,644,323	
Provision of sundry services	28,615	63,007	
Operating expenses	-7,102,179	-5,152,512	38%
Net operating income (NOI)	**27,876,281**	**25,554,818**	**9%**
General expenses	-840,410	-633,736	33%
EBITDA	**27,035,871**	**24,921,082**	**8%**
Financial profit (loss)	-2,537,749	-4,587,688	-45%
EBTDA	**24,498,122**	**20,333,394**	**20%**
Depreciation	-6,436,901	-5,986,123	
Subsidies	56,351	56,351	
Impairment/Reversal of trade operations	-9,701	-	
Impairment/Reversal of real estate assets	-108,609	-478,996	
Other gains (losses)	4,585	-20,593	
Gains (losses) Disposal of real estate assets	2,463,710	350,824	
EBT	**20,467,557**	**14,254,857**	**44%**
Corporation tax	-404,018	-	
Net profit (loss)	**20,063,539**	**14,254,857**	**41%**

Sector indicators at 31 December 2023 and 31 December 2022

	Euros			
	31/12/2023	**Per share**	**31/12/2022**	**Per share**
Recurring net profit	16,520,311	3.71	17,341,974	3.90
Net value of assets	566,752,078	127.30	553,905,533	124.41
Costs	7,942,589		5,786,247	
Income	34,978,460		30,707,329	
Cost/income ratio	22.71%		18.84%	
Vacancy ratio	13.35%		7.11%	
Net profitability	4.42%		4.42%	

Main figures at 31 December 2023 and 31 December 2022

	Financial year	
	31/12/2023	**31/12/2022**
Annualized income (millions)	31.08	29.27
FFO (mn)	27.01	24.84
FFO (/share)	6.07	5.58
GAV (mn)	741.71	680.36
NAV (mn)	566.75	553.59
ROA	3.83%	3.06%
ROE	6.28%	4.57%
Gross leasable surface area (risk-free m^2) (*)	234,987	221,938
% occupancy at year end	83.47%	92%
Lease portfolio (mn)	269.43	221.19
WAULT	8.83	9.10
LTV	23.25%	19.91%
Net Financial debt (millions €)	171.70	137.69
LTV (with Group debt)	0.24	20.41%
Net Financial debt (with Group debt) (millions €)	177.97	141.15
Profit (euro/share)	4.51	3.20
Dividend (euro/share)	3.58	2.84
Gross profitability via dividend	5.28%	4.32%

APM definitions:

- **GAV:** Gross market value of real estate assets; NAV: Gross market value of real estate assets - net financial debt +/- other assets and liabilities including loans to group companies and associates

- **NOI**: Gross operating income - Operating expenses.
- **EBITDA:** NOI - Other general costs.
- **EBITDA:** EBITDA - financial income.
- **Recurring net profit:** The Company's profit/(loss), eliminating the result derived from the sale of real estate assets, impairments and reversals, changes in the fair value of equity instruments and the impact of corporation tax.
- **Annualised income:** Forecast of the income to be generated by the real estate assets owned at 12 months from the date of information based on the contractual conditions at that date.

  Funds from operations (FFO): Direct cash flow from the Company's operations, i.e. rental income less operating expenses and exceptional expenses involving cash flow or cash movements.

Real estate investments (gross): At 31 December 2023, the Company's gross property investments came to 574,345,594 euros. In 2023, the following investments and disinvestments took place:

Investments: Property investments made in 2023 totalled 65,313,355 euros (52,068,463 euros in 2022). The main additions recorded under this heading relate mainly to the following investments:

- On 27 of December 2023, the Company signed a public deed for the acquisition of two office buildings located at calle Julián Camarillo, 19 and Julián Camarillo, 21, both in Madrid, owned by JC19 PROPCO 4, S.L. The total cost associated with these two transactions was 20,366,970 euros.

