Orbis Properties SOCIMI, S.A.
(Sole Shareholder Company) and its subsidiaries

Independent auditor´s report
Consolidated annual accounts as of 31 December 2020
Consolidated directors' report

This version of our report 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 our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the sole shareholder of Orbis Properties SOCIMI, S.A. (Sole Shareholder Company):

Opinion

We have audited the consolidated annual accounts of Orbis Properties SOCIMI, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, and the income statement, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2020, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 4 of the notes to the consolidated annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, were considered to be the most significant risks of material misstatement in our audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

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R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Most relevant aspects of the audit	How our audit addressed the most relevant aspects of the audit
Risk of investment properties valuation As of December 31, 2020, the net book value of the investment properties amounts to EUR 245,909,060.71 according to the accompanying consolidated balance sheet. The Group values its investment properties at their acquisition cost less the corresponding accumulated depreciation and any impairment losses that they may have experienced, as provided in notes 5.3 and 7 of the accompanying notes to the consolidated annual accounts. To estimate the recoverable value of investment properties, the Group's management uses valuations carried out by an independent expert. As disclosed in the aforementioned note 7 of the accompanying notes to the consolidated annual accounts, in 2020 the Group has booked an impairment charge on its investment properties to the consolidated income statement for an amount of EUR 7,999,977.88. We consider the valuation of investment properties as the most relevant aspect of the audit due to the magnitude of this financial statement line and its significance in relation to the consolidated annual accounts taken as a whole, the importance of the judgments and estimates that the valuations entail and the existence, therefore, of an inherent risk associated with the valuation of investment properties.	Regarding the potential impairment losses, we have evaluated, as part of our audit procedures, the Group's policy for the impairment of its investment properties. We have obtained the valuations carried out by the independent expert hired by the Group's management, on which we have performed, among others, the following procedures: • Evaluation of the competence, capacity and independence of the expert by obtaining confirmation and checking its recognized prestige. • Evaluation and analysis of the methodology used by the independent expert in the valuations performed. • Performance of selective tests to check the accuracy of the most relevant data provided by the Group's management to the valuation expert. • Evaluation of the main assumptions used in the valuations, contrasting the consistency of the estimations taking into account market conditions as of the valuation date. Additionally, we have evaluated the sufficiency of the related information disclosed in the consolidated annual accounts. The results of the procedures carried out have made it possible to reasonably achieve the audit objectives for which these procedures were designed, and we consider reasonable the valuation assessment on investment properties performed by the Group's management.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2020 financial year, the formulation of which is the responsibility of the Parent company’s directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to evaluate and report on the consistency between the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of the consolidated management report is 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.

On the basis of the work performed, as described in the previous paragraph, the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2020 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibility of the Parent company's directors for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned determine necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor´s report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the directors of the Parent company, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and are, therefore, considered to be the most significant risks.

We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

PricewaterhouseCoopers Auditores, S.L. (S0242)

José Manuel Del Rio López (22875)

30 June 2021

ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company)
and subsidiaries

Consolidated Financial Statements and Consolidated Directors' Report for the year ended 31 December 2020

CONSOLIDATED BALANCE SHEET AT YEAR-END 2020

(Expressed in euros)

ASSETS	Notes	2020	2019
A) NON-CURRENT ASSETS		**247,626,699.74**	**273,723,086.31**
Intangible assets.	6	4,907.29	11,574.01
Investment properties.	7	245,909,060.71	272,040,120.86
Long-term financial investments.	8	1,712,731.74	1,671,391.44
B) CURRENT ASSETS		**13,915,475.85**	**6,798,493.75**
Trade and other receivables.		1,646,777.54	1,209,316.91
Trade receivables for sales and services.	8	352,016.95	97,009.31
Other receivables.	8	1,240,072.30	1,101,724.97
Other receivables from Public Authorities	11	54,688.29	10,582.63
Short-term accruals.	8	485,751.47	308,699.29
Cash and cash equivalents.	8	11,782,946.84	5,280,477.55
TOTAL ASSETS (A+B)		**261,542,175.59**	**280,521,580.06**

EQUITY AND LIABILITIES	Notes	2020	2019
A) EQUITY		**51,309,882.43**	**58,801,427.15**
Shareholders' equity.	9	51,309,882.43	58,801,427.15
Share capital.		5,000,000.00	3,000.00
Issued capital.		5,000,000.00	3,000.00
Reserves and losses from previous periods.		(17,600,012.39)	(8,358,120.85)
Other shareholders' contributions.		72,049,539.00	76,396,539.00
Profit/loss for the year attributed to the Parent Company.		(8,139,644.18)	(9,239,991.00)
B) NON-CURRENT LIABILITIES		**189,861,070.84**	**208,625,092.20**
Long-term payables.	10	147,383,036.85	166,147,058.20
Bank borrowings.		141,411,480.96	160,646,373.98
Other financial liabilities.		5,971,555.89	5,500,684.22
Long-term payables to group companies and associates.	10	42,478,033.99	42,478,034.00
C) CURRENT LIABILITIES		**20,371,222.32**	**13,095,060.71**
Short-term payables.	10	7,302,976.96	4,821,154.11
Bank borrowings.		7,267,539.13	4,739,832.64
Other financial liabilities.		35,437.83	81,321.47
Short-term payables to Group companies and associates.	10	9,544,841.01	6,350,260.11
Trade and other payables.		3,523,404.35	1,820,769.00
Payable to suppliers.	10	2,186,264.88	1,410,353.76
Other payables.	10	15,218.08	131,361.43
Other accounts payable to Public Authorities	11	1,321,921.39	279,053.81
Short-term accruals.	8	-	102,877.49
TOTAL EQUITY AND LIABILITIES (A+B+C)		**261,542,175.59**	**280,521,580.06**

The Company's Consolidated Financial Statements, which form a single unit, comprise this Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying 23 Notes to the Financial Statements.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in euros)

A) CONTINUING OPERATIONS	Notes	2020	2019
Net revenue.	13	**13,899,229.16**	**15,351,236.18**
Services rendered.		13,899,229.16	15,351,236.18
Other operating income.		**3,093.44**	**-**
None-core and other current management income.		3,093.44	-
Other operating expenses.	13	**(8,500,996.05)**	**(7,964,823.96)**
Other current management expenses.		(8,500,996.05)	(7,964,823.96)
Depreciation of fixed assets.	6, 7	**(3,003,340.14)**	**(3,190,879.80)**
Impairment and profit/loss from disposal of fixed assets.		**(3,125,309.39)**	**(5,385,387.86)**
Impairment and losses.	7	(7,999,977.88)	(5,385,387.86)
Profit(loss) and other	7	4,874,668.49	-
Other profit/loss	13	**555,950.23**	**1,019,571.11**
A.1) PROFIT/LOSS FROM OPERATIONS		**(171,372.75)**	**(170,284.33)**
Finance costs.	13	**(6,936,837.06)**	**(7,286,976.03)**
Fair value variation in financial instruments.	13	**(116,773.28)**	**(1,782,640.08)**
Trade portfolio and others.		(116,773.28)	(1,782,640.08)
Exchange rate differences.	13	**(196.41)**	**(90.56)**
A.2) FINANCIAL PROFIT/LOSS		**(7,053,806.75)**	**(9,069,706.67)**
A.3) PROFIT/LOSS BEFORE TAX		**(7,225,179.50)**	**(9,239,991.00)**
Income tax	12	**(914,464.68)**	**-**
A.4) PROFIT/LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(8,139,644.18)**	**(9,239,991.00)**
A.5) CONSOLIDATED PROFIT/LOSS FOR THE YEAR		**(8,139,644.18)**	**(9,239,991.00)**
Profit/loss attributed to the Parent Company	9	**(8,139,644.18)**	**(9,239,991.00)**
Profit/loss attributed to external shareholders		**-**	**-**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in euros)

A. CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2020

		Notes	31/12/2020	31/12/2019
A)	**PROFIT/LOSS PER INCOME STATEMENT**	**9**	**(8,139,644.18)**	**(8,360,771.65)**
	Income and expense recognised directly in equity		-	-
B)	**TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY**		**-**	**-**
	Transfers to the income statement		-	-
C)	**TOTAL TRANSFERS TO THE INCOME STATEMENT**		**-**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE		**9**	**(8,139,644.18)**	**(9,239,991.00)**

The Company's Consolidated Financial Statements, which form a single unit, comprise this Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying 23 Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in euros)

B. CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

		Share capital	Reserves and profit/loss from previous periods	Other shareholders' contributions	Profit (loss) for the year attributed to the Parent Company	Total
A.	**BALANCE AT END OF 2018**	**3,000.00**	**-**	**76,396,539.00**	**(8,360,771.65)**	**68,038,767.35**
II	Adjustments due to errors in 2018 and prior periods.	-	-	-	2,650.80	2,650.80
B.	**ADJUSTED BALANCE AT BEGINNING OF 2019**	**3,000.00**	**-**	**76,396,539.00**	**(8,358,120.85)**	**68,041,418.15**
I.	Total consolidated recognised income and expense.	-	-	-	(9,239,991.00)	(9,239,991.00)
II	Other changes in equity.	-	(8,358,120.85)	-	8,358,120.85	-
C.	**BALANCE AT END OF 2019**	**3,000.00**	**(8,358,120.85)**	**76,396,539.00**	**(9,239,991.00)**	**58,801,427.15**
D.	**ADJUSTED BALANCE AT BEGINNING OF 2020**	**3,000.00**	**(8,358,120.85)**	**76,396,539.00**	**(9,239,991.00)**	**58,801,427.15**
I.	Total consolidated recognised income and expense.	-	-	-	(8,139,644.18)	(8,139,644.18)
II	Transactions with equity holders or owners.	4,997,000.00	(1,900.54)	(4,347,000.00)	-	648,099.46
7.	*Other transactions with shareholders or owners.*	*4,997,000.00*	*(1,900.54)*	*(4,347,000.00)*	-	*648,099.46*
II	Other changes in equity.	-	(9,239,991.00)	-	9,239,991.00	-
E.	**BALANCE AT END OF 2020**	**5,000,000.00**	**(17,600,012.39)**	**72,049,539.00**	**(8,139,644.18)**	**51,309,882.43**

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

(Expressed in euros)

	Notes	2020	2019
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the year before tax.		**(7,225,179.50)**	**(9,239,991.00)**
Profit/loss adjustments.		**13,182,456.28**	**17,645,974.33**
Depreciation of fixed assets	6 and 7	3,003,340.14	3,190,879.80
Impairment losses	7	7,999,977.88	5,385,387.86
Gains (losses) on derecognition and disposal of non-current assets	7 and 13	(4,874,668.49)	-
Finance costs	13	6,936,837.06	7,286,976.03
Exchange rate differences	13	196.41	90.56
Fair value variation in financial instruments	13	116,773.28	1,782,640.08
Changes in working capital.		**86,194.86**	**(656,748.07)**
Trade and other receivables		(437,460.63)	(750,008.30)
Other current assets		(177,052.18)	(218,183.09)
Trade and other payables		803,585.16	208,565.83
Other current liabilities		(102,877.49)	102,877.49
Other cash flows from operating activities.		**(1,816,505.61)**	**(2,757,828.39)**
Interest payments		(1,816,505.61)	(2,757,828.39)
Other cash flows from operating activities.		**4,226,966.03**	**4,991,406.87**
B) CASH FLOWS FROM INVESTMENTS			
Payments for investments.		**(1,983,196.52)**	**(1,855,755.19)**
Investment properties.	7	(1,941,856.22)	(1,806,777.45)
Other financial assets.		(41,340.30)	(48,977.74)
Proceeds from divestments		**21,950,933.56**	**-**
Investment properties.		21,950,933.56	-
Other cash flows from investments.		**19,967,737.04**	**(1,855,755.19)**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Maturity dates and payments for equity instruments.		**648,099.46**	**-**
a) Issue of equity instruments	9	648,099.46	-
Proceeds and payments relating to financial liability instruments.		**(18,340,333.24)**	**(2,672,419.49)**
a) Issue	10	-	13,137.13
Payables to group companies		-	2,877.80
Other borrowings		-	10,259.33
b) Repayment and depreciation of	10	(18,340,333.24)	(2,685,556.62)
Bank borrowings		(17,915,345.21)	(2,550,000.00)
Other borrowings		(424,988.03)	(135,556.62)
Cash flows from financing activities.		**(17,692,233.78)**	**(2,672,419.49)**
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**-**	**-**
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**6,502,469.29**	**463,232.19**
Cash and cash equivalents at beginning of year.		5,280,477.55	4,817,245.36
Cash and cash equivalents at end of year.		11,782,946.84	5,280,477.55

The Company's Consolidated Financial Statements, which form a single unit, comprise this Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the accompanying 23 Notes to the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2020

(Expressed in euros)

1. GENERAL INFORMATION ON THE COMPANY

The company ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company) (formerly, Newsoms Invest, S.L.) (hereinafter, the "Company" or the "Parent Company") was incorporated as a limited liability company in Spain for an indefinite term on 5 July 2018 before the notary public of Madrid, Francisco Javier Piera Rodríguez, under number 2,939 of his register. The Company is registered with the Commercial Registry of Madrid in volume 37,755, folio 196 and page M-672592. It holds Tax ID number B88149810. Its registered office is at C/Príncipe de Vergara 112, 28002, Madrid.

