Barcino Property

Barcelona, 29 October 2021

In accordance with the provisions of article 17 of Regulation (EU) No. 596/2014 on market abuse and article 228 of the consolidated text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of 23 October, and related provisions, as well as Circular 3/2020 of the BME Growth de BME MTF Equity segment, Barcino Property SOCIMI, S.A. (hereinafter, the "**Company**" or "**Barcino**") informs of the following:

- Limited Review Report corresponding to the Individual Interim Financial statements for the six-month period ending 30 June 2021.

- Individual Interim Financial Statements for the six-month period ending 30 June 2021.

The above documentation is also available to the market on the Company's website (www.barcinoproperty.com)

In accordance with the provisions of Circular 3/2020, it is stated that the information communicated hereby has been prepared under the exclusive responsibility of the Company and its directors.

Sincerely,

BARCINO PROPERTY SOCIMI, S.A.

Barcino Property SOCIMI S.A.

Interim financial statements
for the six-month period ended
30 June 2021

Barcino Property

BARCINO PROPERTY SOCIMI, S.A.

BALANCE SHEET AT 30 JUNE 2021
(in euros)

ASSETS	Note	30/06/2021	31/12/2020
1 A) NON-CURRENT ASSETS		35,425,824.87	39,565,985.72
1.1 I. Intangible fixed assets		**652.47**	**674.78**
1.1.3 3.Patents, licences, trademarks and similar items		652.47	674.78
1.2 II. Property, plant and equipment		**354.96**	**647.65**
1.2.2 2. Property, plant and equipment		354.96	647.65
1.3 III. Investment property	Note 4	**35,301,037.88**	**39,449,108.73**
1.3.1 1. Land		22,219,012.09	25,372,262.80
1.3.2 2. Buildings		12,495,601.24	11,954,631.62
1.3.3 3. Property, plant and equipment in the course of construction and advances		586,424.55	2,122,214.31
1.5 IV. Non-current financial assets	Note 5	**123,779.56**	**115,554.56**
1.5.5 5. Other financial assets		123,779.56	115,554.56
2 B) CURRENT ASSETS		6,933,546.15	3,959,345.04
2.1 I. Non-current assets held for sale	Note 4	**4,410,942.09**	**0.00**
2.2 II. Inventories		**60,066.92**	**52,251.78**
2.2.6 6. Advances to suppliers		60,066.92	52,251.78
2.3 III. Trade and other receivables		**220,548.28**	**324,872.44**
2.3.1 1. Trade receivables for sales and services		28,709.88	53,699.08
2.3.3 3. Sundry receivables		0.00	0.00
2.3.5 5. Current tax assets	Note 8.1	23.06	78,218.66
2.3.6 6. Other accounts receivable from public authorities	Note 8.1	191,815.34	192,954.70
2.5 V. Non-current financial assets	Note 3.7	**291,787.45**	**288,480.14**
2.5.5 5. Other financial assets		291,787.45	288,480.14
2.6 VI. Current prepayments and accrued income		**37,424.04**	**87,568.19**
2.7 VII. Cash and cash equivalents		**1,912,777.37**	**3,206,172.49**
2.7.1 1. Cash		1,912,777.37	3,206,172.49
TOTAL ASSETS		**42,359,371.02**	**43,525,330.76**

EQUITY AND LIABILITIES	Note	30/06/2021	31/12/2020
1 A) EQUITY		22,972,259.48	19,456,711.91
1.1 A-1) Shareholders' equity	Note 6	**22,972,259.48**	**19,456,711.91**
1.1.1 I. Share capital		24,524,110.00	21,560,168.00
1.1.1.1. Registered capital		*24,524,110.00*	*21,560,168.00*
1.1.2 II. Share premium		6,347,632.78	5,013,858.88
1.1.3 III. Reserves		7,232.23	7,269.95
1.1.3.2 2. Other reserves		*7,232.23*	*7,269.95*
1.1.4 IV. Treasury shares		(77,473.66)	(67,473.66)
1.1. 5 V. Loss from previous years		(7,057,112.84)	(5,586,376.74)
1.1.5.2 2. Prior years' losses		*(7,057,112.84)*	*(5,586,376.74)*
1.1.6 VI. Other capital contributions		1.58	1.58
1.1.7 VII. Loss for the year		(772,130.61)	(1,470,736.10)
2 B) NON-CURRENT LIABILITIES		14,675,622.64	15,476,183.02
2.2 II. Non-current payables		**14,675,622.64**	**15,476,183.02**
2.2.2 2. Bank borrowings	Note 7.1	14,497,569.81	14,523,133.54
2.2.5 5. Other financial liabilities	Note 7.2	178,052.83	953,049.48
3 C) CURRENT LIABILITIES		4,711,488.90	8,592,435.83
3.2 II. Short-term provisions		**0.00**	**0.00**
3.3 III. Current payables		**4,582,580.50**	**8,207,898.78**
3.3.2 2. Bank borrowings	Note 7.1	1,167,990.18	1,268,968.18
3.3.5 5. Other financial liabilities	Note 7.2	3,414,590.32	6,938,930.60
3.5 V. Trade and other payables		**128,908.40**	**384,537.05**
3.5.3 3. Sundry accounts payable		93,697.46	343,121.38
3.5.6 6. Other accounts payable to public authorities	Note 8.1	29,695.57	32,534.27
3.5.7 7. Customer advances		5,515.37	8,881.40
TOTAL EQUITY AND LIABILITIES		**42,359,371.02**	**43,525,330.76**

The accompanying Notes 1 to 13 are an integral part of the balance sheet at 30 June 2021.

Barcino Property

BARCINO PROPERTY SOCIMI, S.A.

INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(in euros)

STATEMENT OF PROFIT OR LOSS	Note	30/06/2021	30/06/2020
1. Revenue		**783,364.17**	**659,021.68**
Real estate leases	**Note 9.1**	783,364.17	659,021.68
5. Other operating income		**9,621.61**	**3,404.20**
Other operating income		9,621.61	3,404.20
6. Staff costs		**(56,140.98)**	**(50,092.89)**
a) Wages, salaries and similar expenses		(44,927.84)	(40,288.83)
b) Employee benefit costs	**Note 9.2**	(11,213.14)	(9,804.06)
7. Other operating expenses		**(876,944.57)**	**(909,721.93)**
a) Outside services	**Note 9.3**	(825,973.58)	(855,306.16)
b) Taxes	**Note 9.3**	(40,413.32)	(40,944.18)
c) Losses, impairment and changes in trade provisions		(4,530.42)	(2,671.49)
d) Other current operating expenses		(6,027.25)	(10,800.10)
8. Depreciation and amortisation charge	**Note 4**	**(345,469.66)**	**(324,016.07)**
12. Other income and expenses		**(8.07)**	**10,275.81**
LOSS FROM OPERATIONS		**(485,577.50)**	**(611,129.20)**
13. Finance income		**24.99**	**80.64**
From marketable securities and other financial instruments		24.99	80.64
From third parties		*24.99*	*80.64*
14. Finance costs		**(286,578.10)**	**(276,949.67)**
On debts with third parties		(286,578.10)	(276,949.67)
FINANCIAL LOSS		**(286,553.11)**	**(276,869.03)**
LOSS BEFORE TAX		**(772,130.61)**	**(887,998.23)**
Income tax	**Note 8.2**	***0.00***	***0.00***
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(772,130.61)**	**(887,998.23)**
LOSS FOR THE YEAR		**(772,130.61)**	**(887,998.23)**

The accompanying Notes 1 to 13 are an integral part of the statement of profit or loss for the six-month period ended 30 June 2021.

Barcino Property

BARCINO PROPERTY SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(in euros)

	30/06/2021	30/06/2020
LOSS AS PER STATEMENT OF PROFIT OR LOSS (I)	(772,130.61)	(887,998.23)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	0	0
TOTAL TRANSFERS TO STATEMENT OF PROFIT OR LOSS (III)	0	0
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	(772,130.61)	(887,998.23)

The accompanying Notes 1 to 13 are an integral part of the statement of recognised income and expense for the six-month period ended 30 June 2021.

Barcino Property

BARCINO PROPERTY SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(in euros)

	Registered capital	Share premium	Other reserves	(Treasury shares)	Loss from previous years	Other capital contributions	Profit/(loss) for the year	TOTAL
A. BALANCE AT 31 DECEMBER 2019	**21,109,105.00**	**4,616,923.44**	**6,453.31**	**(66,661.66)**	**(4,586,540.60)**	**0.02**	**(999,836.14)**	**20,079,443.37**
Total recognised income and expense	-	-	-	-	-	-	(887,998.23)	(887,998.23)
Allocation of 2019 loss	-	-	-	-	(999,836.14)	-	999,836.14	0.00
Share capital increase	451,063.00	396,935.44	-	-	-	1.56	-	848,000.00
Treasury share transactions	-	-	816.64	(812)	-	-	-	4.64
B. BALANCE AT 30 JUNE 2020	**21,560,168.00**	**5,013,858.88**	**7,269.95**	**(67,473.66)**	**(5,586,376.74)**	**1.58**	**(887,998.23)**	**20,039,449.78**
Total recognised income and expense	-	-	-	-	-	-	(582,737.87)	(582,737.87)
Treasury share transactions	-	-	-	-	-	-	-	0.00
C. BALANCE AT 31 DECEMBER 2020	**21,560,168.00**	**5,013,858.88**	**7,269.95**	**(67,473.66)**	**(5,586,376.74)**	**1.58**	**(1,470,736.10)**	**19,456,711.91**
Total recognised income and expense	-	-	-	-	-	-	(772,130.61)	(772,130.61)
Allocation of 2020 loss	-	-	-	-	(1,470,736.10)	-	1,470,736.10	0.00
Share capital increase	2,963,942.00	1,333,773.90	-	-	-	-	-	4,297,715.90
Treasury share transactions	-	-	(37.72)	(10,000.00)	-	-	-	(10,037.72)
D. BALANCE AT 30 JUNE 2021	**24,524,110.00**	**6,347,632.78**	**7,232.23**	**(77,473.66)**	**(7,057,112.84)**	**1.58**	**(772,130.61)**	**22,972,259.48**

The accompanying Notes 1 to 13 are an integral part of the statement of changes in total equity for the six-month period ended 30 June 2021.