- There were additions to assets under construction amounting to 44,517,334 euros, corresponding to the cost of renovating and refurbishing hotels amounting to 1,777,177 euros, the buildings at Valle de la Fuenfría, 3 (706,006 euros) and Titán 13 (92,975 euros), as well as the Sexta Avenida shopping centre (6,242,041 euros) and the start of construction work on the Valdebebas Hospital and Hotel in Madrid (35,699,134 euros), which will be leased to Sanitas S.A. de Hospitales and Meliá Hotels International, S.A., respectively, once completed. All of these assets are located in Madrid.

- Furthermore, the Company has incurred in costs of 429,051 euros, capitalised as the cost of property investment.

Disposals: Disposals in property for a gross amount of 3,715,702 euros (4,582,569 euros in 2022) were made this year, The main derecognitions in 2023 relate to:

- Sale of several properties with their corresponding annexes in Vallecas Comercial I (1 unit), Sanchinarro VII (1 unit) and Coslada III (1 unit) for a gross cost of 534,383 euros, which were sold to third parties. These sales transactions gave rise to a combined net gain of 67,715 euros, which was recognised under “Impairment and gains or losses on disposals of non-current assets” in the profit and loss account at 31 December 2023.

- On 31 July 2023, the resulting Urban Plot PR-4, belonging to the district of San Blas de Madrid, included in API 20.12 Julián Camarillo Sur of the General Plan of Madrid 1997, was sold. A tertiary commercial building had been built on this plot, located at calle Albalá 7, which has been disposed of for a gross book cost of 2,873,300 euros. This divestment gave rise to a net gain of 2,395,995 euros, which was recognised under "Impairment and gains or losses on disposals of non-current assets" in the profit and loss account at 31 December 2023.

- In addition, the Company has derecognised costs of 308,019 euros in the Conde de Peñalver premises.

Transfers: During the year, ongoing real-estate investments have been transferred to property investments for the sum of 1,603,811 euros (7,128,552 euros in 2022), as a result of the completion of refurbishment work on several hotels (928,805 euros), the office building at Calle Valle de la Fuenfría, 3 (508,607 euros) and the office building at Calle Titán 13 (166,400 euros), all of them in Madrid.

Dividends:

- **Dividends payable by the Company to shareholders in 2024:**

The proposed distribution of results for the 2023 year to be made by the directors of the Company to the shareholders is as follows:

	Euros
Profit at 31 December 2023	**20,063,539**
Legal reserve	2,006,354
Voluntary reserve	2,100,748
Dividends	15,956,437

The proposed distribution of profits to be made by the directors of the Company to the General Shareholders Meeting entails the distribution, as dividends charged to 2023 profits, of 3.58 euros per share.

- **Dividends paid out by the Company to shareholders in 2023:**

The proposed distribution of results for 2022 to be made by the directors of the Company to the shareholders is as follows:

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

The proposed distribution of profits made by the directors of the Company to the General Shareholders' Meeting entailed the distribution, as dividends charged to 2022 profits, of 2.84 euros per share. The gross dividend for 2022 in the amount of 12,653,959 euros approved by the General Shareholders' Meeting on 27 April 2023 was paid in full on 24 May 2023.

Net financial debt: The Company has a net financial debt of 171,703,994 euros (137,685,955 euros at 31 December 2022). The breakdown of this debt is as follows:

	Euros	
	31/12/2023	31/12/2022
José Abascal, 41	8,892,000	9,690,000
Titán, 13	8,896,495	9,708,654
Conde de Peñalver, 16	5,776,643	6,303,992
Valle de la Fuenfría, 3	7,274,621	7,763,333
Juan Ignacio Luca de Tena, 17	9,981,936	10,545,492
Glorieta de Cuatro Caminos 6 and 7	3,100,000	3,450,000
Arapiles 14	24,000,000	12,000,000
Hospital Valdebebas	16,196,400	-
Hotel Valdebebas	20,064,000	3,000,000
Mortgage-backed debt	**104,182,095**	**62,461,471**
Drawn down credit facilities	7,459,618	6,872,437
Long-term loans	74,167,916	70,413,976
Accrued opening costs	-293,439	-315,556
Interest accrued pending maturity	1,158,525	392,903
Derivative	-217,266	-314,056
Unsecured debt	**82,275,354**	**77,049,705**
Cash and bank	-4,753,455	-1,825,221
Pryconsa debt	-10,000,000	-
Net financial debt	**171,703,994**	**137,685,955**

At 31 December 2023, the Company had a mortgage debt of 104,182,095 euros pending maturity (62,461,471 euros at 31 December 2022) recorded under the "Long-term debts with credit institutions" and "Short-term debts with credit institutions" items and correspond mainly to mortgage-backed loans taken out with several financial institutions, which, at 31 December 2023, are pending maturity and repayment.