On incorporation, the shareholders of the Company, TMF PARTICIPATIONS HOLDING (SPAIN), S.L. and TMF SOCIEDAD DE PARTICIPACIÓN, S.L., contributed 3,000.00 euros.

On 7 August 2018, the Company was acquired by EPISO 4 REBOUND HOLDING, S.À.R.L., incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 1 Allée Scheffer, L-2520, city of Luxembourg, under number B-199106. Said company holds National Tax ID number N0186570H.

On 7 August 2018, the Company was declared a single-member company, which was registered in the Commercial Registry of Madrid on 29 August 2018.

On 19 September 2018, the Sole Shareholder decided to subject the Parent Company and its subsidiaries (see Note 3) to the regime regulated by Law 11/2009 of 26 October, which regulates Listed Real-Estate Market Investment Companies ("SOCIMI"), with effect from the incorporation of each company.

On 19 September 2018, the Sole Shareholder of the Company decided to amend the business purpose of the Company, so that it would henceforth have the following wording:

- Acquisition and development of urban-based immovable assets for lease.

- Holding equity interests in listed investment companies on the real-estate market (“SOCIMI”) or in entities that have not been incorporated in Spanish territory but that have the same corporate purpose as them and that are subject to a similar system as that established for SOCIMI as regards the compulsory, legal and statutory policy of profit distribution.

- Holding equity interests in other companies, whether residents or otherwise in Spanish territory, whose main corporate purpose is to acquire urban-based immovable assets for lease and who are subject to the system established for SOCIMI as regards the compulsory, legal and statutory policy of profit distribution and who meet the investment requisites under Article 3 of the Law on SOCIMI.

- holding shares or equity interests of Collective Real-estate Investment Institutions regulated under Law 35/2003 of 4 November on Collective Investment Institutions or any legislation that replaces it in the future;

- Undertaking other non-core activities to those referred to above, which shall be understood to be activities whose income represents, in total, less than 20 per cent of the Company's income in each tax period and those considered as such under the applicable law in force.

- The activities comprising the corporate purpose may be carried out indirectly, either totally or partially, by holding interests in other Companies with the same or similar purpose.

By means of a public deed dated 19 September 2018, executed before the notary public of Madrid, Francisco Javier Piera Rodríguez, under number 4,041 in his register, the Parent Company changed its dividend distribution regime in order to adapt its dividend distribution policy to the requirements of Law 11/2009 of 26 October, which regulates Listed Real-Estate Market Investment Companies (SOCIMI).

The State Tax Administration Authority was notified of this in a letter dated 28 September 2018.

On 3 April 2020, by virtue of public instrument number 1372 as entered in the register of Notary Antonio de la Esperanza Rodríguez, in accordance with the resolution by the Sole Shareholder dated 26 March 2020, the share capital of the Parent Company was increased by 4,997,000.00 euros through the issuance of 4,997,000 new share units with a par value of 1 euro each, consecutively numbered from 3,001 to 5,000,000, which are fully subscribed and paid against reserves (other shareholders' contributions) for the purpose of complying with the terms of the SOCIMI regime (Note 2).

Moreover, on 3 April 2020, in accordance with the decision of the Sole Shareholder of the Parent Company, dated 26 March 2020, the Company was transformed into a public limited company, converting its equity interests into shares and changing its name, through a public instrument executed before Notary Antonio de la Esperanza Rodríguez, under register number 1373. Consequently, the Company's name changed from Newsoms Invest, S.L. to Orbis Properties SOCIMI, S.A., having obtained the mandatory independent expert's report issued on 26 March 2020.

At 31 December 2020, the Parent Company was managed by a Board of Directors, consisting of the following members (hereinafter, the current "Board of Directors"):

Chairman	*Mr Yves Barthels*
Director	*Ms Anne-Julie Bellaize*
Director	*Mr Jean-Philippe Jean Jacques Blangy*

The Parent Company files its separate financial statements with the Commercial Registry of Madrid, and, together with its subsidiaries, they form the group ORBIS PROPERTIES (hereinafter, the "Group").

The Group ORBIS PROPERTIES and subsidiaries was created on 7 August 2018 as a result of the acquisition on that date by the Parent Company of the subsidiaries indicated in Note 3.

The Parent Company, through its sole shareholder, EPISO 4 Rebound Holding S.à r.l., belongs to the group EPISO 4 Luxembourg Holding S.à r.l., a company based in Luxembourg. The Luxembourg company, in turn, belongs to a group of investors called European Property Investors Special Opportunities 4 LP, located in the United Kingdom.

The currency commonly used in the main markets in which Orbis Properties Group operates is the euro, which is, consequently, its functional currency. All the sums included in these notes are stated in euros, unless otherwise expressly indicated.

The Group's business is mainly concentrated in the real-estate sector, specifically in the acquisition and development of urban property for lease. The development activity includes the refurbishment of buildings under the terms established in Law 37/1992 of 28 December on Value Added Tax. The business of the Company and its subsidiaries covers only Spanish territory.

In line with the disclosures made in Note 18, and given the business activity of the companies in the Group, they do not have any environmental liabilities, expenses, assets, provisions or contingencies that may be significant with respect to their net worth, financial position and results. Therefore, no specific breakdowns relating to environmental issues are included in these notes.

At 31 December 2020, ORBIS PROPERTIES SOCIMI, S.A. was listed on Euronext Paris under ISIN ES0105490009, having been admitted to trading on 30 July 2020.

2. SOCIMI REGIME

The Parent Company and its five subsidiaries are regulated by Law 11/2009 of 26 October, amended by Law 16/2012 of 27 December, which regulates Listed Real-Estate Market Investment Companies ("LSOCIMI"). These companies have a special tax regime and they have to comply, among others, with the following obligations:

1. Corporate purpose obligation: Their main corporate purpose must entail the equity interests of urban real estate for lease or the owning of shares in other SOCIMI or companies with a similar corporate purpose and with the same dividend distribution regime, as well as Collective Investment Institutions.

2. Investment obligation:
    - They must invest 80% of the assets in real estate intended for lease, in land for the development of real estate that is to be used for this purpose, provided that the development begins within three years of its acquisition, and in shares in the capital of other entities with a corporate purpose similar to that of SOCIMI.

    - This percentage will be calculated on the consolidated balance sheet if the Company is the parent of a group, pursuant to the criteria established in Article 42 of the Code of Commerce, regardless of the residency and the obligation to prepare consolidated financial statements. Said group will be composed exclusively of SOCIMI and the rest of the entities referred to in Section 1 of Article 2 of Law 11/2009.

    - The option exists to replace the book value of the assets with their market value or to calculate the cash flow/credit rights arising from the transfer of these assets, provided that the maximum reinvestment periods established are exceeded.

    - In addition, 80% of its income must come from income corresponding to (i) the leasing of real estate; and (ii) dividends from equity interests. This percentage will be calculated on the consolidated balance sheet if the Company is the parent of a group, pursuant to the criteria established in Article 42 of the Code of Commerce, regardless of the residency and the obligation to prepare consolidated financial statements. Said group will be composed exclusively of SOCIMI and the rest of the entities referred to in Section 1 of Article 2 of Law 11/2009.

    - The real estate must remain leased for at least three years (up to one year of the period offered for lease may be added to the calculation). The equity interests must remain in the assets for at least three years.

3. Business obligation in the regulated market or multilateral trading system. The shares of SOCIMI must be admitted to trading on a Spanish regulated market or in a Spanish multilateral trading system or in any corresponding to another EU or EEA Member State, or on a regulated market in any country or territory with which there is an effective, uninterrupted exchange of tax information throughout the tax period. Shares must be registered.

4. Profit distribution obligation. Companies must distribute as dividends, once the business requisites have been met:
   - 100% of the profits from dividends or equity interests in profits distributed by the entities referred to in Section 1 of Article 2 of Law 11/2009.

   - At least 50% of the profits derived from the transfer of real estate and shares or equity interests referred to in Section 1 of Article 2 of Law 11/2009, carried out once the minimum holding periods have elapsed, in order to comply with its main corporate purpose. The rest of these profits must be reinvested in other real estate or equity interests relating to this purpose within three years from the date of transfer.

   - At least 80% of the rest of the profits obtained. When dividends are distributed from reserves arising from the profits of a reporting period in which the special tax regime has been applied, they must be distributed in the manner described above.

5. Information obligation: the SOCIMI must include in the notes to their financial statements the information required by the tax regulations governing the special regime for SOCIMI (see Note 12).

6. Minimum capital: The minimum share capital is set at 5 million euros.

The option to apply the special tax regime under the terms set out in Article 8 of the Law may be exercised even if the requirements set out in the Law are not met, provided they are met within two years from the date of applying the regime.

Failure to comply with any of the conditions above would result in Orbis Properties Group being subject to the general Corporate Tax regime as from the tax period in which such non-compliance is declared, unless it is rectified in the following period. In addition, Orbis Properties Group would be obliged to pay, together with the amount due for that tax period, the difference between the amount due for the tax resulting from the application of the general regime and the amount paid resulting from the application of the special tax regime in previous tax periods, without prejudice to any late-payment interest, surcharges and penalties that may be applicable.

The income tax rate for REITs was set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with an equity interest percentage of over 5%, are exempt or taxed at a rate lower than 10%, the SOCIMI will be subject to a special tax of 19%, which will be considered as a tax on the amount of the dividend distributed to the shareholders. If applicable, this special tax must be paid by the SOCIMI within two months from the date of the dividend distribution.

At 31 December 2020 ORBIS PROPERTIES SOCIMI, S.A. was listed on Euronext, Paris, under ISIN ES0105490009, having been admitted to trading on 30 July 2020.

3. SUBSIDIARIES AND CHANGE IN THE SCOPE OF CONSOLIDATION

Subsidiaries are all entities, including special-purpose entities, over which the Group has or may have direct or indirect control, understood as the power to direct the financial and operating policies of a business in order to obtain financial benefits from their activities. When assessing whether or not the

(Expressed in euros)

Group controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

At 31 December 2020 and 31 December 2019, the subsidiaries included in the scope of consolidation, consolidated under the global integration method, and unaudited, were as follows:

31/12/2020					
Name	**Activity**	**Country**	**% in the Direct Share Capital**	**Direct Voting Right**	**Equity**
Orbis Cristalia 2&3, S.L.U.	(*)	Spain	100%	100%	16,048,611.21
Orbis Cristalia 5&6, S.L.U.	(*)	Spain	100%	100%	11,526,081.23
Orbis Foxa 29, S.L.U.	(*)	Spain	100%	100%	9,010,385.36
Orbis Jilt 6&14, S.L.U.	(*)	Spain	100%	100%	9,104,106.21
Orbis de la Vega, S.L.U.	(*)	Spain	100%	100%	5,599,852.21

31/12/2019					
Name	**Activity**	**Country**	**% in the Direct Share Capital**	**Direct Voting Right**	**Equity**
Orbis Cristalia 2&3, S.L.U.	(*)	Spain	100%	100%	18,108,023.33
Orbis Cristalia 5&6, S.L.U.	(*)	Spain	100%	100%	15,059,107.39
Orbis Foxa 29, S.L.U.	(*)	Spain	100%	100%	8,972,567.94
Orbis Jilt 6&14, S.L.U.	(*)	Spain	100%	100%	6,697,766.57
Orbis de la Vega, S.L.U.	(*)	Spain	100%	100%	10,128,998.74

(*) The main activity is the leasing of office buildings located in the Community of Madrid.

The registration data and address of the subsidiary companies are as follows:

- The company, ORBIS CRISTALIA 2&3, S.L.U., was incorporated as a limited company in Spain under the name Hartville Invest, S.L.U., for an indefinite term on 5 July 2018, with registered office currently at Principe de Vergara 112, planta primera, 28002 Madrid. The Company is registered in the Commercial Registry of Madrid in volume 37,983, folio 40 and page 676.294. Its Tax ID number is B88149729.