BARCINO PROPERTY SOCIMI, S.A.

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

(in euros)

	Note	30/06/2021	30/06/2020
A) Other cash flows from operating activities			
1. Loss for the year before tax		**(772,130.61)**	**(887,998.23)**
2. Adjustments to profit/(loss):			
a) Depreciation and amortisation charge	**Note 4**	345,469.66	324,016.07
b) Impairment losses		-	-
c) Changes in provisions			(3,728.10)
g) Finance income		(24.99)	(80.64)
h) Finance costs		286,578.10	276,949.67
		(140,107.84)	**(290,841.23)**
3. Changes in working capital			
a) Inventories		0.00	(46,587.50)
b) Trade and other receivables		104,324.16	17,373.12
c) Other current assets		(11,532.31)	(17,774.38)
d) Trade and other payables		(212,330.20)	178,813.29
f) Other non-current assets and liabilities		30,069	-
		(89,469.35)	**131,824.53**
4. Other cash flows from operating activities			
a) Interest paid		(261,955.93)	(276,949.67)
b) Dividends received		-	-
c) Interest received		24.99	80.64
d) Income tax refunded (paid)		-	-
e) Other payments (collections)		-	-
		(261,930.94)	**(276,869.03)**
5. Cash flows from operating activities		**(491,508.13)**	**(435,885.73)**
B) Cash flows from investing activities			
6. Payments for investments			
d) Investment property	**Note 4**	(608,025.90)	(500,000.21)
e) Other financial assets		0.00	(37,944.00)
		(608,025.90)	**(537,944.21)**
7. Proceeds from divestments			
e) Other financial assets			135,065.40
g) Other assets		-	-
		0.00	**135,065.40**
8. Net cash from investing activities		**(608,025.90)**	**(402,878.81)**
c) Cash flows from financing activities			
9. Proceeds and payments relating to equity instruments			
a) Proceeds from issue of equity instruments		(10,037.72)	848,004.00
		(10,037.72)	**848,004.00**
10. Proceeds and payments relating to financial liability instruments			
a) Issue			
1. Debt instruments and other marketable securities		-	-
2. Bank borrowings	**Note 7**	400,000.00	928,698.00
3. Payables to Group companies and associates		-	-
4. Other payables		(33,259.65)	102,326.00
b) Repayment and redemption of		-	-
2. Bank borrowings	**Note 7**	(550,563.72)	(426,679.00)
3. Payables to Group companies and associates		-	-
4. Other payables			(937,098.00)
		(183,823.37)	**(332,753.00)**
11. Dividends and returns on other equity instruments paid			
a) Dividends		-	-
b) Returns on other equity instruments		-	-
		0.00	**0.00**
12. Cash flows from financing activities		**(193,861.09)**	**515,251.00**
D) Effect of foreign exchange rate changes		**0.00**	**0.00**
E) Net increase/decrease in cash and cash equivalents		**(1,293,395.12)**	**(323,513.54)**
Cash and cash equivalents at the beginning of year		3,206,172.49	1,707,661.82
Cash and cash equivalents at the end of year		1,912,777.37	1,384,149.55

The accompanying Notes 1 to 13 are an integral part of the statement of cash flows for the six-month period ended 30 June 2021.

Barcino Property SOCIMI, S.A.

Notes to the interim financial statements for the six-month period ended 30 June 2021

1. Company activities

Barcino Property SOCIMI, S.A. ("the Company") is a Spanish company with tax identification number (C.I.F.) A-66461716, incorporated for an indefinite period of time on 30 January 2015 under the name of Barcino Property, S.L. Its registered office is located at calle Ramón Turró 23, Barcelona.

On 25 May 2017, it was resolved that the Company would be converted from a private limited liability company into a public limited liability company.

On 18 February 2016, the Company's former sole shareholder, Barcino Management, B.V., resolved that the Company would avail itself of the special regime for real estate investment trusts ("REITs") governed by Law 11/2009, of 26 October. Subsequently, on 19 February 2016, the Company formally notified the Spanish State Tax Agency that it had opted to apply the aforementioned special regime for REITs as from 1 January 2016.

The Company's purpose is as follows:

a) The acquisition and development of urban properties earmarked for lease.

b) The ownership of interests in the share capital of other REITs or other non-resident companies in Spain with a company purpose identical to that of the former, which are subject to a regime similar to that governing REITs in relation to the obligatory profit distribution policy stipulated by law or the bylaws.

c) The ownership of interests in the share capital of other companies, whether residents or non-residents in Spain, the company purpose of which is the acquisition of urban properties earmarked for lease, which are subject to the regime established for REITs in relation to the obligatory profit distribution policy stipulated by law or the bylaws, and which meet the investment requirements referred to in Article 3 of Real Estate Investment Trusts Law 11/2009, of 26 October.

d) The ownership of shares or other equity interests in collective real estate investment undertakings governed by Spanish Collective Investment Undertakings Law 35/2003, of 4 November, or any law that may supersede it in the future.

Together with the economic activity relating to the main company purpose, REITs may also engage in other ancillary activities, which as a whole represent less than 20% of the Company's income in each tax period, or such activities as might be considered to be ancillary activities under the legislation applicable at each given time.

In view of the business activity carried out by the Company, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the interim financial statements.

- ***Management agreement***

On 31 October 2017, the Company entered into a six-year management agreement ("the Management Agreement") with Vistalegre Property Management, S.L. ("the Manager"), subsequently novated on 30 December 2019 and effective as from 1 January 2019, whereby the Manager works exclusively for the Company and the following main functions are delegated, among others: (i) proposing investments; (ii) structuring and negotiating the purchase transactions; (iii) managing the properties; and ultimately (iv) selling the properties acquired by the Company.

The fees paid to the Manager are as follows:

1) A management fee over the gross asset value of the Company's asset portfolio calculated on an escalated basis according to the value arising from the annual valuation report issued by the independent valuer as per the methodology disclosed in Note 3.1, that is:

   i) 1.25% of the gross asset value until it reaches EUR 100,000,000.
   ii) 1% of the gross asset value exceeding EUR 100,000,000 until it reaches EUR 200,000,000; and
   iii) 0.8% of the gross asset value exceeding EUR 200,000,000.

The aforementioned management fee is to be paid quarterly in advance. The amount accrued during the six-month period ended 30 June 2021 totalled EUR 431,143.64 (EUR 384,332 on account of tax base and EUR 46,811.64 of non-deductible VAT). In turn, the amount accrued over the six-month period ended 30 June 2020 totalled EUR 440,438 (EUR 380,508 for tax base and EUR 59,830 for non-deductible VAT). At the closing of the periods ended 30 June and 2021 and 2020, the gross asset value was established based on the RICS valuations at 31 December 2020 and 2019, respectively.

	Item	Euros					
		2020			**2019**		
		Base	Non-deductible VAT	Total accrued	Base	Non-deductible VAT	Total accrued
Management fee	1)	761,016.00	119,860.00	880,876.00	699,670.86	107,259.54	806,930.40

2) A sales fee payable upon transfer by the Company of any asset. In the case of the assets already owned by the Company at 31 December 2018, such a fee amounts to 15% of the positive difference between the consideration received for the asset transfer and the asset valuation specified in the 2018 valuation report, plus the rent earned by the asset less all the asset expenses, including any general, administrative and financial expenses and excluding the depreciation and amortisation charge from 1 January 2019 until the sale transaction time. In the case of the assets acquired by the Company after 31 December 2018, said fee is 15% of the consideration amount resulting from the asset transfer less the asset acquisition value, less the asset acquisition costs, less the amounts allocated to the asset renewal and refurbishment, plus the rent earned by the asset less all the asset expenses, including general, administrative and financial expenses and excluding the depreciation and amortisation charge since the asset acquisition date. At the closing of the periods ended 30 June 2021 and 2020, no sales fees accrued since the Company did not transfer any asset.