The Company's LTV at 31 December 2023 was 23.25% (19.99% at year-end 2022).

Income: At 31 December 2023, the Company had obtained total income of 34,978,460 euros (30,707,329 euros at 31 December 2022). The breakdown of income per asset type is as follows:

	Euros		Variation in %	
				Like for Like
	31/12/2023	31/12/2022	Growth	Growth
Hotels	10,325,785	9,785,315	5.52%	5.52%
Offices	15,207,228	11,352,483	33.96%	18.84%
Retail	9,445,448	9,569,532	-1.30%	-0.35%
Income	**34,978,460**	**30,707,329**	**13.91%**	**8.20%**

Lease income increased by 14% year on year (8% when disregarding the effect of investments and disposals during the year).

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	
	2023	2022
Less than a year	31,075,627	29,272,582
Between one and five years	119,670,583	87,953,936
More than five years	118,685,132	103,961,317
Total	**269,431,342**	**221,187,835**

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

	WAULT	
	31/12/2023	31/12/2022
Hotels	9.19	8.64
Offices	6.20	6.52
Retail	9.88	11.07
Institutional	10.00	10.00
Total Average	**8.83**	**9.10**

NOI: Net Operating Income was positive and amounted to 27,600,643 euros (25,554,818 euros at 31 December 2022), an increase of 8%. The breakdown of NOI per asset type is as follows:

	Euros		Change
	31/12/2023	31/12/2022	%
Hotels	9,087,130	8,679,451	5%
Offices	11,779,745	8,846,859	33%
Retail	7,009,406	8,028,508	-13%
NOI	**27,876,281**	**25,554,818**	**9%**

EBITDA at 31 December 2023 was positive and amounted to 27,035,871 euros (24,921,082 euros in December 2022), a year-on-year increase of 8%.

Financial profit (loss): There was a financial loss of 2,537,749 euros at 31 December 2023 (loss of 4,587,688 euros in December 2022). The breakdown of this loss is as follows.

- The financial income derived from the system of financing to the group and external amounted to 641,590 euros (25,643 euros in December 2022).

- Dividends have been collected on the stock market investments held by the Company for the sum of 671,387 euros (377,351 euros in 2022).

- The Company's financial expenses were 5,298,569 euros (2,073,585 euros in December 2022) and arise from the Company's financing with credit institutions and the Group's financing system.

- The Company valued its portfolio of listed shares held in its assets at year-end, obtaining a positive value adjustment of 1,446,859 euros (negative value adjustment of 2,917,097 euros in 2022). In addition, it has generated a profit of 985 euros from the sale of listed financial assets.

At 31 December 2023, **EBITDA** was positive and amounted to 24,498,122 euros (20,333,394 euros at December 2022), a year-on-year increase of 20%.

Depreciation: Depreciation expense was 6,436,901 euros (5,986,123 euros for the same period the previous year). The increase of 8% results from the new investments made during 2023 and 2022.

Subsidies: Subsidy income stood at 56,351 euros (56,351 euros in December 2022).

Impairment/Reversal:

- After the valuation of the Company's real estate assets, impairment of 344,990 euros has been recorded, linked to the Hotels and Commercial segment, in addition to reversals of impairment of 236,381 euros, particularly in the Commercial Segment. The net impact on the income statement for 2023 was therefore negative in the amount of 108,609 euros (negative 478,996 euros in 2022).