- The company, ORBIS CRISTALIA 5&6, S.L.U., was incorporated as a limited company in Spain under the name Peacham Invest, S.L.U., for an indefinite term on 5 July 2018, with registered office currently at Principe de Vergara 112, planta primera, 28002 Madrid. The Company is registered in the Commercial Registry of Madrid in volume 37,983, folio 70 and page 676.297. It holds Tax ID number B88149703.

- The company, ORBIS FOXA 29, S.L.U., was incorporated as a limited company in Spain under the name Stonewall Invest, S.L.U., for an indefinite term on 5 July 2018, with registered office currently at Principe de Vergara 112, planta primera, 28002 Madrid. The Company is registered with the Commercial Register of Madrid under volume 37,904, folio 160, page M-674999. It holds Tax ID number B88150735.

- The company, ORBIS JILT 6&14, S.L.U., was incorporated as a limited company in Spain under the name Saltville Invest, S.L., for an indefinite term on 5 July 2018, with registered office currently at Principe de Vergara 112, planta primera, 28002 Madrid. The Company is registered in the Commercial Registry of Madrid in volume 37,983, folio 50, Section 8, Page 676295. It holds Tax ID number B88149745.

- The company ORBIS DE LA VEGA, S.L.U. was incorporated as a limited company in Spain under the name Greybull Invest, S.L.U., for an indefinite term on 5 July 2018, with registered office currently at Príncipe de Vergara 112, planta primera, 28002 Madrid. The Company is registered in the Commercial Registry of Madrid in volume 37983, folio 60 and page 676296. It holds Tax ID number B88149794.

The main corporate purpose of the subsidiary companies is:

a. Acquisition and development of urban-based immovable assets for lease.

b. Holding equity interests in listed investment companies on the real-estate market ("SOCIMI") or in entities that have not been incorporated in Spanish territory but that have the same corporate purpose as them and that are subject to a similar system as that established for SOCIMI as regards the compulsory, legal and statutory policy of profit distribution.

c. Holding equity interests in other companies, whether residents or otherwise in Spanish territory, whose main corporate purpose is to acquire urban-based immovable assets for lease and who are subject to the system established for SOCIMI as regards the compulsory, legal and statutory policy of profit distribution and who meet the investment requisites under Article 3 of the Law on SOCIMI.

d. Holding shares or equity interests of Collective Real-estate Investment Institutions regulated under Law 35/2003 of 4 November on Collective Investment Institutions or any legislation that replaces it in the future.

e. Undertaking other non-core activities to those referred to above, which shall be understood to be activities whose income represents, in total, less than 20 per cent of the Company's income in each tax period and those considered as such under the applicable law in force.

The activities comprising the corporate purpose may be carried out indirectly, either totally or partially, by holding interests in other Companies with the same or similar purpose.

The Parent Company acquired 100% control of the subsidiaries through a share sale deed as detailed below, for a total of 15,000 euros:

- Orbis Cristalia 2&3, S.L.U., acquired on 7 August 2018 under the name of Hartville Invest, S.L., by virtue of a deed executed before the notary public, Francisco Javier Piera Rodríguez, under register number 3624.

- Orbis Cristalia 5&6, S.L.U., acquired on 7 August 2018 under the name of Peacham Invest, S.L., by virtue of a deed executed before the notary public, Francisco Javier Piera Rodríguez, under register number 3628.

- Orbis Foxa 29, S.L.U, acquired on 7 August 2018 under the name of Stonewall Invest, S.L., by virtue of a deed executed before the notary public, Francisco Javier Piera Rodríguez, under register number 3636.

- Orbis JILT6&14, S.L.U., acquired on 7 August 2018 under the name of Saltville Invest, S.L., by virtue of a deed executed before the notary public, Francisco Javier Piera Rodríguez, under register number 3632.

- Orbis de la Vega, S.L.U acquired on 7 August 2018 under the name of Greybull Invest, S.L., by virtue of a deed executed before the notary public, Francisco Javier Piera Rodríguez, under register number 3620.

These consolidated financial statements have been prepared taking into account the impact of the business combination in relation to the acquisition of control over the subsidiaries.

As in the case of the Parent Company, all the subsidiaries end their reporting period on 31 December and they are included in the consolidation.

The cases in which these companies are consolidated correspond to the situations provided for in Article 2 of the Rules for the Preparation of Consolidated Financial Statements ("NOFCAC"), which are indicated below:

1. When the Parent Company is, as regards another company (subsidiary), in any of the following situations:

a) The Parent Company holds the majority of voting rights.

b) The Parent Company has the power to appoint or dismiss the majority of the members of the governing body.

c) The Parent Company may dispose of the majority of voting rights by virtue of agreements entered into with other shareholders.

d) The Parent Company has appointed with its votes the majority of the members of the governing body, who hold their position at the time the consolidated financial statements are to be drawn up and during the two immediately preceding reporting periods. This circumstance is presumed when the majority of the members of the administrative body of the acquired company are members of the governing body or senior executives of the Parent Company or of another acquired by it.

2. When a Parent Company holds half or less of the voting rights, even when it barely owns or does not own an interest in another company, or when the management power has not been made explicit (special purpose entities), but it participates in the risks and profits of the entity, or has the capacity to participate in the operating and financial decisions of the entity.

4. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

4.1. FAIR PRESENTATION

These consolidated financial statements were prepared based on the accounting records of the companies included in the consolidation and they include the necessary adjustments and re-classifications to be consistent with the accounting criteria established by the Group in terms of time and valuation.

These consolidated financial statements are set out in accordance with current business legislation, contained in the Code of Commerce, reformed in accordance with Law 16/2007 of 4 July on the reform and adaptation of business accounting legislation for international harmonisation based on European Union regulations, Royal Decree 1514/2007 of 20 November, approving the General Accounting Plan, and Royal Decree 1159/2010 and Royal Decree 602/2016 of 17 September, approving the rules for the preparation of consolidated financial statements (NOFCAC) and subsequent amendments thereto (including Royal Decree 602/2016), in all respects not contrary to the provisions of the aforementioned business reform, in order to accurately represent the Group's equity, financial position and results, and the veracity of the cash flows included in the consolidated cash flow statement.

4.2. NON-OBLIGATORY ACCOUNTING PRINCIPLES APPLIED

All obligatory accounting principles were applied.

4.3. KEY ISSUES IN RELATION TO THE MEASUREMENT AND ESTIMATION OF UNCERTAINTY

The preparation of these consolidated financial statements requires the application of relevant accounting estimates and the undertaking of judgments, estimates and assumptions in the process of applying the Group’s accounting policies. In this regard, a summary is provided below of the aspects that have entailed a greater degree of judgement or complexity, or in which assumptions and estimates were significant, in preparing the consolidated financial statements:

- Impairment losses on investment property (see Note 5.3 and 7).

- Income tax - SOCIMI regime (see Notes 2 and 12).

Although these estimates were based on the best information available at year-end 2020, future events might make it necessary to modify these estimates (upwards or downwards) in the coming periods. Changes in accounting estimates would be applied prospectively.

At the date of preparation of these consolidated financial statements, the Parent Company's Board of Directors was not aware of the existence of any uncertainties relating to events or conditions that might cast significant doubt on the possibility of the Group continuing to operate normally.

The key assumptions about the future, as well as other relevant data on the estimation of uncertainty at 31 December 2020, which are associated with a high risk of significant changes in the value of assets or liabilities in the coming periods, are as follows:

Impairment losses on investment property (see Note 5.3 and 7).

The valuation of non-current assets, other than financial assets, requires estimates to be made in order to determine their fair value, for the purpose of assessing possible impairment, particularly of investment property. In order to determine this fair value, the Group engaged an independent expert to evaluate the investment property on the basis of an estimate of the expected future cash flows of these assets and using an appropriate discount rate to calculate their current value (see Note 7).

Income tax - SOCIMI regime (see Notes 2 and 12).

As from 28 September 2018, the Group has been subject to the regime established by Law 11/2009 of 26 October, as amended by Law 16/2012, which regulates Listed Real-Estate Market Investment Companies (SOCIMI), which in practice means that, subject to compliance with certain requirements (see Note 2), the companies comprising the Group are subject to a tax rate in relation to Corporate Tax of 0%. The Board of Directors of the Parent Company monitors compliance with the requirements established in the legislation in order to safeguard the tax benefits established. In this regard, the Board of Directors considered that these requirements were met within the established terms and deadlines, thus not recording any profit/loss on account of the Corporate Tax.

As disclosed in Note 12, due to the sale of a real estate asset before the 3-year term set out in Law 11/2009, the Group recognised an account payable to Public Authorities at the general rate of 25%, including a provision for Corporate Tax expense in the amount of 914,464.68 euros.

4.4. COMPARATIVE INFORMATION

The information contained in these consolidated financial statements is presented on a comparative basis with that of 2019.

4.5. GOING CONCERN PRINCIPLE

At 31 December 2020, the Group disclosed a loss of 8,139,644.18 euros (2019: loss of 9,239,991 euros), arising mainly from the finance costs incurred for the loans granted by its Sole Shareholder and financial institutions (see Notes 10 and 14), and from impairment of certain investment property (see Note 7). In addition, at 31 December 2020 the Group had negative working capital amounting to 6,455,746.47 (negative working capital of 6,296,566.96 euros at 31 December 2019). This is mainly due to the interest accrued on loans granted by related companies (see Note 14.1) and cash requirements for payments derived from bank borrowings (see Note 10.4). The Parent Company's ultimate shareholder, EUROPEAN PROPERTY INVESTORS SPECIAL OPPORTUNITIES 4 LP, has stated in writing that it will provide the necessary financial support to enable the Parent Company and its subsidiaries to continue operating and to meet their obligations. On its part, the support of the Parent Company's sole shareholder took the form of contributions to equity in 2020 (see Note 9), in the amounts of 100,000 euros on 29 January 2020, and 550,000 euros on 15 April.

It should also be noted that the Group had positive equity at both 31 December 2020 and 31 December 2019 and has a reduced structure, helping to mitigate risk.

Lastly, the Parent's Company's directors assessed the impact of COVID-19 on these consolidated financial statements for 2020 and concluded that it did not give rise to any adjustment (see Note 22). As part of the adopted measures, as described in the aforesaid note, the Group requested the borrowers of the debt described in Note 10 certain amendments to the financing agreement, some of which were granted. This will allow facing the potential impact of the pandemic caused by COVID-19 on the Group's profit(loss) and financial position.

As a result of the foregoing, the Parent Company's directors assessed the potential short- and medium-term impact of the aforementioned factors on the Group's business and forecasts, using various sensitivity analyses, and considered that at the date of preparation of these consolidated financial statements, the Group's ability to continue operating was not affected and, therefore, they were prepared on a going concern basis.

4.6. GROUPING OF ITEMS

Certain items in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement are grouped together for better understanding, even though such information, when significant, has been itemised in the corresponding notes to the consolidated financial statements.

5. RECORDING AND EVALUATION REGULATIONS

The main recording and evaluation regulations used by the Group in preparing its consolidated financial statements for 2020, in accordance with the regulatory framework on applicable financial information, were as follows:

5.1 Acquisition of control

Subsidiary companies are those over which the Company, directly or indirectly through subsidiary companies, exercises control, as provided for in Article 42 of the Code of Commerce. Note 3 includes certain information on the subsidiaries included in the Group's consolidation, as well as changes in the scope of consolidation during the reporting period.

The acquisition of control of a subsidiary by the Parent Company (or another Group company) is regarded as a business combination, which is recorded under the acquisition method. This method requires the acquirer to record, on the acquisition date, the identifiable assets acquired and liabilities assumed in a business combination and, where appropriate, the corresponding goodwill or negative difference. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

The cost of acquisition is determined as the sum of the fair values, on the acquisition date, of the assets transferred, liabilities incurred or assumed, and the equity instruments issued by the acquirer, as well as the fair value of any contingent consideration that depends on future events or on the fulfilment of certain conditions, which should be recorded as an asset, liability or equity according to its nature.

The expenses relating to the issue of the equity instruments or financial liabilities delivered are not part of the cost of the business combination and are recorded in accordance with the rules applicable to financial instruments (see Notes 5.5 and 5.6). Fees paid to legal advisors or other professionals involved in the business combination are recorded as expenses as incurred. Furthermore, expenses generated internally for these items or expenses that the acquiree would have incurred, are not included in the business combination costs.

Excess, on the acquisition date, of the cost of the business combination over the proportionate share of the value of the identifiable assets acquired, less the liability assumed representing the equity interest in the acquiree, is recognised as goodwill. In the exceptional event that this amount were to exceed the cost of the business combination, the excess would be recognised in the consolidated income statement as income.

5.2 Consolidation method

The assets, liabilities, income, expenses, cash flows and other items in the separate financial statements of the Group companies are included in the fully consolidated financial statements. This method has been applied according to the following criteria:

a) Time standardisation

The consolidated financial statements are established on the same date as the Parent Company's separate financial statements.