3) An exit fee payable upon termination of the Management Agreement on its maturity date on 31 December 2024, or for whichever other reason, including the potential change of control of the Company and relevant sales of assets, defined as the sales of assets by the Company that account for more than 50% of the value of its assets, as per the latest valuation report, for a period of 18 months from the date of sale of the first asset, and the amount of which is as follows:

    i) In the event of termination of the Management Agreement due to a change of control in the Company, a fee of 15% on the amount of the positive difference between the price received from the sale of the Company's shares, increased as required so that it equals the sale price of the total shares of the Company; and (i) for the assets that were already owned by Barcino at 31 December 2018, their valuation as specified in the 2018 valuation report, plus the amount of the rent earned by the asset less all the asset expenses, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from 1 January 2019; and (ii) for the assets purchased by the Company after 31 December 2018, the amount resulting from this formula: asset acquisition value, less asset acquisition costs, less the amounts allocated to the asset renewal and refurbishment, plus the rent earned by the asset less all the asset expenses, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from the asset acquisition date.

    ii) In case of termination of the Management Agreement due to a relevant sale of assets or for any other reason, the result of adding the following three amounts: (i) regarding the assets sold as part of a relevant sale of assets owned by the Company at 31 December 2018, 15% of the amount of the positive difference between the consideration for the transfer of the assets and their valuation as per the 2018 valuation report, plus the rent earned by the assets less all the asset expenses, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from 1 January 2019; (ii) regarding the assets sold as part of a relevant sale of assets and acquired by Barcino after 31 December 2018, 15% of the result of applying this formula:

    consideration for the transfer of the assets less the acquisition price of the assets, less the acquisition costs of the assets, less the amounts allocated to the renewal and refurbishment of the assets plus the rent earned by the assets less all the expenses arising from the assets, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from the date of acquisition of the assets; and (iii) regarding the assets not sold in the relevant sale of assets: if they were already owned by the Company at 31 December 2018, 15% of the amount of the positive difference between the valuation of the assets as per the 2018 valuation report and the valuation of the assets specified in the latest valuation report, plus the rent earned by the assets less all the asset expenses, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from 1 January 2019; and, if they were acquired by the Company after 31 December 2018, 15% of the positive result derived from the following formula: valuation of the assets contained in the latest valuation report less the acquisition value of the assets, less the acquisition costs of the assets, less the amounts allocated to the renewal and refurbishment of the assets, plus the rent earned by the assets less all the expenses of the assets, including general, administrative and financial expenses and excluding the depreciation and amortisation charge from the acquisition date.

The exit fee will be charged only on the assets sold as part of a relevant sale of assets, provided that the sales fee on account thereof has not been charged before.

The estimated compensation that the Company should pay the Manager upon the agreement termination is EUR 11,978 and was recognised under “Other non-current financial liabilities” in the balance sheet at 30 June 2021 and 31 December 2020 (Note 7.2). In accordance with the terms and conditions of the agreement, the Manager will only charge the exit fee should any of the contract termination causes arise. Said fee will be paid only if the IRR obtained according to the estimates in the valuation report amounts to 7%.

4) The performance fee basket settled under the novation agreement of 30 December 2019 amounted to EUR 792,991.65 (EUR 655,365 on account of tax base and EUR 137,626.65 of VAT, of which EUR 103,219.99 related to non-deductible VAT), and was recognised in the balance sheet under “Other current financial liabilities” at 30 June 2021 and under “Other non-current financial liabilities” at 31 December 2020 (Note 7.2).

		Euros			
		30.06.2021 and 31.12.2020			
	Section	Tax base	Non-deductible VAT	Deductible VAT	Total debt
Performance fee basket settlement	3)	655,365.00	103,219.99	34,406.66	792,991.65

The agreement entered into by the parties envisages the payment of certain amounts of compensation in the event of early termination. The amount of this compensation, and the party liable for its payment, depend on the reasons for the early termination of the agreement. Neither at 30 June 2021 nor at the date of preparation of these interim financial statements did any circumstances arise that might lead to the early termination of the Management Agreement.

REIT regime

The Company is regulated by Spanish Real Estate Investment Trusts Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December. These companies have a special tax regime, and must fulfil, among others, the following obligations:

1. Company purpose obligation. They must have as their principal company purpose the ownership of urban properties earmarked for lease, the ownership of shares in other REITs or companies with a similar corporate purpose and with the same dividend pay-out scheme, as well as in Collective Investment Undertakings.

2. Investment obligation.

   - They must invest at least 80% of the value of their assets in urban properties earmarked for lease, in land to develop properties to be allocated to that purpose, provided that development begins within three years following its acquisition, and in equity investments in other companies whose corporate purpose is similar to that of a REIT.

     This percentage must be calculated on the basis of the consolidated balance sheet, if the company is the parent of a group in accordance with the criteria stated in Article 42 of the Spanish Commercial Code, regardless of its place of residence and of whether or not it is obliged to prepare consolidated financial statements. Such a group must be composed exclusively of REITs and the other companies referred to in Article 2.1 of Law 11/2009.

There is an option to replace the carrying value of the assets with their market value. Cash/collection rights arising from the transfer of such assets will not be taken into account, provided that the established maximum reinvestment periods are not exceeded.

- Also, 80% of their income must arise from: (i) property rentals; and (ii) dividends from investments. This percentage must be calculated on the basis of the consolidated balance sheet, if the company is the parent of a group in accordance with the criteria stated in Article 42 of the Spanish Commercial Code, regardless of its place of residence and of whether or not it is obliged to prepare consolidated financial statements. Such a group must be composed exclusively of REITs and the other companies referred to in Article 2.1 of Law 11/2009.

- The properties must remain leased for at least three years (for calculation purposes, up to one year of the period they have been offered for lease may be added). Assets must be held for a minimum period of three years.

3. Obligation to trade on a regulated market. REITs must be admitted to trading on a regulated Spanish market or in any other country with which there is exchange of tax information. The share capital of these entities must consist of registered shares.

4. Distribution of profit obligation. Once the related corporate and commercial obligations have been met, REIT companies are required to distribute dividends as follows:

    - All the profit from dividends or shares in profits paid by the entities referred to in Article 2.1 of Law 11/2009.

    - At least 50% of the profits arising from the transfer of property used to perform the REIT's corporate purposes and shares or ownership interests to which Article 2.1 of Law 11/2009 refers, once the minimum holding periods have elapsed. The remainder of these profits should be reinvested in other properties or interests related to the performance of such purpose within three years from the transfer date.

    - At least 80% of the remaining profits obtained. When dividends are distributed with a charge to reserves out of profit for a year in which the special tax regime had been applied, the distribution must be approved as set out above.

    - The legal reserve of companies that have chosen to avail themselves of the special tax regime set out in Law 11/2009 must not exceed 20% of the share capital. The bylaws of these companies may not establish any other restricted reserve.

5. Reporting obligation (Note 11). REITs must include in the notes to their financial statements the information required in the tax legislation governing the REIT special regime.

6. Minimum share capital. The minimum share capital for REITs is established at EUR 5 million.

REITs may opt to apply the special tax regime under the terms established in Article 8 of the REITs Law, even when the requirements therein are not met, provided that such requirements are fulfilled within the two-year period following the date on which the regime is applied.

Failure to meet any of the foregoing conditions will require the Company to file income tax returns under the standard tax regime from the tax period in which the aforementioned condition is not met, unless this situation is rectified in the following tax period. The Company will also be obliged to pay, together with the amount relating to the abovementioned tax period, the difference between the amount of tax payable under the general tax regime and the amount paid under the special tax regime in the previous tax periods, including any applicable late-payment interest, surcharges and penalties.

The income tax rate for REITs is set at 0%. However, where the dividends that the REIT distributes to its shareholders with an ownership interest of more than 5% are exempt from tax or are taxed at a tax rate lower than 10%, the REIT will be subject to a special charge of 19%, which will be considered to be the income tax charge, on the amount of the dividend distributed to those shareholders. If applicable, this special charge must be paid by the REIT within two months after the dividend payment date.

Law 11/2021, of 9 July, on Measures to Prevent and Combat Tax Fraud to be enforced to tax periods starting on 1 January 2021 sets out that a 15% tax is to be applied to the period's undistributed profit coming from rental income that has not been taxed at the standard Corporate Income Tax, excluding rental income within the reinvestment period provided for in Article 6.1.b of Law 11/2009. This tax charge will be considered to be the income tax charge.

This amendment resulted in the rewording of section 4 under Article 9 of Law 11/2009, former section 4 now being section 5.

At 30 June 2021, the Company's directors considered that the Company was complying with the requirements of the REIT Law and, therefore, that the special tax regime was fully applicable.

COVID-19 impact

In the first half of 2021 the Company's revenue amounted to EUR 783 thousand, up 19% against the previous period and therefore regaining 2019 revenue levels in the same period. The Company's portfolio proved its resilience and, at the date of issue of these interim financial statements, its level of occupancy is similar to pre-pandemic levels.

2. Basis of presentation

2.1. Regulatory financial reporting framework applicable to the Company

The interim financial statements for the six-month period ended 30 June 2021 (the "interim financial statements") were prepared by the Company's directors as per the regulatory financial reporting framework applicable to the Company, which consists of:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and amended by Royal Decree 602/2016, and its industry adaptations, in particular, the rules adapting the Spanish National Chart of Accounts for real estate companies approved by the Ministerial Order of 28 December 1994.

c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and its supplementary provisions.

d) The Spanish Real Estate Investment Trusts (SOCIMI) Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December.

e) All other applicable Spanish accounting legislation.

2.2. Fair presentation

The interim financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results and cash flows for the six-month period ended 30 June 2021.

In turn, the Company's financial statements for 2020 were approved at the Annual General Meeting held on 02 June 2021.

2.3. Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. Also, the directors formally prepared these interim financial statements taking into account all the mandatory accounting principles and standards with a material effect thereon. All mandatory accounting principles were thus applied.