Profit/(loss) on disposal of real estate assets: During 2023, the following divestments were recorded:

- Sale of several properties with their corresponding annexes in Vallecas Comercial I (1 unit), Sanchinarro VII (1 unit) and Coslada III (1 unit) for a gross cost of 534,383 euros, which were sold to third parties. These sales transactions gave rise to a combined net gain of 67,715 euros, which was recognised under “Impairment and gains or losses on disposals of non-current assets” in the profit and loss account at 31 December 2023.

- On 31 July 2023, the resulting Urban Plot PR-4, belonging to the San Blas district of Madrid, included in the API 20.12 Julián Camarillo Sur of the General Plan of Madrid -1997-, was sold. A tertiary commercial building has been built on this plot, located at calle Albalá number 7, which has been disposed of for a gross book cost of 2,873,300 euros. This divestment gave rise to a net gain of 2,395,995 euros, which was recognised under "Impairment and gains or losses on disposals of non-current assets" in the profit and loss account at 31 December 2023.

At 31 December 2023, **EBT** is positive and amounts to 20,467,557 euros (14,254,857 euros in December 2022), i.e. a 44% increase year-on-year.

Net profit/(loss): At 31 December 2023, net profit of 20,063,539 euros (14,254,857 euros at 31 December 2022), representing a net profit per share of 4.51 euros (3.20 euros at December 2022), i.e. a 41% increase year-on-year.

2. Valuation of real estate assets

The Company commissioned Jones Lang Lasalle, an independent expert, to conduct a valuation of its assets, which was issued on 31 January 2024, in order to determine the fair values of all its property investments at year-end. Such valuations were conducted on the basis of the market lease value (which consists of capitalising net rents from each property and updating future flows). Acceptable discount rates were used to calculate fair value for a potential investor, which are in keeping with those used by the market for properties having similar characteristics and locations. The valuations were made in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS).

Said valuations generated a net loss in the Company's income statement at 31 December 2023 amounting to 108,609 euros (478,996 euros in 2022).

Furthermore, based on the valuations performed, the fair value of property investments shows an unrecognised gain (by comparison between the gross updated market fair value and the net carrying value) of 247,439,373 euros (241,849,266 at 31 December 2022) considering in both figures the current residual value of the two buildings under construction in Valdebebas (hotel and hospital).

The gross market value of property investments (considering the H.E.T. or “completed building assumption” in the case of the two ongoing Valdebebas projects) at 2023 year-end amounted to 795,908,004 euros (774,460,463 euros at 2022 year-end). The breakdown by business segment is as follows:

	Gross market value of the Property investments (Euros) (*)	
	31/12/2023	31/12/2022
Hotels (**)	211,158,528	204,000,000
Offices	304,822,198	285,681,522
Retail	205,927,278	211,478,941
Institutional (**)	74,000,000	73,300,000
Total	**795,908,004**	**774,460,463**

(*) The net market value at 31 December 2023 came to 774,013,880 euros (755,866,500 euros in 2022).

(**) In the case of Valdebebas projects, the market value of the completed project is included. Eliminating the impact of the inclusion of the market values of the two completed projects and taking into account the market value based on the progress of work, the gross market value of the property investment at year-end 2023 amounts to 741,708,148 euros (2022: 680,358,044 euros), with a net value of 721,209,000 euros (2022: 664,116,641 euros). The estimated cost to be incurred in both projects until completion is as follows: Hotel (18,598,844 euros) and Hospital (29,828,505 euros).

3. Segmented reporting

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

The segments identified in this way in 2023 are as follows:

- Hotels
- Offices
- Retail
- Others

The segment 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 the Company's accounting data. In this regard, the Company does not report its assets and liabilities in a segmented way, since this information is not required by the Company's Management for the purposes of the management reports it uses for its decision making.