The subsidiaries have established the same end date and period as the Parent Company and, therefore, there is no need for a time standardisation.

b) Valuation standardisation

The assets and liabilities, income and expenses, and other items in the separate financial statements of the subsidiaries have been valuated using uniform methods. Assets, liabilities, income and expenses that were not valuated on a uniform basis with respect to those applied on consolidation were revalued, with the necessary adjustments being made, solely for consolidation purposes.

c) Aggregation

The different items in the previously standardised separate financial statements are aggregated according to their nature.

d) Elimination of investment-equity

The book values representing the subsidiary's equity instruments held directly or indirectly by the Parent Company are offset by the proportional part of the subsidiary's equity items attributable to these holdings, generally on the basis of the values resulting from application of the acquisition method described above.

On consolidations subsequent to the reporting period in which control was acquired, the excess or shortfall in the equity of the subsidiary from the date of acquisition that is attributable to the Parent Company is presented in the consolidated balance sheet under the headings of reserves or adjustments for changes in value, depending on their nature. The part attributable to external shareholders is recorded under the heading "External shareholders".

e) External shareholder participation

The valuation of external shareholders is made on the basis of their effective participation in the subsidiary's equity, after incorporating the abovementioned adjustments. Goodwill is not attributed to external shareholders. The excess between the losses attributable to the external shareholders of a subsidiary and their proportional share of the equity is attributed to the latter, even if this involves a debit balance under this item.

At 31 December 2020 and 2019, the Group had no external shareholders as the subsidiaries are wholly owned by the Parent Company.

f) Intra-group item eliminations

Receivables and payables, income and expenses and cash flows between Group companies are eliminated in full. Furthermore, all the results produced by internal operations are eliminated and deferred until they are realised against third parties outside the Group.

g) Goodwill and business combinations

The acquisition of control of a subsidiary by the Parent Company is regarded as a business combination, which is recorded under the acquisition method. In subsequent consolidations, the investment-equity of subsidiaries will be eliminated generally based on the values resulting from applying the purchase method of accounting described below on the date of control.

Business combinations are accounted for using the acquisition method, whereby the date of acquisition is determined and the cost of the combination is calculated, and the identifiable assets acquired and liabilities assumed are recognised at their fair value on that date.

The goodwill or negative difference of the combination is determined by the difference between the fair values of the recorded assets acquired and liabilities assumed, and the cost of the combination, all referring to the date of acquisition.

The cost of the combination is determined by the aggregation of:

- The acquisition-date fair values of the assets transferred, the liabilities incurred or assumed and the equity instruments issued.

- The fair value of any contingent consideration that depends on future events or the fulfilment of predetermined conditions.

The expenses related to the issue of equity instruments or financial liabilities given in exchange for the elements acquired do not form part of the combination cost.

Likewise, as from 1 January 2010, neither the fees paid to legal advisors or other professionals who were involved in the combination, nor the expenses internally incurred on such account form part of the combination cost. Those sums are allocated directly to the consolidated income statement.

h) Modification of the equity interest without loss of control

Once control over a subsidiary has been obtained, subsequent transactions that give rise to a change in the Parent Company's equity interest in the subsidiary, without a loss of control over the subsidiary, are treated in the consolidated financial statements as an equity transaction, and the following rules apply:

a) The amount of goodwill or negative difference recognised, as well as other assets and liabilities recognised, remains unchanged;

b) The profit or loss that would have been recognised in the separate financial statements is eliminated in consolidation with the corresponding adjustment to the reserves of the company whose equity interest is reduced;

c) The amounts of "adjustments for changes in value" and "grants, donations and legacies" are adjusted to reflect the Group companies' equity interests in the capital of the subsidiary;

d) The interest of external shareholders in the subsidiary's equity is shown on the basis of the percentage of ownership that non-Group third parties hold in the subsidiary, after the transaction has been carried out, which includes the percentage of ownership of goodwill recognised in the consolidated statements associated with the change that has occurred;

e) The necessary adjustment resulting from points (a), (b) and (c) above shall be allocated to reserves.

In 2020 and 2019, there were no changes in the equity of the subsidiaries (see Note 3).

i) Loss of control

When control of a subsidiary is lost, the following rules are observed:

- The profit or loss recognised in the separate financial statements is adjusted for consolidation purposes;

- If the subsidiary is classified as a multi-group or associated company, it is consolidated and the equity method is applied initially, taking into account for the purposes of the initial valuation the fair value of the investment retained at that date;

- The interest in the subsidiary's equity that is retained after the loss of control and that is not included in the scope of consolidation is measured in accordance with the criteria applicable to financial assets (see Note 5.5), taking as the initial measurement the fair value on the date on which it ceases to be included in the scope of consolidation.

- An adjustment is recognised in the consolidated income statement to show the interests of external shareholders in the income and expenses generated by the subsidiary in the reporting period until the date of loss of control, and in the transfer to the income statement of the income and expenses recognised directly in equity.

In 2020 and 2019, no loss of control over investee companies took place (see Note 3).

5.3. Investment properties

Investment property comprises owned office buildings that are held for long-term lease purposes and are not occupied by the Group.

The elements included in this section shall be initially valued using their cost, as it is either the acquisition price or production cost.

The acquisition price includes, in addition to the amount invoiced by the seller after deduction of any discount or reduction in price, all additional and directly-related expenses incurred up until they are put into operation.

These investment property items are subsequently valued at their acquisition price, minus accumulated depreciation and, where appropriate, the cumulative amount of any recognised valuation adjustment for impairments.

Finance costs directly related to the construction of investment properties with a term of more than one year were capitalised as part of the cost until the asset was put into operation.

Repairs that do not extend the useful life and maintenance costs are allocated to the income statement in the reporting period in which they occur. The costs of expansion or improvement leading to an increase in production capacity or to a lengthening of the useful life of the assets are included in the assets as an increase in their value, and the book value of any items replaced is written off.

Investment property is depreciated on the basis of its cost and is calculated by the straight-line method on the basis of the estimated useful life of the various assets, which is as follows.

Elements	Years of useful life
Buildings	30-50

At each year-end the Group reviews the residual values, useful lives and depreciation methods of investment property and, if appropriate, adjusts them prospectively.

Deterioration of the value of investment property

The Group regularly assesses whether there are indications that any non-current asset or, as the case may be, any cash-generating unit may be impaired. If there are indications, their recoverable amounts are estimated.

The recoverable amount is the higher of the fair value less cost to sell and the value in use. An impairment loss occurs when the book value is greater than the recoverable amount. Value in use is the present net worth of expected future cash flows, using risk-free market interest rates, adjusted for the specific risks associated with the asset.

Valuation adjustments due to impairment and the reversal thereof are allocated to the consolidated income statement. Valuation adjustments due to impairment are reversed when the circumstances giving rise to them cease to exist, except for those corresponding to goodwill. The reversal of impairment is limited to the book value of the asset that would have appeared if the corresponding impairment had not been previously recognised.

Orbis Properties Group makes appropriate provisions for the depreciation of investment property when the recoverable value is less than the amortised cost. The Parent Company's directors considered, for the purpose of determining recoverable amount, the valuations performed by independent third-party experts. These valuations have been made on the basis of the following assumptions:

a) The valuation basis used by the independent valuator is the market value, which has been carried out in accordance with RICS Valuations - Global Standards, which are included in the Red Book "RICS Valuations" (Royal Institute Chartered Surveyors). The VPS-4 definition 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.

b) The valuation methodology applied by the independent third-party expert was based on individual valuations of each property. In order to value the properties, the method of discounting flow income or capitalising income was applied, making the corresponding adjustments in view of the situation of each asset.

c) The estimated returns ("yield") depend on the type and age of the properties and their location.

5.4. Leases

Finance leases

Contracts are classified as financial leases whenever their economic terms substantially transfer all the risks and rewards of ownership of the leased asset to the lessee. Otherwise, they are classified as operating leases. Orbis Properties Group did not have any finance lease either at 31 December 2020 or 31 December 2019.

Operating lease when the Group is a lessor

Investment property is leased to third parties. These leases are classified as operating leases.

Assets leased out under operating leases are included in the consolidated balance sheet according to their nature. Income from operating leases is recognised in the consolidated income statement on a straight-line basis over the estimated term of the lease. The direct costs attributable to the contract are included as an increase in the value of the leased asset and are recognised as an expense over the term of the contract, applying the same criterion used for the recognition of lease income.

A payment made on entering into or acquiring a lease recorded as an operating lease represents advance lease payments that are amortised over the lease period in accordance with the profit pattern shown.

5.5. Financial Assets

Classification and valuation

Loans and receivables:

This category includes trade and non-trade receivables, which include financial assets with fixed or determinable payments that are not traded in an active market and for which it is estimated that all disbursements made by the Group will be recovered, except, as the case may be, for reasons attributable to the solvency of the debtor. They are classified as current assets, except for maturities exceeding 12 months from 31 December 2020, in which case they are classified as non-current assets.

These financial assets are initially recognised at fair value, including the transaction costs that are directly attributable to them, and subsequently measured at amortised cost with any accrued interest recognised on the basis of the effective interest rate, understood as the discount rate that matches the carrying amount of the instrument to all its estimated cash flows of all kinds through its residual life. However, trade receivables maturing within one year are measured, both initially and subsequently, at nominal value, provided that the effect of not discounting the cash flows is not material.

Impairment of financial assets

At least at year-end, any adjustments needed for impairment are made if there is objective evidence that not all the amounts owed will be collected.

The impairment loss amount is the difference between the carrying amount of the assets and the present value of future estimated cash flows, discounted at the effective interest rate valid at the time of initial recognition. Valuation adjustments and any reversals thereof are recognised in the income statement.

Derecognition

Financial assets are derecognised in the consolidated balance sheet when the contractual rights to the cash flows of the financial asset have expired or when they are transferred, provided that the risks and rewards of ownership are substantially transferred therein.

Interest received on financial assets

The interest corresponding to financial assets accrued after the acquisition is recorded as income in the consolidated income statement. Interest is recognised by using the effective interest rate method.

5.6. Financial liabilities

Classification and valuation

Debits and accounts payable:

They include financial liabilities arising from the purchase of goods and services through trading operations and debits from non-trading operations that are not derivative instruments. These borrowings are classified as current liabilities unless the Group has an unconditional right to defer their settlement for at least 12 months from the balance sheet date.

These liabilities are initially recognised at fair value adjusted by directly attributable transaction costs, which are subsequently recognised at amortised cost using the effective interest method. This effective interest is the discount rate that matches the carrying amount of the instrument to the expected flow of projected future payments until the maturity of the liability.

However, debits from trade operations with a maturity of no more than one year and without a contractual interest rate, as well as disbursements required by third parties on equity instruments, the amount of which is expected to be paid in the short term, are valued at their nominal value when the effect of not discounting the cash flows is not significant.

If existing debts are renegotiated, the financial liabilities are not deemed to change significantly if the lender of the new loan is the same as the initial lender and the present value of the cash flows, including net fees and commissions, is no more than 10% higher or lower than the present value of the outstanding cash flows payable on the original liability calculated using this same method.

Financial liabilities held for trading and other financial liabilities at fair value with changes in the income statement

All assets held for trading that are acquired for the purpose of selling them in the short term or form part of a portfolio of instruments identified and managed jointly for the purpose of obtaining a profit in the short term, and the financial liabilities designated by the Company at initial recognition for inclusion in this category as they entail more relevant information, are considered to be financial liabilities at fair value in the income statement. Derivatives are also classified as held for trading, provided they are not a financial guarantee contract or have been designated as hedging instruments.

These financial liabilities are valued, both initially and in subsequent valuations, at fair value, and any changes in fair value are recognised in the income statement for the reporting period. Transaction costs directly attributable to the acquisition are recognised in the income statement for the reporting period.

In the case of financial derivatives, the method of recognising the profit/loss depends on whether or not the derivative has been designated as a hedging instrument and, if so, on the type of hedge. If the derivative is not considered a hedge, the change in value is recognised in the income statement. This category includes both trade and non-trade accounts payable. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer their settlement for at least 12 months from the balance sheet date.

Derecognition

The Group writes off financial liabilities when the obligation terminates.

5.7. Cash and cash equivalents

This item includes the cash in hand, bank current accounts, deposits and temporary acquisitions of assets meeting the following requirements:

a) They are convertible to cash.
b) At the time of acquisition, their date of maturity did not exceed three months.
c) They are not subject to a significant risk of change in value.
d) They form part of the Company's standard cash management policy.

5.8. Provisions and contingencies

Provisions are recognised when the Group has a present obligation, whether legal or constructive, arising from past events, it is probable that an outflow of resources to settle the obligation will be required and the amount can be reliably estimated. No provisions are recognised for future operating losses.