2.4. Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying interim financial statements estimates were made by the Company's directors in order to measure certain assets, liabilities, income, expenses and obligations reported herein. The key estimates and principles refer to:

- The useful life of investment property (Note 3.1).
- The recoverable amount of the investment property based on the appraisals performed by independent third-party valuers (Note 3.1).
- The amount of the remuneration to be received by the Manager (Note 1).
- The assumptions used in the calculation of provisions, and the assessment of litigation, obligations and contingent assets and liabilities (Note 3.6).

Although these estimates were made on the basis of the best information available at 30 June 2021, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years, which would be done prospectively.

2.5. Comparative information

The current reporting period covers the six-month period between 1 January 2021 and 30 June 2021. The balance sheet at 31 December 2020 is included herein for comparative purposes. The statement of profit or loss, the statement of changes in equity and the statement of cash flows are also included herein for comparative purposes for the six-month period between 1 January 2020 and 30 June 2020.

On 30 January 2021 Royal Decree 1/2021, of 12 January, was published amending the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, of 16 November; the Spanish National Chart of Accounts for Small and Medium Sized Enterprises approved by Royal Decree 1515/2007, of 16 November; the Standards for the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010, of 17 September; and the standards adapting the Spanish National Chart of Accounts to non-profit entities approved by Royal Decree 1491/2011, of 24 October. On 13 February 2021 the Resolution of 10 February issued by the Spanish Accounting and Audit Institute was published, which sets out the standards for the recording, valuation and preparation of financial statements for the recognition of income from sales of goods and rendering of services.

The aforementioned amendments shall apply to the fiscal years starting on 1 January 2021 and are mainly concerned with the recording, valuation and breakdown of income from the delivery of goods and services, financial instruments, hedge accounting, valuation of stocks of raw materials priced by selling intermediaries and with the definition of fair value. In general, these standards are to be applied retroactively but allow for practical alternatives. Nonetheless, hedge accounting must be applied prospectively, the criteria for the classification of financial instruments can be applied prospectively and the criteria for income from sales of goods and rendering of services can be applied prospectively to the agreements starting as of 1 January 2021. The Company's directors considered that such amendments do not have an impact on the Company's interim financial statements. Nevertheless, the aforementioned standards will be applied prospectively in all cases.

2.6. Grouping of items

Certain items in the balance sheet, statement of profit or loss, statement of changes in equity and statement of cash flows are grouped together for easier understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the interim financial statements.

2.7. Changes in accounting policies

During the first six months of fiscal year 2021, there were no significant changes in accounting policies with respect to those applied in 2020.

2.8. Going-concern principle

At 30 June 2021 the Company reported losses amounting to EUR 772 thousand (30 June 2020: EUR 888 thousand), as well as negative cash flows from operating activities. Also, at 30 June 2021 the Company's current liabilities exceeded current assets by EUR 2.2 million (without considering under current assets the line item "Non-current assets held for sale"). However, out of the total of current liabilities amounting to EUR 4,711 thousand, EUR 2,544 thousand relate to a loan with the company Soverino BCN, Investments, S.L. (31 December 2020: EUR 2,544 thousand) resulting from the purchase of Asset 15 and EUR 793 thousand relate to a loan formalised with the Manager in connection with the settlement of the prior management agreement. At the date of issue of these interim financial statements, the Company had formally extended the due dates of such borrowings until 12 December 2022 and 4 May 2023 (Note 13), thereby resulting in a positive working capital.

In this context, the Company' directors prepared these interim financial statements based on the ongoing concern principle, given that cash projections evidence the Company's ability to fulfil its payment obligations both in the short and medium term for the amounts and according to their classification in the accompanying balance sheet. The aforementioned cash projections take into account additional liquidity –other than from its normal business– coming from the sale of assets for which the Company is now actively seeking a buyer.

3. Accounting policies

As disclosed in Note 2, the Company applied accounting policies in accordance with the accounting principles and rules contained in the Spanish Commercial Code, implemented in the current Spanish National Chart of Accounts (2007), and all other Spanish corporate law in force at the reporting date of these interim financial statements. In this connection, only those accounting policies that are specific to the Company's business activities and those deemed significant according to the nature of its activities are detailed below.

3.1. Investment property

The line item “Investment property” in the interim balance sheet reflects the values of the land, buildings and other structures held to earn rentals.

Investment property is initially recognised at acquisition or production cost and is subsequently reduced by the related accumulated depreciation and by any impairment losses recognised.

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised, whereas upkeep and maintenance expenses are charged to the statement of profit or loss for the year in which they are incurred.

For investment property that necessarily takes a period of more than twelve months to get ready for its intended use, the capitalised costs include such borrowing costs as might have been incurred before the assets are ready for their intended use and which have been charged by the supplier or relate to loans or other funds borrowed, either specifically or in general, directly attributable to the acquisition or production of the assets. In the first six months of 2021 and 2020 no borrowing costs were capitalised in this connection.

The Company depreciates its investment property by the straight-line method based on the years of estimated useful life of the related assets, as follows:

	Years of estimated useful life
Buildings	10 - 50

The gain or loss arising from the sale or disposal of an asset is determined as the difference between the carrying amount of the asset and its selling price and is recognised under “Impairment and gains or losses on disposals of non-current assets” in the statement of profit or loss.

The Company recognises the appropriate impairment losses on its investment property, if the net realisable value of the investment property is lower than its carrying amount. For the purpose of determining net realisable value, the Company’s directors considered appraisals conducted by independent third-party valuers (performed by CBRE Valuation Advisory, S.A.) at 31 December 2020.

The Company’s directors estimate that, given the real estate market evolution during the six-month period reported in these interim financial statements and the value of each property obtained from the appraisal conducted on 31 December 2020, no signs of impairment exist with regard to any of the Company’s assets.

The valuation basis used by the independent expert valuer is market value, and it was conducted following the Red Book “RICS Valuation (Royal Institute of Chartered Surveyors) – Professional Standards”, 9th Edition, published in 2017. The definition of the VPS 4 – Valuation Practice Statement is as follows: *“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.* (IVSC – International Valuation Standard Council 2013.)

The valuation methodology employed by the independent third-party expert was based on individual valuations with inspection of the properties. For the valuation of the units, the discounted cash flow method was adopted since they are assets that are already leased (income properties). In this regard, the valuation was performed on the basis of a discounted cash flow considering the rental income and the costs inherent to maintaining the asset (taxes, maintenance), as well as on an estimate of the cost of refurbishing the asset once the lease contract has ended and prior to marketing it for sale. This projection was made considering that the asset will be disposed of within ten years at a terminal value or exit price.

In relation to the terminal value or exit price, the methodology applied was the Income Capitalisation Approach in the exit year, as well as the Comparison Approach, in order to obtain market references on sale in the unit’s area of influence.

The deflated discount rates applied to the Company’s asset portfolio were between 5.6% and 6% for residential assets and 6.9% for office lease assets.

The properties were valued individually, taking into account each of the lease contracts in force at the end of the year. The buildings with areas that are vacant were valued on the basis of the estimated future rent, less a period for the marketing of such vacant areas.

The key variables in the aforementioned approach are the determination of net revenue, the period of time over which the revenue is discounted, the value estimate used at the end of each period and the target internal rate of return applied to discount the cash flows.

3.2. Leases

Leases are classified as finance leases provided that it can be inferred from the conditions thereof that the risks and benefits incidental to the ownership of the asset under contract are substantially transferred to the lessee. All other leases are classified as operating leases.

At 30 June 2021 and 31 December 2020, all of the Company's leases were considered to be operating leases.

Operating leases –

Income and expenses derived from operating lease agreements are recognised in the statement of profit or loss on an accrual basis.

Any collection or payment made on entering into an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

3.3. Financial instruments

Recognition and classification of financial instruments

The Company classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. The Company recognises a financial instrument when it becomes a party to the contractual provisions of the instrument, either as an issuer or as a holder or acquirer thereof. The Company recognises debt instruments as from the date when the legal right to collect or pay cash arises.

For measurement purposes, the Company classifies financial instruments into financial assets and liabilities carried at fair value through profit or loss, separating those initially classified from those held for trading and those that must be measured at fair value through profit or loss, financial assets and liabilities measured at amortised cost, and financial assets measured at fair value through equity, separating equity instruments classified as such from the rest of financial assets and financial assets measured at cost . The Company classifies financial assets at amortised cost and fair value through equity, except for designated equity instruments, in accordance with the business model and contractual cash flows. The Company classifies financial liabilities as measured at amortised cost, except for those measured at fair value through profit or loss and those held for trading. The Company has recognised only financial assets and financial liabilities both at amortised cost.

The Company classifies financial assets at amortised cost even when admitted to trading if kept within the framework of a business model aimed at holding the investment to obtain cash flows from the contract performance and the contractual provisions of the financial asset give rise, on specific dates, to cash flows representing only payments of principal and interest over the outstanding principal amount. The Company classifies financial liabilities as financial liabilities at amortised cost, except for financial guarantee contracts, commitments to provide a loan at a below-market interest rate and financial liabilities resulting from the transfer of financial assets that do not qualify for derecognition and are accounted for using the continuing-involvement method.

Offsetting principles

Financial assets and financial liabilities are offset only if the Company has the legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities at amortised cost

Financial assets and financial liabilities are initially recognised at fair value, plus or less transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Effective interest rate is the rate that exactly discounts estimated future cash flow to the net carrying amount of the financial instrument through the expected life of the instrument based on its contractual provisions and, in the case of financial assets, without considering future credit losses, except for purchased or originated credit-impaired financial assets for which the Company applies the credit-adjusted effective interest rate, therefore considering the credit losses incurred upon the purchase or origination.