Ordinary income corresponds to income directly attributable to the 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				
	Hotels	Offices	Retail	Others	Total
Income	10,325,785	15,207,228	9,445,448	-	34,978,460
Indirect costs	-1,238,655	-3,427,483	-2,436,042	-	-7,102,179
Net Margin	**9,087,130**	**11,779,745**	**7,009,406**	**-**	**27,876,281**
General expenses	-248,092	-365,376	-226,941	-	-840,410
EBITDA	**8,839,037**	**11,414,369**	**6,782,465**	**-**	**27,035,871**
% of income	**85.60%**	**75.06%**	**71.81%**	**-**	**77.29%**
Depreciation	-2,288,731	-3,020,644	-1,112,065	-15,460	-6,436,901
Subsidies	56,351	-	-	-	56,351
Extraordinary profits (losses)	4,585	-	-	-	4,585
Profit/(loss) on disposal of real estate assets	-	2,463,710	-	-	2,463,710
Impairment/Reversal of trade operations	-	-	-	-9,701	-9,701
Impairment/Reversal of real estate assets	-198,538	-	89,929	-	-108,609
Financial profit (loss)	-	-2,505,699	-294,890	262,839	-2,537,749
EBT	**6,412,704**	**8,351,736**	**5,465,440**	**237,678**	**20,467,557**
Corporation tax	-	-	-	-404,018	-404,018
Net profit (loss)	**6,412,704**	**8,351,736**	**5,465,440**	**-166,340**	**20,063,539**
% of income	**62.10%**	**54.92%**	**57.86%**	**-**	**57.36%**

SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A.

2022

	Euros				
	Hotels	Offices	Retail	Others	Total
Income	9,785,315	11,352,483	9,569,532	-	30,707,329
Indirect costs	-1,105,863	-2,505,625	-1,541,024	-	-5,152,512
Net Margin	**8,679,451**	**8,846,859**	**8,028,508**	**-**	**25,554,818**
General expenses	-201,949	-234,292	-197,495	-	-633,736
EBITDA	**8,477,503**	**8,612,567**	**7,831,012**	**-**	**24,921,082**
% of income	**86.63%**	**75.87%**	**81.83%**	**-**	**81.16%**
Depreciation	-2,327,936	-2,519,145	-1,135,839	-3,203	-5,986,123
Subsidies	56,351	-	-	-	56,351
Extraordinary profits (losses)	-20,765	172	-	-	-20,593
Profit/(loss) on disposal of real estate assets	-	350,824	-	-	350,824
Impairment/Reversal of real estate assets	-	-478,996	-	-	-478,996
Financial profit (loss)	-	-779,421	-155,478	-3,652,788	-4,587,688
EBT	**6,185,153**	**5,186,000**	**6,539,695**	**-3,655,991**	**14,254,857**
Corporation tax	-	-	-	-	-
Net profit (loss)	**6,185,153**	**5,186,000**	**6,539,695**	**-3,655,991**	**14,254,857**
% of income	**63.21%**	**45.68%**	**68.34%**	**-**	**46.42%**

The breakdown of the **income and net book value** of real estate assets, including property, plant and equipment in progress, at 31 December 2023 and 31 December 2022 is as follows:

	Euros					
	31/12/2023			31/12/2022		
	Income	%	Net cost	Income	%	Net cost
Hotels	10,325,785	30%	135,536,452	9,785,315	32%	117,556,061
Offices	15,207,228	43%	228,032,522	11,352,483	37%	209,919,449
Retail	9,445,448	27%	99,476,270	9,569,532	31%	96,818,388
Institutional	-	-	31,223,531	-	-	14,214,881
Total	**34,978,460**	**100%**	**494,268,775**	**30,707,329**	**100%**	**438,508,778**

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

	Euros			
	31/12/2023		31/12/2022	
	Income	%	Income	%
Madrid	26,283,435	75%	22,306,777	73%
Huelva	8,695,025	25%	8,400,553	27%
Total	**34,978,460**	**100%**	**30,707,329**	**100%**

Furthermore, it is of interest to highlight the evolution of the **occupation rates** by type of asset from the **standpoint of asset types**: The occupation rate of the Company's assets allocated to leases at 31 December 2023 amounted to 83% of the floor space (sq.m.) leased (92% in 2022), which breaks down as follows:

	31/12/2023		31/12/2022	
	m2	Occupation	m2	Occupation
Hotels	99,408	100%	99,408	100%
Offices	76,277	71%	62,406	95%
Retail	40,030	59%	40,852	62%
Institutional	19,273	100%	19,273	100%
Total	**234,987**	**83%**	**221,938**	**92%**

During 2023, the occupancy rate of the properties was reduced by 8 points compared to that of 31 December 2022, mainly due to the start of work on the Sexta Avenida shopping centre, which led to the closure of the shops until the next opening.