Provisions are valued at the present value of disbursements that are expected to be necessary to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. Adjustments to the provision on account of its updating are recognised as a financial expense as they accrue.

Provisions maturing in one year or less with an immaterial financial effect are not discounted.

When part of the disbursement necessary to settle the provision is reimbursed by a third party, the reimbursement is recognised as a separate asset, provided that its collection is practically assured.

Contingent liabilities are regarded as possible obligations derived from past events, whose materialisation depends on whether one or more future events will take place or not, regardless of the Group's will. Said contingent liabilities are not included in the accounting record, but are set out in detail in these notes to the consolidated financial statements, except for when the outflow of resources is remote.

5.9. Income tax

General regime

The income tax expense or income is the amount accrued for this item during the reporting period, consisting of both current and deferred tax expenses or income.

Both current and deferred tax expenses or income are accounted for in profit and loss. However, the tax effect related to items stated directly in equity is recognised in equity.

Current tax assets and liabilities are valued at the amounts expected to be paid to or recovered from the tax authorities, according to the regulations in force or approved and pending publication at the end of the reporting period.

According to the liability method, deferred taxes are calculated based on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts. However, if the deferred taxes arise from initial recognition of assets or liabilities from a transaction that is not a business combination and which, on the transaction date, does not affect accounting profit/loss or taxable profit, they are not recognised. Deferred tax is calculated by applying tax regulations and rates approved or about to be approved on 31 December 2020, which are expected to be applicable when the relevant deferred tax asset or liability is settled.

Deferred tax assets are recognised when it becomes likely that the Company will have taxable profits in the future against which the temporary difference can be offset.

Deferred taxes are recognised on temporary differences that arise in investments in subsidiaries, associates and joint ventures, except when the Company can control the time of reversal of the temporary differences, and it is also likely that they will not be reversed in the foreseeable future.

SOCIMI regime

Under Law 11/2009 of 26 October, amended by Law 16/2012 regulating Listed Real-Estate Market Investment Companies, entities that opt for the application of the special tax regime provided for in that law will be taxed at a rate of 0% for Corporate Income Tax. Article 25 of the revised Corporate Income Tax Law, approved by Royal Legislative Decree 4/2004 of 5 March, will not be applicable in the case of tax losses. Likewise, the regime of deductions and relief established in Chapters II, III and IV of that rule will not be applicable. In all other matters not provided for in Law 11/2009, the provisions of the Consolidated Text of the Law on Corporate Tax will be applicable in a supplementary manner.

The entity will be subject to a special tax of 19% on the full amount of profit dividends or shares distributed to shareholders whose stake in the entity's capital is equal to or greater than 5%, when such dividends, in the shareholders' fiscal location, are exempt or taxed at a rate of less than 10%. This tax will be considered as a Corporate Tax liability.

Articles 3 to 6 of said Law establish the main requirements and obligations that must be fulfilled by this type of company.

In view of the foregoing, it should be mentioned that on 19 September 2018, both the Parent Company and the subsidiaries adopted the decision adhere to the regime governed by Law 11/2009 of 26 October, which regulates Listed Real-Estate Market Investment Companies ("SOCIMI") with effect from the date of incorporation of the six Group companies (see Note 3). The State Tax Administration Authority was notified of this, under the same terms for all six Group companies, in a letter dated 28 September 2018.

The application of the abovementioned SOCIMI regime was carried out during reporting periods 2018 and 2019 without prejudice to the fact that, during these periods, the Group companies included in the regime did not comply with all the application requirements under the regulation, as, by virtue of the First Transitory Provision of Law 11/2009 on the SOCIMI regime, they have a period of two years from the date of the option for the application of the regime to comply with said requirements.

At 31 December 2020, ORBIS PROPERTIES SOCIMI, S.A. was listed on Euronext Paris under ISIN ES0105490009, having been admitted to trading on 30 July 2020. Therefore, all the requirements were met within two years since the date of application of this regime.

5.10. Income and expenses

Income is recognised at the fair value of the consideration receivable and represents the amounts receivable for goods delivered and services provided in the ordinary course of Group's business, less returns, rebates, discounts and value-added tax. Indirect taxes on operations that are passed on to third parties do not form part of the income.

The Group recognises the income when its amount can be reliably valued. It is likely that the future financial benefits will flow to the Group and the specific conditions for each one of the operations are met as follows. The amount of revenue cannot be reliably valued until all contingencies related to the sale have been resolved. The Group's estimates are based on past performance, taking into account the type of customer, the type of transaction and the specific terms of each agreement.

Income for sales and services

Rental income is recognised on an accrual basis, income linked to incentives, start-up costs and shortfalls in leases are recognised in the income statement on a straight-line basis.

5.11. Environmental aspects

Environmental assets are those that are used on a long-term basis in the Company's activities, the main purpose of which is to minimise environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution.

The costs incurred in the acquisition of systems, equipment and facilities with the purpose of eliminating, limiting or controlling possible impacts on the environment that could arise from the normal course of the Group's activities are considered to be investments.

Other environment-related expenses, other than those incurred in the acquisition of fixed assets, are considered to be expenses for the reporting period.

The Parent Company's Board of Directors considers that, in view of the nature of the business activities carried out by the Group, any environmental contingencies that could arise would be of little significance and, in any case, the insurance policies taken out by the Group would sufficiently cover them.

5.12. Related-party transactions

In general, transactions between group companies are initially recognised at fair value. In the event that the price agreed upon differs from the fair value, the difference is recognised based on the economic reality of the transaction. These transactions are subsequently valued pursuant to the corresponding standards.

Notwithstanding the foregoing, in merger, spin-off or non-monetary contribution transactions, the items making up the acquired business are valued at the amount corresponding to them, once the transaction has been carried out, in the consolidated financial statements of the group or subgroup.

When the parent company of the group or subgroup and its subsidiary are not involved, the financial statements to be considered for these purposes will be those of the largest group or subgroup in which the assets and liabilities of the Spanish parent company are included.

In these cases, any difference that might arise between the net value of the assets and liabilities of the acquired company, adjusted by the balance of the groupings of grants, donations and legacies received and adjustments for changes in value, and any amount of the capital and share premium, if any, issued by the absorbing company, is recognised in reserves.

5.13. Equity

The Parent Company's share capital is represented by ordinary shares, all of the same class.

The costs of issuing new shares or options are presented directly against interim equity, as lower reserves.

In the case of acquisition of treasury shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or sold. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable incremental transaction costs, is included in equity.

5.14. Foreign currency transactions

Functional and reporting currency

The Group's consolidated financial statements are presented in euros, as this is the Group's working and reporting currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction date. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in profit and loss, unless deferred to equity as qualified cash flow hedges and qualified investment hedges.

Changes in the fair value of monetary securities in foreign currencies classified as available for sale are analysed between conversion differences resulting from changes in the amortised cost of the security and other changes in the book value of the security. Conversion differences are recognised in profit/loss and other changes in the book value are recognised in equity.

Conversion differences on non-monetary items, such as equity instruments held at fair value with changes in the income statement, are presented as part of the gain or loss in fair value. Conversion differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are included in equity.

5.15. Business combinations

Mergers or divisions and business combinations arising from the acquisition of all the assets and liabilities of a company or of a party constituting one or more businesses are recognised in accordance with the acquisition method described in Notes 5.1 and 5.2.

(Expressed in euros)

5.16. Consolidated Cash Flow Statement

In the Consolidated Cash Flow Statement, the following terms, with the meanings specified below, are used:

- Cash flow: Inflows and outflows of cash and financial asset equivalents, understood as current, high liquidity investments subject low risks in value changes.
- Operating activities: the usual operating activities and others that are neither investing nor financing activities.
- Investing activities: the acquisition, sale or disposal by other means of non-current assets and other investments not included in cash or cash equivalents.
- Financing activities: activities that result in changes in the size and structure of the equity and liabilities that are not operating activities.

For the purposes of preparing the Consolidated Cash Flow Statement, "cash and cash equivalents" includes cash on hand and current bank deposits, as well as current, high liquidity investments that are readily convertible to known amounts of cash and are subject to low risks regarding changes in value.

5.17 Segmented information

In defining the segments, the criteria and assignments used by the governing body, in this case, the Parent Company's Board of Directors, are taken into account in order to analyse the Group's operations. Specifically, a distinction is made between the property leasing business described in Note 7 and corporate transactions, with no transactions in the latter segment in 2019 or 2020. Transactions between segments are valued at market price.

6. INTANGIBLE ASSETS

As established in Annex 15 to the deed executed before Notary Public Jose Ángel Martínez Sanchiz under number 1085 in his register, which in turn is contained in the supplementary deed incorporating documents under register number 1086, executed before the same notary, the subsidiary Orbis de la Vega, S.L.U. acquired the IT application for 20,000.00 euros from a company related to the seller of the investment property (see Note 7).

The amounts and balances attributable to the IT application at 31 December 2020 and 2019 are shown in the following tables:

	Balance at 31/12/2019	**Additions**	**Derecognition**	**Transfers**	**Balance at 31/12/2020**
IT application	20,000.00	-	-	-	20,000.00
	20,000.00	**-**	**-**	**-**	**20,000.00**
Amortisation	(8,425.99)	(6,666.72)	-	-	(15,092.71)
	(8,425.99)	**(6,666.72)**	**-**	**-**	**(15,092.71)**
Net book value	**11,574.01**	**(6,666.72)**	**-**	**-**	**4,907.29**

	Balance at 31/12/2018	**Additions**	**Derecognition**	**Transfers**	**Balance at 31/12/2019**
IT application	20,000.00	-	-	-	20,000.00
	20,000.00	**-**	**-**	**-**	**20,000.00**
Amortisation	(1,759.27)	(6,666.72)	-	-	(8,425.99)
	(1,759.27)	**(6,666.72)**	**-**	**-**	**(8,425.99)**
Net book value	**18,240.73**	**(6,666.72)**	**-**	**-**	**11,574.01**

(Expressed in euros)

7. INVESTMENT PROPERTIES

The breakdown and movements in the various items composing the investment property in 2020 and 2019:

	Euros				
	Balance at 31/12/2019	Additions	Derecognition	Transfers	Balance at 31/12/2020
Cost					
Land	121,192,591.38	521,646.49	(7,155,788.90)	-	114,558,448.97
Buildings	160,881,786.56	1,363,202.86	(9,876,408.99)	1,019,069.13	153,387,649.56
Expenses recognised as an increase in acquisition cost	5,184,481.33	-	(308,424.42)	-	4,876,056.91
Inv. property in progress	1,193,968.77	57,006.87	-	(1,019,069.13)	231,906.51
	288,452,828.04	**1,941,856.22**	**(17,340,622.31)**	**-**	**273,054,061.95**
Depreciation					
Buildings	(4,044,891.72)	(2,996,673.42)	264,357.24	-	(6,777,207.90)
Impairment	(12,371,096.32)	(7,999,977.88)	-	-	(20,371,074.20)
	(16,415,988.04)	**(10,996,651.30)**	**264,357.24**	**-**	**(27,148,282.10)**
Net book value	**272,036,840.00**	**(9,054,795.08)**	**(17,076,265.07)**	**-**	**245,905,779.85**

	Euros				
	Balance at 31/12/2018	Additions	Derecognition	Transfers	Balance at 31/12/2019
Cost					
Land	121,192,591.38	-	-	-	121,192,591.38
Buildings	160,307,408.62	574,377.94	-	-	160,881,786.56
Expenses recognised as an increase in acquisition cost	5,146,050.59	38,430.74	-	-	5,184,481.33
Inv. property in progress	-	1,193,968.77	-	-	1,193,968.77
	286,646,050.59	**1,806,777.45**	**-**	**-**	**288,452,828.04**
Depreciation					
Buildings	(860,678.64)	(3,184,213.08)	-	-	(4,044,891.72)
Impairment	(6,985,708.46)	(10,378,605.18)	4,993,217.32	-	(12,371,096.32)
	(7,846,387.10)	**(13,562,818.26)**	**4,993,217.32**	**-**	**(16,415,988.04)**
Net book value	**278,799,663.49**	**(11,756,040.81)**	**4,993,217.32**	**-**	**272,036,840.00**

At 31 December 2020 and 2019, the Group's investment property related to the following assets:

- Investments properties for office spaces located on the plot known as Area II, located in Madrid, C/Vía de los Poblados, number 3, and registered in the Madrid Land Registry number 2, under property number 37,245, acquired by virtue of the purchase deed executed before the notary public of Madrid, Ignacio Martinez-Gil Vich, on 26 September 2018 under register number 1,085. The property was purchased for 66,000,000.00 euros. Furthermore, the costs incurred in the purchase, amounting to 1,192,925.08 euros, were capitalised during 2018.