Financial assets with no established interest rate, the amount of which is due or receivable in the short term and where the effect of discounting is not material, are measured at their nominal amount.

3.4. Income tax

General regime

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and prepayments, and tax loss carryforwards effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered likely that the Company will have future taxable profits against which the deferred tax assets can be offset.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised with a balancing item in equity.

At the end of each year, deferred tax assets are reassessed, making the relevant adjustments thereto if there is doubt as to their future recovery. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

REIT regime

On 19 February 2016, and effective from 1 January 2016, the Company informed the tax authorities in Spain –its domicile for tax purposes– of the option exercised by its former sole shareholder for the Company to be taxed under the special REIT tax regime.

Pursuant to Spanish Real Estate Investment Trusts Law 11/2009, of 26 October, entities that meet the requirements defined in the applicable legislation and that opt to avail themselves of the special tax regime envisaged in that Law will be taxed for income tax purposes at a tax rate of 0%. If tax losses are incurred, Article 26 of Spanish Income Tax Law 27/2014, of 27 November, will not apply. Similarly, the tax credit and tax rebate regime established in Chapters II, III and IV thereunder will not be applied. Furthermore, for all other matters not envisaged in the REIT Law, the provisions of Spanish Income Tax Law 27/2014 will apply.

Law 11/2021, of 9 July, on Measures to Prevent and Combat Tax Fraud to be enforced to tax periods starting on 1 January 2021 sets out that a 15% tax is to be applied to the period’s undistributed profit coming from rental income that has not been taxed at the standard Corporate Income Tax, excluding rental income within the reinvestment period provided for in Article 6.1.b of Law 11/2009. This tax charge will be considered to be the income tax charge.

This amendment resulted in the rewording of section 4 under Article 9 of Law 11/2009, former section 4 now being section 5.

The Company will be subject to a special tax charge of 19% on the full amount of any dividends or shares in profit paid to shareholders with an ownership interest in the share capital of the entity equal to or exceeding 5%, where such dividends are exempt from tax or are subject to a tax rate of less than 10% for the shareholders. This tax charge will be considered to be the income tax charge.

The rules described in the preceding paragraph will not apply when the shareholders receiving the dividend are entities to which this Law applies.

Regarding the six-month period ended 30 June 2021, the directors state that the Company complies with all of the REIT regime requirements.

3.5. Revenue and expenses

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Services –

Revenue from services rendered is recognised according to the stage of completion of the service at the reporting date, provided that the results of the transaction can be reliably estimated.

Interest received –

Interest income from financial assets is recognised using the effective interest rate method and dividend income is recognised when the shareholders' right to receive payment has been established. In any case, interest and dividends on financial assets accrued after the acquisition date are recognised as income in the statement of profit or loss.

Specific lease conditions –

Leases include certain specific conditions relating to incentives or rent-free periods offered by the Company to its customers. The Company recognises the aggregate cost of the incentives granted as a reduction of the rent revenue over the lease term on a straight-line basis. The effects of the rent-free periods are recognised over the non-cancellable period of the lease.

Also, the compensation paid by the lessees to terminate their leases before the end of the non-cancellable period of the lease is recognised as income in the statement of profit or loss on the payment date.

3.6. Provisions and contingencies

When preparing the interim financial statements, the Company's directors made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The notes to the interim financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the interim financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, considering the information available on the event and its consequences. Any adjustment to provisions is recognised as a financial expense on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

3.7. Cash and cash equivalents

The heading "Cash and cash equivalents" in the balance sheet includes cash on hand, current accounts at banks, short-term deposits and reverse repurchase agreements that meet all of the following requirements:

- They can be converted to cash.
- At the date of their acquisition, they had a maturity of three months or less.
- They are not subject to a significant risk of change in value.
- They are part of the usual cash management policy of the Company.

Term deposits with a maturity term above three months from their arrangement date totalled EUR 231 thousand at 30 June 2021 (31 December 2020: EUR 247 thousand) and were recognised under "Current financial assets".

3.8. Current/Non-current classification

The normal operating cycle is the time between the acquisition of assets for inclusion in the Company's various lines of business and the realisation of the related goods in the form of cash or cash equivalents.

The Company's core activity is that of an asset-holding company and, therefore, it is considered that its normal operating cycle corresponds to the calendar year and, accordingly, assets and liabilities maturing within no more than twelve months are classified as current, and those maturing within more than twelve months are classified as non-current, with the exception of accounts receivable arising from the recognition of income relating to incentives or rent-free periods, which are recognised on a straight-line basis over the lease term and are classified as current assets.

Also, bank borrowings are classified as non-current items if the Company has the irrevocable power to meet the related payments within more than 12 months from the reporting date.

3.9 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

3.10. Statement of cash flows

The following terms are used in the statement of cash flows with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

- Operating activities: the principal revenue-producing activities and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

For the purpose of preparing the statement of cash flows, "Cash and cash equivalents" were considered to be cash on hand, demand bank deposits and short-term, highly liquid investments that are readily convertible to specific amounts of cash and which are subject to an insignificant risk of changes in value.

4. Investment property

4.1. Investment property

The changes in "Investment property" in the interim balance sheet at 30 June 2021 and 31 December 2020 and the most significant information concerning this heading were as follows:

30 June 2021

	Euros			
	31/12/2020	**Additions / (Charge for the year)**	**Transfers**	**30/06/2021**
Land and buildings:				
Investment property	39,227,568.64	21,015.98	(2,716,102.03)	36,532,482.59
Investment property in progress	2,122,214.31	587,009.92	(2,119,799.68)	589,424.55
Accumulated depreciation	(1,900,674.22)	(345,154.66)	424,959.62	(1,820,869.26)
Total	**39,449,108.73**	**262,871.24**	**(4,410,942.09)**	**35,301,037.88**

31 December 2020

	Euros			
	31/12/2019	**Additions / (Charge for the year)**	**Transfers**	**31/12/2020**
Land and buildings:				
Investment property	39,087,380.65	5,445.02	134,742.97	39,227,568.64
Investment property in progress	422,801.76	1,834,155.52	(134,742.97)	2,122,214.31
Accumulated depreciation	(1,247,512.87)	(653,161.35)		(1,900,674.22)
Total	**38,262,669.54**	**1,186,439.19**	**0.00**	**39,449,108.73**

The Company's investment property relates to properties earmarked for lease.

Additions in the first half of 2021 correspond to the refurbishment of properties owned by the Company amounting to EUR 2,727,825.58, of which EUR 608,025.90 derive from additions in the period and EUR 2,119,799.68 from transfers.

The total amount of transfers (i.e. EUR 4,410,942.09) relates to the reclassification as non-current asset held for sale of one of the Company's buildings after the reclassification requirements were met (Note 4.2).

Additions and transfers during 2020 are fully related to the refurbishment of properties owned by the Company.

The detail of the carrying amount of the buildings held by the Company as investment property at 30 June 2021 and 31 December 2020 is as follows:

30 June 2021

	Euros				
	Gross cost			Accumulated depreciation	Net carrying amount
	Land	Buildings	Investment property in progress	Buildings	
Asset 1	426,415.00	216,562.46	0.00	(45,803.55)	597,173.91
Asset 2	638,820.00	966,238.39	664.24	(243,652.88)	1,362,069.75
Asset 3	1,259,445.00	1,211,520.51	0.00	(222,265.75)	2,248,699.76
Asset 4	1,870,660.00	999,813.07	0.00	(174,966.00)	2,695,507.07
Asset 5	1,534,440.00	914,541.30	0.00	(192,898.13)	2,256,083.17
Asset 7	1,772,192.64	1,889,157.20	0.00	(237,667.56)	3,423,682.28
Asset 8	1,669,140.00	663,225.25	229,828.24	(99,500.34)	2,462,693.15
Asset 9	998,987.35	875,316.82	10,556.26	(122,089.54)	1,762,770.89
Asset 10	1,604,115.00	1,838,588.56	0.00	(100,143.75)	3,342,559.81
Asset 11	1,520,990.10	1,208,127.25	24,129.06	(60,176.63)	2,693,069.78
Asset 12	1,579,400.00	819,519.69	0.00	(84,895.71)	2,314,023.98
Asset 13	2,278,575.00	697,787.76	72,352.68	(76,144.89)	2,972,570.55
Asset 14	1,645,000.00	901,350.91	41,703.19	(92,051.10)	2,496,003.00
Asset 15	3,420,832.00	1,114,721.33	207,190.88	(68,613.43)	4,674,130.78
Total	**22,219,012.09**	**14,316,470.50**	**586,424.55**	**(1,820,869.26)**	**35,301,037.88**

31 December 2020

	Euros				
	Gross cost			Accumulated depreciation	Net carrying amount
	Land	Buildings	Investment property in progress	Buildings	
Asset 1	426,415.00	216,451.14	0.00	(41,153.43)	601,712.71
Asset 2	638,820.00	966,238.39	664.24	(218,642.62)	1,387,080.01
Asset 3	1,259,445.00	1,009,149.11	197,458.84	(191,791.67)	2,274,261.28
Asset 4	1,870,660.00	974,222.66	0.00	(151,983.57)	2,692,899.09
Asset 5	1,534,440.00	908,494.99	2,110.73	(169,779.17)	2,275,266.55
Asset 6	3,153,250.71	1,679,651.00	0.00	(372,866.22)	4,460,035.49
Asset 7	1,772,192.64	1,889,157.20	0.00	(195,437.98)	3,465,911.86
Asset 8	1,669,140.00	663,225.25	202,776.06	(86,345.04)	2,448,796.27
Asset 9	998,987.35	874,625.51	10,556.26	(103,531.85)	1,780,637.27
Asset 10	1,604,115.00	680,224.37	1,062,737.63	(71,670.22)	3,275,406.78
Asset 11	1,520,990.10	513,032.55	469,003.07	(47,351.00)	2,455,674.72
Asset 12	1,579,400.00	772,027.88	16,778.68	(67,339.86)	2,300,866.70
Asset 13	2,278,575.00	697,787.76	64,001.62	(62,294.83)	2,978,069.55
Asset 14	1,645,000.00	901,350.91	30,067.11	(73,891.18)	2,502,526.84
Asset 15	3,420,832.00	1,109,667.12	66,060.07	(46,595.58)	4,549,963.61
Total	**25,372,262.80**	**13,855,305.84**	**2,122,214.31**	**(1,900,674.22)**	**39,449,108.73**

At 30 June 2021 and 31 December 2020 all the assets recognised under this heading are located in Barcelona and l'Hospitalet de Llobregat.