4. Property Investment

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 top-quality tenants, as well as some 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 agreements that are now in force.

In view of the Company's activity with long-term rental property assets, the Directors' forecasts are positive given the long-term agreements with top-level tenants in both the hotel and office, retail and institutional sectors, which guarantee the medium-term viability of the Company, together with new retail property lease contracts with tenants with good credit ratings.

5. Disclosure on supplier payment deferrals

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

	2023	2022
	Days	
Average payment period to suppliers	54.57	44.48
Ratio of paid transactions	58.33	49.84
Ratio of transactions pending payment	45.07	21.88
	Euros	
Total payments made	32,966,886	15,562,518
Total payments pending	13,040,320	3,689,510

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

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

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

The maximum legal payment period applicable to the Company in 2023 according to Law 3/2004, of 29 December, establishing measures to combat delinquency in commercial transactions, is 30 days from the date on which said Law was published to the present (unless any of the conditions established therein are fulfilled, allowing the maximum legal payment period to be extended to 60 days).

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

	2023	2022
Average payment period – invoices paid in a period shorter than the legal maximum period	25.49	26.09
Number of invoices paid in less than the maximum legal period	1,808	1,520
Percentage of total number of paid invoices	60.11%	66.61%
	Amount	Amount
Amount of invoices paid in less than the legal maximum time limit.	17,222,302	13,037,097
Percentage of the total amount of paid invoices	56.00%	83.77%

6. Earnings per share

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

	Euros	
	31/12/2023	31/12/2022
Net profit	20,063,539	14,254,857
Weighted average number of shares	4,452,197	4,452,197
Earnings per share	**4.51**	**3.20**

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

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

At the end of 2023 and 2022, the basic and diluted earnings per share matched.

The dividend per share breakdown is as follows:

	Euros	
	2023	2022
Gross dividend paid out to shareholders (*)	15,956,437	12,653,959
Gross dividend per share	3.58	2.84
Gross return on average share price in the year	5.28%	4.32%
Gross return on nominal value	5.96%	4.74%

(*) For each year to be paid the following year (with the exception of the interim dividend)

7. Acquisition of treasury shares

At 31 December 2023, the Company did not hold any treasury shares in its portfolio.

8. Research and development activities

The company does not undertake any research and development activities.

9. Main risks to the Company

The management of the Company's financial risks is centralised in the Group's Financial Management and in Grupo PER 32 policies. The Group has established the necessary mechanisms to control exposure to changes in exchange rates, along with credit and liquidity risks. The main financial risks which impact the Company are set out below:

a) Credit risk

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

b) Liquidity risk

Taking into account the current situation of the financial market and the estimates made by the Directors of the Company on the Company's cash generating capacity, the Directors believe that the Company has enough capacity to obtain financing from third parties were it necessary to make new investments.

Consequently, there is no evidence that the Company will encounter liquidity problems in the medium term. Liquidity is guaranteed by the nature of the investments made and lessees' high credit ratings, as well as by the collection guarantees set forth in prevailing agreements.

c) Exchange rate risk

As regards the Company's exchange rate risk at 31 December 2023, it did not have any assets or liabilities in foreign currencies. Hence, there is no risk in this regard.

d) Interest rate risk

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

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

e) Real estate business risks

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

Other market risks to which the Company is exposed include:

- **Regulatory risks**: the Company is bound to comply with several general and specific legal provisions in force (legal, accounting, environmental, employment, tax, data protection provisions, among others) which apply to it. Any regulatory changes that come about in the future may have a positive or negative effect on the Company.

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

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

10. Outlook for 2024

Given the Company's activity, the Directors of the Company consider that 2024 will continue to be positive as regards the maintenance of long-term lease contract conditions. The outlook is therefore positive, taking into account the long-term lease contracts with top quality lessees in the hotel, offices, commercial and institutional 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.