  During 2020, there were activations for an amount of 629,634.49 euros (2019: 6,016.62 euros), and recognitions for 75,629.06 euros corresponding to unfinished improvement works (2019: 577,253.89 euros).

- Investment properties for office spaces located on the plot known as Area IV, located in Madrid, C/Vía de los Poblados, number 3, and registered in the Madrid Land Registry number 2, under property number 37,247, acquired by virtue of the purchase deed executed before the notary public of Madrid, Ignacio Martinez-Gil Vich, on 26 September 2018 under register number 1,085. The property was purchased for 65,500,000.00 euros. Furthermore, the costs incurred in the purchase, amounting to 1,185,300.74 euros, were capitalised during 2018.

  During 2020, there were activations for an amount of 253,016.91 euros (400,314.86 euros in 2019) and 13,773.88 recognised euros corresponding to unfinished improvement works (80,392.40 euros in 2019).

- Investments properties for office spaces and three business premises located on four (4) properties that comprise the entire building in Madrid at C/Agustín de Foxá, number 29, and registered in the Madrid Land Registry number 29, under property number 22,415, 28,057, 28,060 and 28,061, acquired by virtue of the purchase deed executed before the notary public of Madrid, Ignacio Martinez-Gil Vich, on 26 September 2018 under register number 1,085. The property was purchased for 29,500,000 euros. Furthermore, the costs incurred in the purchase, amounting to 550,260.93 euros, were capitalised during 2018.

  During 2020, there were activations for an amount of 509,394.63 euros (5,945.08 euros in 2019) and 14,404.81 recognised euros corresponding to unfinished improvement works (403,888.42 euros in 2019).

- Investment properties of the Company correspond to the acquisition of two (2) properties located in Madrid at number 6 and 14 C/Juan Ignacio Luca de Tena and are registered in the Madrid Land Registry number 17, under property number 38,539 and 30,568, 30,569, acquired by virtue of the purchase deed executed before the notary public of Madrid, Mr Ignacio Martinez-Gil Vich, on 26 September 2018 under register number 1,085. The properties were purchased for 45,000,000.00 euros. Furthermore, the costs incurred in the purchase, amounting to 855,526.42 euros, were capitalised during 2018.

  As for the building situated at C/Juan Ignacio Luca de Tena, 6, on 27 February 2020 an asset accounted for under “Non-current assets - Investment properties” was derecognised. The net carrying amount of the asset on the sale date was 16,125,736.19 euros, corresponding to the sale of the building located at C/Juan Ignacio Luca de Tena, 6, 28027 Madrid (“the Property”), resulting in 4,874,668.49 euros in profits.

  During 2020, and in relation to the property located at number 14, there were activations for an amount of 521,646.49 euros (2019: 66,143.31 euros) and recognitions for 31,688.51 euros corresponding to unfinished improvement works (2019: 26,281.03 euros).

- Investment properties for office spaces located in La Vega business park, in Alcobendas, at Avenida de la Vega, 15, and registered with the Alcobendas Land Registry number 2, under property number 45,245, acquired by virtue of the purchase deed executed before the notary public of Madrid, Ignacio Martinez-Gil Vich, on 26 September 2018 under register number 1,085. The property was purchased for 75,500,000.00 euros. Furthermore, the costs incurred in the purchase, amounting to 1,362,037.42 euros, were capitalised during 2018.

  During 2020, there were activations for an amount of 460,273.06 euros (134,388.81 euros in 2019) and 96,410.25 recognised euros corresponding to unfinished improvement works (106,153.03 euros in 2019).

(Expressed in euros)

Finally, it should be noted that the consolidated net book value was 245,905,779.85 euros at 31 December 2020 (272,036,840.00 euros at the end of 2019).

The Group has taken out several insurance policies to cover the risks to which the investment property is exposed. The coverage of these policies is considered to be sufficient.

The breakdown of the types of investment properties Orbis Properties Group had at 31 December 2020, at their net and gross book values, was as follows:

	Units	Gross book value	Impairment and depreciation	Net book value
Investment properties	7 buildings	273,054,061.95	(27,148,282.10)	245,905,779.85

The breakdown of the types of investment properties Orbis Properties Group had at 31 December 2019, at their net and gross book values, was as follows:

	Units	Gross book value	Impairment and depreciation	Net book value
Investment properties	8 buildings	288,452,828.04	(16,415,988.04)	272,036,840.00

It should be noted that the investment properties owned by the subsidiaries Orbis Cristalia 2&3, S.L.U., and Orbis Cristalia 5&6, S.L.U. consist of two buildings corresponding to each company, but they are not divided and are included in the same cadastral reference.

All the assets mentioned in the note are located in the autonomous Community of Madrid and act as security for the mortgage loan described in Note 10.4.

7.1. OPERATING LEASES

Investment property is leased to third parties under operating leases. The leases are for a period of between 1 and 7 years, with staggered rents and no lease at all for some of them.

Lease income amounted to 13,899,229.16 euros in 2020 (15,351,236.18 euros in the reporting period ended 31 December 2019) (see Note 13).

The minimum future collections on lease contracts, which cannot be cancelled at 31 December 2020 and 2019, taking into account the first termination dates agreed with each tenant (any future increases due to inflation have not been taken into account), are as follows:

	31/12/2020	31/12/2019
Within one year	12,418,951.20	13,861,452.53
Between one and five years	14,530,002.69	20,952,423.17
After five years	316,214.17	2,024,526.49
TOTAL	**27,265,168.06**	**36,838,402.19**

7.2. VALUATION OF REAL-ESTATE ASSETS

At 31 December 2020 and 31 December 2019, according to the latest study by an independent expert, the aggregate market value of investment property was 251,100,000.00 euros and 285,300,000 euros, respectively, as shown in the following breakdown:

	2020	2019
C/Vía de los Poblados, number 3, Area II	64,000,000.00	68,600,000.00
C/Vía de los Poblados, number 3, Area IV	63,500,000.00	68,200,000.00
C/Agustín de Foxá, number 29	32,600,000.00	32,300,000.00
C/Juan Ignacio Luca de Tena, number 6	-	20,400,000.00
C/Juan Ignacio Luca de Tena, number 14	31,200,000.00	32,300,000.00
Avenida de la Vega, number 15	59,800,000.00	63,500,000.00
Total	**251,100,000.00**	**285,300,000.00**

The Group calculates the recoverable values of investment property based on the corresponding valuation at 31 December 2020, carried out by an independent expert. In 2019 reporting period, investment properties were valued as at 31 December 2019. The valuations have been carried out by valuators of recognised prestige in the sector.

The valuations of these real-estate assets have been carried out by experts under the "market value" hypothesis and in accordance with the provisions of the RICS Appraisal and Valuation Standards (Red Book) published by the Royal Institution of Chartered Surveyors of Great Britain (RICS).

Market value is defined as 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.

In 2020 the measurement method applied in order to determine the fair value of the properties was the income capitalisation method, making the corresponding adjustments to reflect the evolution of variables until occupancy became steady. This method consists in capitalising the income obtained from the property through a capitalisation rate that factors in all market and asset-related risks. It is based on the capitalisation or conversion of existing or expected income (cash flows) into a single current value of capital.

The measurement method applied in 2019 was the discounted cash flow method, with a 10-year projection of net operating income and capitalisation of the 11th year with an exit yield and applying an Internal Rate of Return (IRR) for discounting the obtained cash flows. The discounted cash flow method is based on the prediction of the probable net income that the assets will generate over a given period of time, considering the residual value of the assets at the end of that period. Cash flows are discounted at an internal rate of return to get the current net value. This internal rate of return is adjusted to reflect the risk associated with the investment and the assumptions made.

The most important variables are therefore those listed below:

	2020			
	Occupation at valuation date (%)	**Market income (thousands of euros/year)**	**Equivalent yield (%)**	**Envisaged CAPEX (%)**
Orbis de la Vega, S.L.	42.23	3,879	5.50	2.74
Orbis Cristalia 2&3, S.L.	88.83	3,633	5.20	1.56
Orbis Cristalia 5&6, S.L.	68.15	3,660	5.20	1.85
Orbis JILT 6&14, S.L.	92.44	1,606	4.85	0.35
Orbis Foxa 29, S.L.	89.12	1,700	4.70	1.02

	2019				
	Occupation at valuation date (%)	**Market income (thousands of euros/year)**	**Exit yield (%)**	**IRR (%)**	**Envisaged CAPEX (%)**
Orbis de la Vega, S.L.	80.35	4,064	5.00	6.75	2.66
Orbis Cristalia 2&3, S.L.	88.80	3,843	5.00	7.00	1.28
Orbis Cristalia 5&6, S.L.	72.30	3,827	5.00	7.00	1.49
Orbis JILT 6&14, S.L.	0.00 and 94.70	1,087 and 1,626	4.75	6.75 and 6.75	0.90 and 0.66

(Expressed in euros)

Orbis Foxa 29, S.L.	95.90	1,466	4.25	6.25	0.77

It should be noted that one of the most important lessees of the property owned by the subsidiary Orbis de la Vega, S.L. terminated its lease agreement before the end of 2019. Similarly, in 2019, the subsidiary Orbis de la Vega, S.L. was notified by another lessee of its decision to exercise its right to terminate its lease in 2020.

Following the conclusions drawn in the valuation reports conducted during reporting periods 2020, 2019 and 2018, accumulated impairment was recognised with the following detail:

Company	Property	Impairment at 31/12/2020	Impairment at 31/12/2019
Orbis Cristalia 2&3, S.L.U.	C/Vía de los Poblados, number 3, Area II	2,206,136.56	0.00
Orbis Cristalia 5&6, S.L.U.	C/Vía de los Poblados, number 3, Area IV	2,538,340.88	0.00
Orbis Foxa 29, S.L.U.	C/Agustín de Foxá, number 29	0.00	0.00
Orbis Jilt 6&14, S.L.U.	C/Juan Ignacio Luca de Tena, number 6	0.00	0.00
Orbis Jilt 6&14, S.L.U.	C/Juan Ignacio Luca de Tena, number 14	0.00	0.00
Orbis de la Vega, S.L.U.	Avenida de la Vega, number 15	15,626,596.76	12,371,096.32
	Total	**20,371,074.20**	**12,371,096.32**

The impairment registered in 2020 is primarily a consequence of the changes in yield-related assumptions, the reduction of occupancy levels in some properties owned by the investees, and the change in market conditions in connection with rent.

8. FINANCIAL ASSETS

8.1. ANALYSIS BY CATEGORIES

The book value of each of the financial asset categories set out in the standard for recognition and measurement of "Financial instruments" was as follows at 31 December 2020 and 31 December 2019, except cash and cash equivalents (see Note 8.4):

Long-term financial assets:

	31/12/2020	31/12/2019
Loans and receivables	**Credits, derivatives and other**	**Credits, derivatives and other**
Guarantees and deposits created	1,712,731.74	1,671,391.44
Total	**1,712,731.74**	**1,671,391.44**

Short-term financial assets:

	31/12/2020	31/12/2019
Loans and receivables	**Credits, derivatives and other**	**Credits, derivatives and other**
Trade receivables for sales and services	352,016.95	97,009.31
Advances to creditors	445,260.58	713,492.91
Amounts resulting from rent shortfalls and staggered rental payments	794,811.72	388,232.06

(Expressed in euros)

Total	**1,592,089.25**	**1,198,734.28**

At 31 December 2020 and 31 December 2019, there were short-term assets with the public authorities, which are not included in this breakdown (see Note 11).

The fair values of the loans and receivables coincide with the book values.

At 31 December 2020 and 31 December 2019, no impairment was registered under "Trade receivables for sales and services", as provisions for impairment of these balances were not considered necessary.

The maximum credit risk exposure at the reporting date is the fair value of each category of accounts receivable indicated above. The Group maintains certain guarantee instruments to cover any contingency in the event of a possible rental non-payment.

8.2. GUARANTEES, DEPOSITS CREATED AND ACCRUALS

a) GUARANTEES AND DEPOSITS CREATED

At 31 December 2020 and 2019, the amounts of the items composing the long-term and short-term financial investments heading are as follows:

	31/12/2020	31/12/2019
Loans and receivables	**Credits, derivatives and other**	**Credits, derivatives and other**
Guarantees and deposits created	1,712,731.74	1,671,391.44
Total	**1,712,731.74**	**1,671,391.44**

The long-term guarantees relate mainly to guarantees provided in connection with investment property leases (see Note 7). In accordance with the provisions of Article 36 of Law 29/1994 of 24 November, on the urban leases, these guarantees have been deposited with the bodies stipulated therein.

b) ACCRUALS

	31/12/2020	31/12/2019
Short-term asset accruals	485,751.47	308,699.29
Short-term liability accruals	-	102,877.49

The short-term asset accruals correspond to expenses arising from occupancy incentives and expenses of various kinds accruing after the end of each reporting period.