At 30 June 2021 and 31 December 2020, the information on the Company's properties broken down by use is as follows:

	HOUSING		OFFICES		COMMERCIAL PREMISES		TOTAL	
	UNITS	SQUARE METRES	UNITS	SQUARE METRES	UNITS	SQUARE METRES	UNITS	SQUARE METRES
Asset 1	6	356	0	0	1	138	7	494
Asset 2	12	864	0	0	0	0	12	864
Asset 3	12	878	0	0	1	278	13	1,156
Asset 4	12	1,082	0	0	1	169	13	1,252
Asset 5	12	795	0	0	2	123	14	919
Asset 6	0	0	9	3,059	2	328	11	3,386
Asset 7	8	863	0	0	2	395	10	1,258
Asset 8	18	774	0	0	2	200	20	974
Asset 9	6	544	1	78	2	115	9	737
Asset 10	14	1,024	0	0	2	151	16	1,176
Asset 11	14	743	0	0	1	79	15	823
Asset 12	11	769	0	0	1	133	12	902
Asset 13	9	1,021	0	0	2	350	11	1,371
Asset 14	7	701	0	0	2	294	9	995
Asset 15	13	1,261	0	0	2	256	15	1,517
TOTAL	**154**	**11,676**	**10**	**3,137**	**23**	**3,010**	**187**	**17,823**

The average occupancy rate of the buildings owned by the Company available at 30 June 2021 and 2020 and at 31 December 2020 was as indicated below:

	Average occupancy level					
	30/06/2021		31/12/2020		30/06/2020	
	Availability	Occupancy	Availability	Occupancy	Availability	Occupancy
Asset 1	100%	78%	100%	100%	100%	100%
Asset 2	100%	89%	100%	58%	100%	53%
Asset 3	100%	94%	95%	84%	94%	83%
Asset 4	98%	95%	98%	89%	98%	92%
Asset 5	99%	98%	99%	84%	100%	81%
Asset 6	100%	84%	99%	86%	100%	87%
Asset 7	100%	72%	100%	69%	100%	69%
Asset 8	14%	100%	14%	100%	14%	100%
Asset 9	95%	96%	100%	74%	100%	77%
Asset 10	87%	97%	30%	98%	28%	100%
Asset 11	80%	96%	64%	97%	64%	94%
Asset 12	99%	98%	89%	88%	85%	81%
Asset 13	48%	100%	55%	100%	60%	100%
Asset 14	97%	99%	100%	96%	100%	99%
Asset 15	12%	100%	16%	100%	16%	100%
Average	**82%**	**91%**	**77%**	**85%**	**77%**	**85%**

At 30 June 2021 and 2020 the rent revenue earned from investment property owned by the Company amounted to EUR 783,364.17 and EUR 659,021.68, respectively (Note 9.1).

At 30 June 2021 and 31 December 2020 there were no restrictions on making new property investments, on the collection of rent revenue therefrom or in connection with the proceeds to be obtained from a potential disposal thereof.

Investment property is mortgaged to secure bank loans as disclosed in Note 7.

The Company takes out insurance policies to cover the possible risks to which its investment property is subject. At 30 June 2021 and 31 December 2020, those properties were adequately insured against such risks.

4.2. Non-current asset held for sale

This line item includes the transfer from investment property of the net carrying amount of one building of the Company as the aforementioned reclassification requirements were met: there is a formal commitment set out in a plan to sell the asset and the Company has a program in place to find a buyer and complete such plan. Also, there is an ongoing negotiation to sell the asset at an adequate price with respect to its current fair value.

5. Leases

At 30 June 2021 and 31 December 2020, all the operating leases entered into by the Company could be terminated by the lessees with prior notice of mostly between one and three months; therefore, there are no minimum non-cancellable lease payments under the leases currently in force.

There were no contingent rents recognised as revenue at 30 June 2021 and 31 December 2020.

At 30 June 2021 the Company had received EUR 245,142.16 (EUR 166,074.83 recognised as non-current and EUR 79,067.33 recognised as current) from tenants in respect of security deposits and escrow accounts (31 December 2020: EUR 215,073.16 recognised as non-current and current), which had been placed into the corresponding Housing Institute in the amount of EUR 173,931.16 (EUR 113,608.83 recognised as non-current and EUR 60,322.33 recognised as current) (31 December 2020: EUR 146,611.16).

6. Equity and shareholders' equity

6.1. Share capital

The Company was incorporated on 30 January 2015 with a share capital of EUR 3,000, represented by 3,000 shares of EUR 1 par value each, numbered sequentially from 1 to 3,000, both inclusive, fully subscribed and paid-in by the founding sole shareholder.

On 11 February 2015, the Dutch company Barcino Management, B.V., a private limited liability company with registered office at Claude Debussylaan, 24, Amsterdam, acquired 100% of the Company's share capital owned by the founding sole shareholder through a purchase and sale transaction.

On 1 June 2015, the former sole shareholder resolved to increase the share capital of the Company by EUR 1,857,000 through the issue of 1,857,000 new shares of EUR 1 par value each. This capital increase was executed in a public deed on 8 June 2015.

On 25 January 2016, the former sole shareholder resolved to carry out a second capital increase of EUR 3,509,616 through the issue of 3,509,616 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 140,385 and was executed in a public deed on 27 January 2016. As a result of this capital increase, new shareholders joined the Company, which became a public limited liability company.

On 27 April 2016, the shareholders resolved to carry out a third capital increase of EUR 923,078 through the issue of 923,078 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 36,923 and was executed in a public deed on 28 April 2016.

On 25 July 2016, the shareholders resolved to carry out a fourth capital increase of EUR 5,937,494 through the issue of 5,937,494 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 712,499 and was executed in a public deed on 28 October 2016.

On 26 June 2017, the shareholders resolved to carry out a fifth capital increase of EUR 2,147,170 through the issue of 2,147,170 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 697,830, fully subscribed and paid-in, and was executed in a public deed on 30 June 2017.

On 6 September 2018, a sixth capital increase amounting to EUR 6,731,747 was executed in a public deed, through the issue of 6,731,747 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 3,029,286. fully subscribed and paid-in.

On 18 February 2020, a seventh capital increase amounting to EUR 847,998.44 was executed in a public deed, through the issue of 451,063 new shares of EUR 1 par value each. This capital increase was performed with a share premium of EUR 396,935.44, fully subscribed and paid-in.

On 29 January 2021, an eighth capital increase amounting to EUR 4,297,715.90 was executed in a public deed through the conversion of loans and the issue of 2,963,942 new shares of EUR 1 par value each and a share premium of EUR 1,333,773.90. fully subscribed and paid-in.

At 30 June 2021 and 31 December 2020 the share capital of the Company was EUR 24,524,110 and EUR 21,560,168, respectively. At 30 June 2021 it was represented by 24,524,110 shares (31 December 2020: 21,560,168 shares) with a par value of EUR 1 each, all of the same class, fully subscribed and paid-in. The share premium amounted to EUR 6,347,632.78 (31 December 2020: 5,013,858.88).

At 30 June 2021 and 31 December 2020, the only company that owned 10% or more of the Company's share capital was Barcino Management, B.V., with an ownership interest of 40.99% (31 December 2019: 41.74%).

The Company's shares have been trading in the BME Growth segment of BME MTF Equity since 27 December 2017.

6.2. Legal and other reserves

Under the Spanish Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can only be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Under Spanish Real Estate Investment Trusts (REIT) Law 11/2009, the legal reserve of companies that have chosen to avail themselves of the special tax regime established in that Law must not exceed 20% of the share capital. The bylaws of these companies cannot provide otherwise.

At 30 June 2021 and 31 December 2020, the legal reserve had not reached the legally required minimum.