Work continues at a good pace on the construction of 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 at calle José Antonio Fernández Ordóñez, 55 and calle Gustavo Pérez Puig 66, Madrid, in the Specific Planning Area APE 16.11. RP "Ciudad Aeroportuaria y Parque de Valdebebas". Their use is defined as tertiary, with the application of Ordinance TER_2, and they have a joint buildability above ground level of 38,545 m2e, as well as the integral remodelling works at the Sexta Avenida Shopping Centre.

The former two assets will be made available to their lessees in 2024 and 2025 as planned. The Sexta Avenida Shopping Centre is scheduled to reopen in the first quarter of 2025, and the Company is currently focusing on attracting the interest of “core” tenants, with a very high level of acceptance.

The Company will continue its investment and divestment strategy in 2024, with a clear opportunistic approach, self-funding projects without relying on the financial resources of the Group it belongs to, and implementing the refurbishment and construction plans defined above.

11. Information on conflicts of interest among the Directors

At year-end 2023, neither the members of the Board of Directors of Saint Croix Holding Immobilier, SOCIMI, S.A. or the parties related to them, as laid down pursuant to the Corporate Enterprises Act, had reported to the other members the Board of Directors any direct or indirect conflict of interests with those of the Company.

12. Subsequent disclosures

From 31 December 2023 until the date of preparation of the Company's financial statements for 2023, no relevant events have occurred that need to be specified in this section, with the exception of the following:

- On 11 January 2024, the Company entered into a personal guarantee loan of 15,000,000 euros with Banco March in order to finance its working capital. This loan has a maturity of 24 months with tacit renewal at the end of the first 12 months.

- On 28 February 2024, the Company renewed a short term personal guarantee loan of 10,000,000 euros with Banco Santander which, in addition to being renewed at maturity, has been extended to 5 years with partial annual repayments and a final repayment of 50% of the initial principal amount.

13. Annual Corporate Governance Report and Annual Report on Directors' Remuneration

The Annual Corporate Governance Report and the Annual Directors' Remuneration Report, which form an integral part of the Saint Croix Inmobilier SOCIMI, S.A. Management Report for the 2023 financial year, will be published on the date of authorisation for issue of these Financial Statements and will be available on the website of the Spanish Securities Market Commission (www.cnmv.es) and on the Company's corporate website (www.saintcroixhi.com).

Directors' Responsibility Statement

For the purposes of the provisions of Article 8 of Royal Decree 1362/2007, of 19 October, the members of the Board of Directors at the Company hereby confirm that as far as we are aware, the Financial Statements as at 31 December 2023 for SAINT CROIX HOLDING IMMOBILIER, SOCIMI, S.A. drafted in line with the applicable accounting principles, faithfully reflect the equity, financial situation and results of the issuer taken as a whole, and that the Management Report as at 31 December 2023 also faithfully reflects the evolution and business performance and position of the issuer and the companies consolidated within its scope taken as a whole, along with the description of the main risks and uncertainties that they face.

Madrid, 29 February 2024

Mr Marco Colomer Barrigón
Chairman and Chief Executive Officer

Mr Juan Carlos Ureta Domingo
Director

Mr José Luis Colomer Barrigón
Vice-Chairman

Ms Irene Hernández Álvarez
Director

Ms Mónica de Quesada Herrero
Director

Mr José Juan Cano Resina
Non-Board Secretary

Diligence in Drawing Up the Financial Statements

These financial statements and management report were approved by the Board of Directors at its meeting on 29 February 2024 for verification by the auditors and subsequent approval by the General Meeting. These financial statements and the management report appear on 70 sheets of ordinary paper, which are numbered from 1 to 70, inclusively, with all directors signing this last sheet.

The Directors of the Company, hereby undersigned, state that no item in the Company's books should be included in the separate document on environmental information required under the Ministry of Justice Order of 8 October 2001.

Madrid, 29 February 2024

Mr Marco Colomer Barrigón
Chairman and Chief Executive Officer

Mr Juan Carlos Ureta Domingo
Director

Mr José Luis Colomer Barrigón
Vice-Chairman

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Director

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