8.3. CASH AND CASH EQUIVALENTS

The components of this heading at 31 December 2020 and 31 December 2019, respectively, are the following:

	31/12/2020	31/12/2019
Demand current accounts	11,782,946.84	5,280,477.55
TOTAL	**11,782,946.84**	**5,280,477.55**

The financing agreement described in Note 10.4 establishes certain minimum cash requirements to be maintained by the Group companies.

(Expressed in euros)

It should be noted that, because of the circumstances disclosed in Note 10.4, a portion of the liquidity obtained is withheld in an account designated under the terms of the financing agreement.

9. SHAREHOLDERS' EQUITY

9.1. SHARE CAPITAL

Year-end	Class	Number	Nominal value / share	Total nominal value
31/12/2020	Registered	5,000,000	1.00	5,000,000.00

Year-end	Class	Number	Nominal value / share	Total nominal value
31/12/2019	Registered	3,000	1.00	3,000.00

At 31 December 2019, the share capital of the Parent Company amounted to 3,000.00 euros, represented by 3,000 shares, fully subscribed and paid up on incorporation, each with a nominal value of 1 euro.

In 2020, as disclosed in Note 1, the Company conducted a capital increase by 4,997,000 interests, issuing 4,997,000 new interests with a par value of 1 euro each, consecutively numbered from 3,001 through 5,000,000, fully subscribed for and paid up, and charged to reserves (other members' contributions); and the Parent Company was transformed into a public limited company, its share capital thus comprising 5,000,000 registered shares. Since its admission to trading, no transaction with shares has been conducted.

At 31 December 2020 and 31 December 2019, Episo 4 Rebound Holding, S.à.r.l., based in Luxembourg, held 100% of the Company's shares. The latter is duly registered as a single-member company with the Commercial Registry.

The shares mentioned in Note 1 are listed on Euronext Access Paris. The opening price at the initial public offering on said market was 13.60 euros per share, and the date of admission to trading was 30 July 2020.

There are no contracts in place with the Sole Shareholder other than those described in Notes 10.5 and 14.

9.2. LEGAL RESERVE

In accordance with the Spanish Companies Law, and pursuant to Article 6.2 of Law 11/2009 of 26 October, regulating Listed Real-Estate Market Investment Companies, the company must transfer 10% of its profit for the reporting period to the legal reserve until the balance of this reserve reaches 20% of the share capital. The legal reserve may only be used to increase capital. Except for the aforementioned purpose and provided that it does not exceed 20% of the share capital, this reserve may only be used to offset losses, provided that there are no other sufficient reserves available for such purpose.

In accordance with Law 11/2009 regulating Listed Real-Estate Market Investment Companies (SOCIMI), the legal reserve of companies that have opted for the application of the special tax regime established in this Law may not exceed 20% of the share capital. The articles of association of these companies may not establish any reserve of an unavailable nature other than that mentioned above. In addition, they will be required to distribute, by way of dividends to their shareholders, once the corresponding business obligations have been met, the profits obtained in the reporting period, in accordance with the provisions of Article 6 of Law 11/2009 of 26 October, which regulates Listed Real-Estate Market Investment Companies (Note 1).

(Expressed in euros)

Once the provisions stipulated by law or by the articles of association are covered, dividends may only be distributed with a charge to profit for the reporting period or to unrestricted reserves, if the value of equity is not, or as a result of the distribution, does not become, less than the share capital. For this purpose, the profit recognised directly in equity may not be directly or indirectly distributed. If the Parent Company has retained losses that reduce its equity to less than the share capital amount, the profit must be used to offset those losses.

At 31 December 2020 and 31 December 2019, the legal reserve had not been set up at the Parent Company, in view of the losses obtained since its creation.

9.3. RESERVES AND LOSSES FROM PREVIOUS PERIODS

At 31 December 2020, there were losses derived from transactions with equity instruments, and from retained losses from previous periods.

The breakdown by company is as follows:

	31/12/2020	**31/12/2019**
Orbis Properties Socimi, S.A.U.	(273,218.21)	(14,350.42)
Orbis Cristalia 2&3, S.L.U.	(449,809.74)	(2,837,797.88)
Orbis Cristalia 5&6, S.L.U.	(2,181,797.01)	(1,983,242.18)
Orbis Foxa 29, S.L.U.	(301,864.54)	(862,413.04)
Orbis Jilt 6&14, S.L.U.	(1,869,451.76)	(497,558.39)
Orbis de la Vega, S.L.U.	(12,523,871.13)	(2,162,758.94)
TOTAL	**(17,600,012.39)**	**(8,358,120.85)**

9.4. OTHER SHAREHOLDERS' CONTRIBUTIONS

In order to provide sufficient liquidity to the subsidiaries, the Sole Shareholder of the Company made successive contributions for a total amount of 76,396,539.00 euros during the second half of 2018, which were formalised on 11 January 2019. The balance of this heading did not change in 2019.

During 2020, the following movements were reported under this heading of the Parent Company:

- On 29 January 2020, the Sole Shareholder of the Company resolved to make monetary contributions for 100,000.00 euros.
- On 3 April 2020, under a notarised public instrument on capital increase out of reserves (other members' contributions), this heading was reduced by 4,997,000.00 euros.
- On its part, on 15 April 2020, the Sole Shareholder of the Company resolved to make monetary contributions for 550,000.00 euros.

(Expressed in euros)

9.5. PROFIT/LOSS BY COMPANY

The contribution of each Group company included in the scope of consolidation to the consolidated profit/loss for the periods ended on 31 December 2020 and 2019 was as follows:

	31/12/2020	31/12/2019
Orbis Properties Socimi, S.A.	(509,154.07)	(256,967.25)
Orbis Cristalia 2&3, S.L.U.	(2,028,302.00)	2,391,493.33
Orbis Cristalia 5&6, S.L.U.	(3,550,157.72)	(201,870.83)
Orbis Foxa 29, S.L.U.	43,496.90	559,937.44
Orbis Jilt 6&14, S.L.U.	2,406,339.64	(1,372,562.07)
Orbis de la Vega, S.L.U.	(4,501,866.93)	(10,360,021.62)
TOTAL	**(8,139,644.18)**	**(9,239,991.00)**

9.6. EARNINGS PER SHARE

Earnings per share are determined by dividing the net profit attributable to shareholders of the Parent Company (after tax and minority interests) by the weighted average number of shares in circulation during that period.

	31/12/2020	31/12/2019
Profit/loss attributed to the Parent Company	(8,139,644.18)	(9,239,991.00)
Number of shares	5,000,000.00	3,000.00
Basic and diluted earnings per share	**(1.63)**	**(3,080.00)**

Diluted earnings per share are determined in a similar way to basic earnings per share, but the weighted average number of shares in circulation is adjusted to account for the potential dilutive effect of the convertible debentures at year-end. At 31 December 2020 and at the end of the reporting period ended on 31 December 2019, there were no convertible debentures in force, so the basic and diluted earnings per share were the same.

10.FINANCIAL LIABILITIES

10.1. ANALYSIS BY CATEGORIES

The book value of each of the financial liability categories set out under the standards for recognition and measurement of "Financial instruments" was as follows at 31 December 2020 and 31 December 2019, excluding balances with public authorities:

Long-term financial liabilities:

	31/12/2020	31/12/2019
Debits and payables	**Other**	**Other**
Guarantees and deposits received	2,631,746.41	2,277,648.03
Non-current bank borrowings	141,411,480.96	160,646,373.98
Non-current payables to Group companies	42,478,033.99	42,478,033.99
Total	**186,521,261.36**	**205,402,056.00**

(Expressed in euros)

	31/12/2020	31/12/2019
Financial liabilities at fair value	**Derivatives**	**Derivatives**
Derivatives	3,339,809.48	3,223,036.20
Total	**3,339,809.48**	**3,223,036.20**

Short-term financial liabilities:

	31/12/2020	31/12/2019
Debits and payables	**Other**	**Other**
Current bank borrowings	7,267,539.13	4,739,832.64
Current payables to Group companies	9,544,841.01	6,350,260.11
Payable to suppliers	2,186,264.88	1,410,353.76
Customer advances	15,218.08	131,361.43
Other liabilities	35,437.83	81,321.47
Total	**19,049,300.93**	**12,713,129.41**

All financial liability balances are in euros and their book value does not differ significantly from their fair value.

10.2. GUARANTEES AND DEPOSITS RECEIVED

Under "Guarantees and deposits received" in relation to long-term liabilities, the amounts relate to guarantees received in connection with the lease contracts of investment property (see Note 7).

10.3. DERIVATIVES

The "Derivatives" heading corresponds to the valuation of the derivatives formalised by the subsidiaries in connection with the bank financing received from the financial institutions CAIXABANK, S.A. and DEUTSCHE PFANDRIEFBANK AG (see Note 10.4). The derivatives formalised cover 95% of the principal financing received, with quarterly interest settlements and maturity in October 2023, with fixed interest of 0.292% and variable interest (3-month Euribor). The values are broken down as follows:

	31/12/2020	31/12/2019
Financial institution	**Other**	**Other**
Caixabank SA	(1,669,904.74)	(1,611,518.10)
Deutsche Pfandbriefbank AG	(1,669,904.74)	(1,611,518.10)
Total	**(3,339,809.48)**	**(3,223,036.20)**

10.4. BANK BORROWINGS

The "Bank borrowings" heading includes the debts of the subsidiaries to the financial institutions Caixabank, S.A. and Deutsche Pfandriefbank AG by virtue of the financing agreement formalised through public instrument for an amount of 170,000,000 euros before Notary Public Ignacio Paz-Ares Rodriguez, under number 1231 in his register. Both financial institutions act as lenders at 50% of the total principal. The initial funding of 170,000,000.00 euros received on 30 November 2018 was allocated as follows:

- Repayment of the loan principal on the same day for an amount of 166,207,977.00 euros in favour of the sole shareholder of the Parent Company Episo 4 Rebound Holding, S.à r.l. (see Note 10.5), which had made various payments for the acquisition of the investment property, detailed in Note 7, for a total of 281,500,000.00 euros.

(Expressed in euros)

- Payment of 3,792,023.00 euros for debt formalisation costs to which 54,689.55 euros were added as higher formalisation costs, amounting to 3,846,712.55 euros.

95% of the principal of the bank loan is covered by a derivative (see Note 10.3), which bears interest at a fixed rate of 0.292% and a variable three-month EURIBOR rate.

Long-term debts to financial institutions are as follows:

Balances at 31/12/2020					
Type of transaction	**Financial institutions**	**Financing percentages**	**Interest**	**Expiry date**	**Euros**
					Non-current
Mortgage loan	Caixabank, S.A.	50%	3M EURIBOR + 1.5%	31 October 2023	71,655,000.00
	Deutsche Pfandbriefbank AG	50%			71,655,000.00
Mortgage formalisation costs					(1,898,519.04)
Total					**141,411,480.96**

Balances at 31/12/2019					
Type of transaction	**Financial institutions**	**Financing percentages**	**Interest**	**Expiry date**	**Euros**
Mortgage loan	Caixabank, S.A.	50%	3M EURIBOR + 1.5% (95% covered by a derivative)	31/10/2023	81,600,000.00
	Deutsche Pfandbriefbank AG	50%			81,600,000.00
Mortgage formalisation costs					(2,553,626.02)
Total					**160,646,373.98**

Short-term debts to financial institutions are as follows:

Type of transaction	**Financial institutions**	**Financing percentages**	**31/12/2020**
			Short term (euros)
Short-term principal	Caixabank, S.A.	50%	3,400,000.00
	Deutsche Pfandbriefbank AG	50%	3,400,000.00
Unpaid and accrued loan interest	Caixabank, S.A.	50%	129,733.07
	Deutsche Pfandbriefbank AG	50%	129,733.07
Unpaid and accrued swap interest	Caixabank, S.A.	50%	104,036.50
	Deutsche Pfandbriefbank AG	50%	104,036.50
Total			**7,267,539.13**

(Expressed in euros)

Type of transaction	Financial institutions	Financing percentages	31/12/2019
			Short term (euros)
Short-term principal	Caixabank, S.A.	50%	2,125,000.00
	Deutsche Pfandbriefbank AG	50%	2,125,000.00
Unpaid and accrued loan interest	Caixabank, S.A.	50%	158,217.56
	Deutsche Pfandbriefbank AG	50%	158,217.56
Unpaid and accrued swap interest	Caixabank, S.A.	50%	86,698.77
	Deutsche Pfandbriefbank AG	50%	86,698.77
Total			**4,739,832.64**

There is a schedule of principal repayments. As such, repayments are made according to the following percentages per year:

	Initial principal percentage
First year	1.50%
Second year	2.50%
Third year	4.00%
Fourth year	5.00%
Fifth year	5.00%

On the last maturity date, the entire outstanding principal will be returned.