6.3 Treasury shares

At 30 June 2021 and 31 December 2020, the Company held the following treasury shares:

30 June 2021

	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (euros)
Treasury shares at 30 June 2021	56,352	56,352	1.375	77,473.66

31 December 2020

	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (euros)
Treasury shares at 31 December 2020	50,102	50,102	1.347	67,473.66

7. Current and non-current financial liabilities

The carrying amount of each category of financial instruments established under the accounting and measurement criteria applied to “Financial instruments”, without considering cash, is as follows:

Financial liabilities at amortised cost	Euros			
	Current		Non-current	
	30/06/2021	31/12/2020	30/06/2021	31/12/2020
Bank borrowings	1,167,990.18	1,268,968.18	14,497,569.81	14,523,133.54
Other financial liabilities	3,414,590.32	6,938,930.60	178,052.83	953,049.48
Total	**4,582,580.50**	**8,207,898.78**	**14,675,622.64**	**15,476,183.02**

“Bank borrowings” reflects the outstanding amount under the mortgage loans, net of debt arrangement expenses. At 30 June 2021 the debt arrangement expenses recognised in the Company’s balance sheet totalled EUR 414,828.28 (31 December 2020: EUR 429,610.71).

7.1. Non-current and current bank borrowings

The detail of “Bank borrowings” at 30 June 2021 and 31 December 2020 is as follows:

30 June 2021

	Euros	
	Current	Non-current
Bank borrowings:		
- Mortgage loans	1,167,990.18	14,912,398.09
- Debt arrangement expenses	-	((414,828.28))
Total	**1,167,990.18**	**14,497,569.81**

31 December 2020

	Euros	
	Current	Non-current
Bank borrowings:		
- Mortgage loans	1,268,398.18	14,952,744.25
- Debt arrangement expenses	-	(429,610.71)
Total	**1,268,398.18**	**14,523,133.54**

The detail, by maturity, of the items which form part of total bank borrowings at 30 June 2021 and 31 December 2020 is as follows:

30 June 2021

	Euros					
	Current	2022	2023	2024	2025 and after	Total non-current
Mortgage loans	1,167,990.18	1,316,197.35	1,522,698.58	1,590,903.56	10,482,598.60	14,912,398.09
Total	**1,167,990.18**	**1,316,197.35**	**1,522,698.58**	**1,590,903.56**	**10,482,598.60**	**14,912,398.09**

31 December 2020

	Euros					
	Current	2021	2022	2023	2024 and after	Total non-current
Mortgage loans	1,268,398.18	1,435,041.76	1,525,517.30	1,553,470.41	10,438,714.78	14,952,744.25
Total	**1,268,398.18**	**1,435,041.76**	**1,525,517.30**	**1,553,470.41**	**10,438,714.78**	**14,952,744.25**

The Company's loans were arranged under market conditions and, therefore, the fair value of the borrowings does not differ from their carrying amount at 30 June 2021.

During the first half of 2021 the Company signed the novation of three Government-guaranteed loans (ICO facilities) granted in response to COVID-19, thereby extending the grace period by 12 months for all three loans and by two additional years in total for two of them. Regarding the loan without Government guarantee, the grace period was extended by 12 months and the repayment term by one year. Also a new loan was formalised under the ICO Investment guarantee facility for a total nominal amount of EUR 400,000.

The average interest rate on bank borrowings at 30 June 2021 and 31 December 2020 was 2%.

The aforementioned mortgage loans are secured by a mortgage on certain properties owned by the Company and described in Note 4.

7.2. Other financial liabilities

The line items "Other non-current financial liabilities" and "Other current financial liabilities" at 30 June 2021 and 31 December 2020 encompass mainly the following:

- The portion of exit fee accrued with the Manager as per the Management Agreement (Notes 1 and 10.2) amounting to EUR 11,978 (31 December 2020: EUR 11,978) and recognised as non-current.

- The full settlement of the previous management agreement, which accrues a 3% interest p.a. and matures on 4 May 2022, amounting to EUR 792,991.65 at 30 June 2021 and 31 December 2020 and recognised under "Other non-current financial liabilities" at 31 December 2020 and under "Other current financial liabilities" at 30 June 2021 (Note 13).

- This line item also includes the long-term security deposits amounting to EUR 166,074.83 at 30 June 2021 (31 December 2020: EUR 148,079.83).

- The heading "Other current financial liabilities" at 30 June 2021 includes a loan with the company Soverino BCN Investments, S.L. amounting to EUR 2,544,000 (31 December 2020: EUR 2,544,000) resulting from the purchase of Asset 15 on 12 December 2019 (Note 5), which matures in its entirety on 12 December 2021 and accrues interest at 8% the first year and at 9% the second year (Note 13).

- Short-term security deposits amounting to EUR 79,067.33 (31 December 2020: EUR 66,993.33) (Note 6).

- At 31 December 2020 the heading "Other current financial liabilities" included EUR 4,297,721.60 on account of loans from shareholders that were capitalised on 29 January 2021 (Note 6.1).

7.3. Financial risk factors

The Company's activities are exposed to various financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the uncertainty in the financial markets and seeks to minimise the potential adverse effects on the Company's financial profitability.

a) Market risk

The Company has specific measures in place that it plans to adopt in order to minimise the potential impact that the current situation in the property sector might have on its financial position. All investments are based on a prior detailed analysis of the profitability of the asset at short and long term. This analysis takes into consideration the economic and financial context in which the activity is carried out.

Once the asset has been acquired, the market variables are monitored (occupancy level, profitability, net operating income) and the appropriate decisions are made on an ongoing basis.

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on the financial profit or loss and consolidated cash flows. However, the Company's Board of Directors considers that the impact would not be significant.

b) Credit risk

Credit risk is the risk of financial loss faced by the Company, if a customer or counterparty does not meet its contractual obligations. The Company does not have material credit risk concentrations. Also, the Company holds its cash and cash equivalents at banks with high credit ratings.

c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk prudently, borrowing only from banks with high credit ratings.

Other risks

Tax risk

The Company has availed itself of the special tax regime for Real Estate Investment Trusts (REITs), pursuant to Article 6 of Law 11/2009, of 26 October 2009, amended by Law 16/2012, of 27 December. Companies that have opted for the special tax regime are required to comply with the tax and legal obligations described in Note 1, including the obligation to distribute the profit for the year to shareholders in the form of dividends, once the related corporate law obligations have been met. The distribution must be approved within six months after each year-end and paid in the month following the distribution resolution date. Companies that apply this special regime must comply with other obligations that require estimates and judgements to be made by the directors (determination of taxable profit or tax loss, income test, asset test, etc.) which might involve a certain degree of complexity, above all when taking into consideration the fact that the REIT regime is relatively recent and it has been implemented mainly on the basis of rulings by the Spanish Directorate-General of Taxes in response to requests for rulings submitted by various companies. In the event of non-compliance with any of the conditions, the Company would be taxed under the standard regime, if that deficiency were not remedied in the year following the non-compliance. As detailed in Note 1, the Company is fulfilling all the obligations established under the REIT regime.

8. Tax matters

8.1. Current tax receivables and payables

The breakdown of the current balances with public authorities at 30 June 2021 and 31 December 2020 is as follows:

	Euros			
	30/06/2021		31/12/2020	
	Tax receivables	Tax payables	Tax receivables	Tax payables
VAT refundable	191,810.64		192,954.70	-
Income tax refundable	23.06		78,218.66	-
Withholdings and prepayments refundable	4.70	-	-	-
Personal income tax withholdings payable		23,069.05	-	27,528.02
Accrued social security taxes payable		6,626.52	-	5,006.25
Total	**191,838.40**	**29,695.57**	**271,173.36**	**32,534.27**

The revenue from the rental of residential buildings is exempt from VAT. The Company recognises the VAT relating to the expenses associated with the aforementioned rent revenue as an increase in operating expenses. In addition, the Company deducts all VAT relating to expenses associated with revenue from non-exempt activities. In the case of general expenses not associated with a specific activity, the Company opted to apply the VAT special deductible proportion rule, where the provisional percentage of non-deductible VAT on its activities is 58%.

8.2. Income tax

30 June 2021

	Euros		
	Increases	Decreases	Total
Accounting loss before tax			(772,130.61)
Permanent differences			
Temporary differences	-	-	-
Tax loss		**-**	**(772,130.61)**
Tax charge at 0%			**-**
Total income/(expense) recognised in profit or loss			**-**

31 December 2020

	Euros		
	Increases	Decreases	Total
Accounting loss before tax			(1,470,739.10)
Permanent differences	267.09		267.09
Temporary differences	-	-	-
Tax loss	267.09	**-**	**(1,470,469.01)**
Tax charge at 0%			**-**
Total income/(expense) recognised in profit or loss			**-**

Since the Company availed itself of the REIT regime (tax rate of 0%), no deferred tax assets were recognised. Also, during the first half of 2021 the Company was subject to withholdings of EUR 4.70 (2020: EUR 23.06).

8.3. Years open for review and tax audits

Under current legislation, taxes cannot be deemed to be definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 30 June 2021 the Company had all years since 2016 open for review for the corporate income tax, and since 2017 for all other applicable taxes. The Company's directors, who are in turn advised by tax experts, consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying interim financial statements.

9. Revenue and expenses

9.1. Revenue

The breakdown of net revenue by line of business at 30 June 2021 and 2020 is as follows:

Activities	Euros	
	Jun-21	Jun-20
Residential buildings	584,719.39	464,234.82
Non-residential buildings (offices and commercial premises)	198,644.78	194,786.86
Total	**783,364.17**	**659,021.68**

At 30 June 2021 rental income was earned fully in Spain in different locations in Barcelona, in the amount of EUR 724,501.91 (30 June 2020: EUR 614,083.47), and in L'Hospitalet de Llobregat in the amount of EUR 58,862.26 (30 June 2020: EUR 44,938.21).

9.2. Employee benefit costs

The detail of "Employee benefit costs" at 30 June 2021 and 2020 is as follows:

	Euros	
	Jun-21	Jun-20
Social Security paid by the Company	11,213.14	9,804.06
Total	**11,213.14**	**9,804.06**

9.3. Other operating expenses

The breakdown of the items "External services", "Taxes", "Impairment losses" and "Other current operating expenses" in the accompanying interim statement of profit or loss at 30 June 2021 and 2020 is as follows:

	Euros	
	Jun-21	Jun-20
Rent and royalties	2,535.96	768.84
Repair and upkeep costs	43,868.53	45,021.47
Independent professional services	660,316.90	693,745.66
Insurance premiums	18,334.62	18,369.89
Banking and similar services	472.11	692.07
Advertising, publicity and public relations	871.20	217.80
Utilities	57,277.28	43,329.76
Other expenses	42,296.98	53,160.67
Taxes other than income tax	40,413.32	40,944.18
Losses, impairment and changes in trade provisions	4,530.42	2,671.49
Other current operating expenses	6,027.25	10,800.10
Total	**876,944.57**	**909,721.93**

The heading "Independent professional services" includes the compensation accrued by the Manager until 30 June 2021 amounting to EUR 431,143.64 (30 June 2020: EUR 543,657.99) (Notes 1 and 10.2).

10. Related party transactions and balances

10.1. Remuneration and other benefits of directors and senior executives

During the six-month period ended 30 June 2021 and 2020 gross remuneration earned by the Company's directors totalled EUR 13,000.08 and EUR 13,000.08, respectively. No credits, advance payments, guarantees, fund benefits or pension plans were granted to the Company's directors either.

The remuneration earned by the Manager, which discharges Senior Management functions, during the six-month period ended 30 June 2021 and 2020 totalled EUR 431,143.64 and EUR 440,438, respectively (Notes 1 and 10.2).

At the closing of the six-month period ended 30 June 2021 and at 31 December 2020, the Company's directors were three men.

During the six-month period ended 30 June 2021, the directors' third-party liability insurance paid totalled EUR 1,395.40 (2020: EUR 1,390.27).

10.2. Related-party transactions

a) Related-party transactions

The detail of the transactions with related parties during the six-month period ended 30 June 2021 and 30 June 2020 is as follows:

30 June 2021

	Euros (*)
	Services received and other
Vistalegre Property Management, S.L.	431,143.64
	431,143.64

(*) Including non-recoverable VAT in the invoices received.

30 June 2020

	Euros (*)
	Services received and other
Vistalegre Property Management, S.L.	543,657.99
	543,657.99

(*) Including non-recoverable VAT in the invoices received.

The Company signed a management agreement with Vistalegre Property Management, S.L., as disclosed in Note 1 to these interim financial statements. At 30 June 2021 the total amount accrued was EUR 431,143.64 on account of management fee. At 30 June 2020 the total amount was EUR 543,657.99, of which EUR 440,438 were on account of management fee and EUR 103,219.99 of performance fee, as per the aforementioned agreement novation, retroactively effective to 1 January 2019.

Such remuneration paid to the Manager was recognised under "Outside services" in the accompanying statement of profit or loss.

b) Related party balances

The detail of the transactions with related parties at 30 June 2021 and 31 December 2020 is as follows:

30 June 2021

	Euros		
	Other current financial liabilities	Other non-current financial liabilities	Sundry accounts payable
Vistalegre Property Management, S.L.	792,991.65	11,978.00	-
	792,991.65	**11,978.00**	**-**

31 December 2020

	Euros		
	Other current financial liabilities	Other non-current financial liabilities	Sundry accounts payable
Vistalegre Property Management, S.L.	12,723.28	804,969.65	-
	12,723.28	**804,969.65**	**-**

The balance of "Other non-current financial liabilities" at 30 June 2021 includes EUR 11,978 on account of the exit fee provision recognised in 2020. In turn, the balance of "Other current financial liabilities" includes EUR 792,991.65 from the performance fee basket accrued in prior years and which is to be settled under the Management Agreement novation (Note 7.2).

11.1. Reporting requirements arising from REIT status, Law 11/2009, amended by Law 16/2012

The detail of the reporting requirements arising from REIT status, as per Law 11/2009, amended by Law 16/2012, is as follows:

a) Reserves from years prior to the application of the tax regime established under Law 11/2009, amended by Law 16/2012, of 27 December.

Loss of EUR 8,789.71 incurred in the eleven-month period ended 31 December 2015.

b) Reserves from years in which the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December, was applied, differentiating the portion relating to income subject to tax at 0%, 15% or 19% from the portions which, where applicable, were subject to tax at the standard rate.

Losses of EUR 1,470,736.10, EUR 999,836.14, EUR 1,632,573.02, EUR 2,853,886.59 and EUR 91,291.28 incurred in 2020, 2019, 2018, 2017 and 2016, respectively.

c) Dividends distributed with a charge to profit each year in which the tax regime set out in this Law was applied, differentiating the portion relating to income subject to tax at 0%, 15% or 19% from the portions which, where applicable, were subject to tax at the standard rate.

N/A.

d) In the case of distribution of dividends with a charge to reserves, designation of the year in which the reserve distributed in the form of dividends arose and whether they were subject to tax at 0%, 15%, 19% or the standard tax rate.

Dividends have not been paid in any year.

e) Date of the dividend payment resolution referred to in sections c) and d) above.

Dividends have not been paid with a charge to reserves in any year.

f) Date of acquisition of the properties earmarked for lease and of the investments in the share capital of entities referred to in Article 2.1 of Law 11/2009.

The detail of the properties earmarked for lease is as follows:

Property	Acquisition date	Fair value
Asset 1	12/02/2015	1,220,000
Asset 2	29/05/2015	3,690,000
Asset 3	09/03/2016	4,030,000
Asset 4	09/03/2016	4,860,000
Asset 5	16/06/2016	4,630,000
Asset 6	01/12/2016	6,680,000
Asset 7	20/12/2016	4,350,000
Asset 8	07/09/2017	4,310,000
Asset 9	28/12/2017	3,460,000
Asset 10	14/05/2018	3,820,000
Asset 11	13/09/2018	2,640,000
Asset 12	13/09/2018	3,060,000
Asset 13	04/10/2018	3,620,000
Asset 14	20/12/2018	3,110,000
Asset 15	12/12/2019	4,560,000

g) Date of acquisition of the investments in the share capital of entities referred to in Article 2.1 of Law 11/2009.

N/A.

h) Identification of the assets that are included in the calculation of the 80% to which Article 3.1 of Law 11/2009 refers.

The properties described in section f) above total EUR 39,711,979.97 in aggregate, of which EUR 35,301,037.88 are recognised under "Investment property" and EUR 4,410,942.09 under "Non-current assets held for sale" in the accompanying balance sheet, all of which represent 94% of total assets.

i) Reserves from years in which the special tax regime established in Law 11/2009 was applicable that were used in the tax period for purposes other than their distribution or to offset losses, identifying the year in which the related appropriations were made.

N/A.

12. Other disclosures

12.1. Employees

At 30 June 2021, 31 December 2020 and 30 June 2020, the average number of employees, by category, was as follows:

Categories	30/06/2021	31/12/2020	30/06/2020
Managers and university graduates	2.00	1.02	1.03
Clerical staff	3.61	2.72	2.33
Total	**5.61**	**3.73**	**3.36**

Also, at 30 June 2021, 31 December 2020 and 30 June 2020, the headcount, by professional category and gender was as follows:

Categories	30/06/2021		31/12/2020		30/06/2020	
	Men	Women	Men	Women	Men	Women
Managers and university graduates	-	1	-	1	-	1
Clerical staff	5	-	5	-	2	-
Total	**5**	**1**	**5**	**1**	**2**	**1**

At 30 June 2021, 31 December 2020 and 30 June 2020, there were no employees with a disability equal to or greater than 33%.

12.2. Amendment or termination of agreements

There has been no conclusion, amendment or early termination of any agreement between the Company and any of its shareholders or directors, or any person acting on their behalf, in relation to transactions outside the ordinary course of the Company's business operations or transactions not performed on an arm's length basis.

13. Events after the reporting period

On 1 October the Company signed an extension of the payment term of the debt held with the Manager, which will now mature on 4 May 2021 (previously, 4 May 2022).

Also, on 14 October 2021, the Company signed an attachment to the loan agreement held with the company BCN Investments S.L. whereby the six-month maturity term was extended until 12 June 2022, and which can be automatically renewed by Barcino for an additional six-month period until 12 December 2022.

From the reporting date of the interim financial statements at 30 June 2021 to the date of formal preparation of these financial statements, no other significant event occurred that made it necessary to modify the information contained in the notes thereto or which might affect the assessment of the Company by third parties (Note 2.8).

Barcelona, 15 October 2021

Barcino Property Socimi, S.A.

Issue of the interim financial statements for the period ended 30 June 2021

These interim financial statements and the notes thereto corresponding to Barcino Property Socimi, S.A. for the six-month period ended 30 June 2021 were prepared by the Board of Directors of the Company. The aforementioned interim financial statements and the notes thereto are comprised of 32 pages.

Barcelona, 15 October 2021

Mateu Turró Calvet

Francesc Ventura Teixidor

Ralph Weichelt