In 2020, the Group requested the borrowers of this debt certain amendments to the financing agreement, some of which were granted, including, but not limited to:

- Use of restricted cash (Note 8) for payment of certain investments to be made in the properties, and of the outstanding balances on this account, subject to prior fulfilment of certain requirements.
- Exceptional modification of the definition of Projected Net Operating Income used to calculate the Debt Service Cover ratio, in order to include and/or clarify the items factored in it (certain types of income and rent grace periods). This modification is applicable to the next 4 dates scheduled for verification of ratio compliance (that is, from July 2020 until April 2021, inclusive). The remaining definitions and conditions of the financing agreement as to the limits to be met are to be understood as unchanged as a consequence of the aforesaid modification.
- Consideration of the amount early amortised as a result of the sale mentioned in Note 7 for the purposes of repayment of the debt principal and calculation of interest.

In accordance with the financing agreement described above, in addition to the requirements to provide certain financial information and the commitment to maintain a minimum level of cash (see Note 8.3), the Group must comply with the following financial ratios over the term of the loan:

- Loan-To-Value: must not exceed 62.5%, and in the event that the investment properties located at C/Vía de los Poblados 3 and at C/Juan Luca de Tena 6 were the only ones owned by the Group, it must not exceed 50%.
- Debt Service Cover Ratio: must be no less than 105% during the first year from the entry into force of the financing agreement and no less than 110% during the following 4 years on each of the verification dates.
- WALB: must be not less than 1.75 years during the first year after the entry into force of the financing agreement and not less than 2 years during the remaining reporting periods on each of the verification dates.

(Expressed in euros)

In the event of failure to comply with the first two ratios, the Group must either repay the part of the loan required to meet the ratios or deposit an amount of cash in an unavailable account established in the agreement.

On the other hand, because of the non-compliance with the WALB ratio, which persisted at the date of preparation of these consolidated financial statements, the subsidiaries would have been required to set aside a restricted reserve in the bank account designated under the financing agreement (see Note 8.3) until WALB levels surpass the limits set but this situation did not finally apply due to the application of the terms established under clause 20.5 contained in the amendment to the financing agreement dated October 24th 2019, implying an exception for the creation of the aforesaid reserve.

Moreover, in 2020 a Cash Trap Event took place, according to the definitions under the financing agreement. As defined in this agreement, a Cash Trap Event means that the subsidiaries maintain restricted balances in the bank account designated pursuant to the financing agreement (see Note 8.3).

In the opinion of the Parent Company's directors, the remaining ratios were being met at 31 December 2020 and it is expected that they will be met within the next 12 months from the date of preparation of the consolidated financial statements, considering the amendments to the initial agreement described above and after taking the appropriate measures.

10.5. PAYABLES TO GROUP COMPANIES

The "Payables to Group companies" heading includes the loans formalised by the subsidiaries (see Note 3) with EPISO 4 REBOUND HOLDING, S.À.R.L. Each subsidiary formalised their respective financing agreements (Bridge Interest-bearing Loan and Interest-bearing Loan) with the sole shareholder of the Parent Company. All the agreements were signed on 29 November 2018, with an annual interest rate of 7.5%, with the final maturity dates and payments for principal and accrued interest in 2024. At year-end 2020 and 2019 there are balances, which are as follows:

Lender	Loan	Opening balances	Increases	Decreases	Final balance at 31/12/2020
EPISO 4 Rebound Holding S.à r.l.	*Bridge debt Interest-bearing loan*	-	-	-	-
EPISO 4 Rebound Holding S.à r.l.	*Interest-bearing loan*	42,478,034.00	-	-	42,478,034.00
Total		**42,478,034.00**	**-**	**-**	**42,478,034.00**

Lender	Loan	Opening balances	Increases	Decreases	Final balance at 31/12/2019
4 Rebound Holding S.à r.l.	*Bridge debt Interest-bearing loan*	-	-	-	-
EPISO 4 Rebound Holding S.à r.l.	*Interest-bearing loan*	42,478,034.00	-	-	42,478,034.00
Total		**42,478,034.00**	**-**	**-**	**42,478,034.00**

Short-term balances with group companies are set out in Note 14.

20,000,000.00 euros included in the principal of debts to group companies corresponds to the "Amount on Deposit" or "Notarial Deposit" paid by the company EPISO 4 Rebound Holding S.à r.l., in order to guarantee the successful acquisition of the investment property set out in Note 7.

(Expressed in euros)

10.6. SUPPLIERS AND OTHER LIABILITIES

These correspond to invoices issued by suppliers, as well as provisions for expenses considered to have been accrued at 2020 and 2019 year-ends.

Other liabilities relate to guarantees from contractors that have not yet been paid to them.

This liability item does not include balances with public administrations (see Note 11).

Information about the average period for payment to suppliers:

The breakdown of information required in relation to the average period for payment to suppliers, under Law 15/2010 of 5 July and amendments to Law 31/2014 of 3 December, and ICAC Resolution 29 January 2016, is as follows:

	31/12/2020	**31/12/2019**
	Days	**Days**
Average period of payment to suppliers	86.94	31.47
Ratio of transactions paid	63.89	27.29
Ratio of transactions pending payment	192.19	120.08
	Euros	**Euros**
Total payments made	8,390,243.77	8,683,964.85
Total payments pending	1,837,236.10	409,491.35

The Group is meeting the legally established deadlines with some minor delays, due to invoices that do not comply with the contractual terms as they do not conform to or comply with other obligations of the suppliers under the service agreement or order formalised. As such, there may be a small delay in payment.

10.7. CAPITAL MANAGEMENT

ORBIS PROPERTIES Group is financed with funds received from the Group and related companies (see Note 10.5), as well as with bank financing granted jointly by the financial institutions CAIXABANK, S.A. and DEUTSCHE PFANDRIEFBANK AG (see Note 10.4).

As the Group companies are subject to the special tax regime of the SOCIMI ("LSOCIMI"), they are obliged to distribute at least 80% of their profit in the form of dividends to their shareholders in accordance with the legal obligation under Law 16/2012 (see Note 2).

The main objectives of the Group's capital management are to ensure short- and long-term financial stability, adequate financing of investments and reduction of debt levels. The Board of Directors of the Parent Company considers the level of debt to be appropriate.

10.8. FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The table below includes an analysis of financial instruments that are valued at fair value, classified by the valuation method. The different levels have been defined as follows:

- Listed prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- Data other than the listed price included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices) (Level 2).

(Expressed in euros)

- Data for assets or liabilities that are not based on observable market data (i.e. unobservable data) (Level 3).

	31/12/2020		
	Level 1	Level 2	Level 3
Non-current:			
Derivative financial instruments (see Note 10.3)	-	(3,339,809.74)	-

	31 December 2019		
	Level 1	Level 2	Level 3
Non-current:			
Derivative financial instruments (see Note 10.3)	-	(3,223,036.20)	-

The table sets out the Group's financial liabilities valued at fair value. The fair value of interest rate swap derivatives is calculated as the current value of estimated future cash flows, based on estimated interest rate curves.

For the fair value of investment property, see Note 7.

11. TAX MATTERS

The breakdown of balances relating to assets and liabilities with public administrations at 31 December 2020 and 2019 is as follows:

		31/12/2020
	Assets	Liabilities
Current		
Current tax	0.00	(914,464.68)
Value Added Tax (VAT)	52,596.40	(407,392.82)
Tax withholdings and pre-payments	2,091.89	(63.89)
Total	**54,688.29**	**(1,321,921.39)**

		31/12/2019
	Assets	Liabilities
Current		
Value Added Tax (VAT)	10,582.63	(278,490.29)
Tax withholdings and pre-payments	-	(563.52)
Total	**10,582.63**	**(279,053.81)**

Under current legislation, tax returns cannot be deemed to be final until they have been audited by the tax authorities or until the currently-established four-year statute-of-limitations period has expired. The Group has the last three reporting periods available for review for all the taxes applicable to it, which are those that have elapsed since the incorporation of the Parent Company and the subsidiaries.

As a result of the differing interpretations that could be made of current tax legislation, among other reasons, additional liabilities could arise as a result of an inspection. In any case, the Board of Directors believes that said liabilities, should they arise, would not significantly affect the consolidated financial statements.

12. CALCULATION OF CORPORATE TAX

(Expressed in euros)

The reconciliation of net income and expense at 31 December 2020 and 2019, the tax base (taxable profit) of the Corporate Tax, is as follows:

31/12/2020	**Consolidated income statement**		
	Increases	**Decreases**	**Total**
Income and expenses for the year			**(8,139,644.18)**
Corporate tax			**914,464.68**
Temporary differences	2,936,837.06	-	**2,936,837.06**
Other adjustments	7,999,977.88	-	**7,999,977.88**
Tax base (taxable profit/loss)			**3,711,635.44**

31/12/2019	**Consolidated income statement**		
	Increases	**Decreases**	**Total**
Income and expenses for the year			**(9,239,991.00)**
Corporate tax			**-**
Temporary differences	3,286,976.03	-	**3,286,976.03**
Other adjustments (Note 4.4)	5,385,387.86	-	**5,385,387.86**
Tax base (taxable profit/loss)			**(567,627.11)**

The amount of 914,464.68 euros on account of Corporate Tax is due to the tax bases subject to the general regime derived from the sale of the asset mentioned in Note 7, which took place within the first 3 years from purchase of the asset, thus failing to meet the requirement imposed by the legal system governing SOCIMIs, which provides that the sales of assets within the first three years are subject to taxation under the general regime.

The adjustments to the tax base for 2020 relate to the temporary differences arising from the limitation on the deductibility of finance costs, and in 2019, to the amount indicated in Note 4.4. No deductions have been generated or applied.

On 28 September 2018, and with effect from 28 September 2018, the Group companies notified the corresponding Office of the State Agency for Tax Administration of their tax address regarding the option adopted by the Sole Shareholder of the Parent Company to adhere to the SOCIMI regime.

In application of the SOCIMI regime, and pursuant to Article 9 of Law 11/2009 regulating the aforementioned regime, it is established that the entities that opt for the application of the special tax regime will be taxed at the rate of zero percent (0%) Corporate Tax and, where not provided for by Law 11/2009, they will be regulated by the general provisions established in Royal Legislative Decree 4/2004 of 5 March, approving the revised text of the Corporate Tax Law.

However, the tax is accrued in proportion to the distribution of dividends. In the event of generating of tax losses, Law 27/2014 of 27 November on Corporate Tax will not apply. Likewise, the regime of deductions and relief established in Chapters II, III and IV of that rule will not be applicable.

As established in Article 9 of the Law of SOCIMI, the entity will be subject to a kind of special tax of 19% on the full amount of profit dividends or shares distributed to shareholders whose stake in the entity's capital is equal to or greater than 5%, provided that said dividends, in the shareholders' fiscal location, are exempt or taxed at a rate of less than 10%. This tax will be considered as a Corporate Tax liability.

(Expressed in euros)

At the date of preparation of these consolidated financial statements, except for the disclosures made in Note 7 regarding the sale of one of the properties, the Group did comply with all the requirements of the aforementioned legislation (see Note 2).

In the event of non-compliance with any of the conditions, the Group would be taxed under the general system provided that it did not remedy such deficiencies in the reporting period following the non-compliance.

Given that the parent company and its subsidiaries were incorporated in the same reporting period in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, was applied, there are no taxable losses prior to the application of this regime.

13.INCOME AND EXPENSES

13.1. NET REVENUE

The breakdown of the net sum of the Group's revenue corresponding to its continuing operations per activity category is as follows:

Item	31/12/2020	31/12/2019
Income from leasing office spaces	8,587,390.15	10,028,709.55
Income from leasing parking spaces	1,276,302.40	1,374,875.25
Income from leasing retain spaces	89,970.81	116,604.67
Income from leasing warehouse spaces	1,866.96	1,296.00
Adjustments for linearisation of rent shortfalls, staggered rent and similar situations	399,739.94	303,847.99
Adjustments to income for occupancy incentives and lease formalisation costs	(102,866.83)	(77,890.49)
Income from reinvoicing expenses	3,646,825.73	3,603,793.21
Total	**13,899,229.16**	**15,351,236.18**

All the details in the table above correspond to properties located in the Community of Madrid.

(Expressed in euros)

13.2. OTHER OPERATING EXPENSES

The breakdown of this heading at 31 December 2020 and 2019 is as follows:

Outside services:	31/12/2020	31/12/2019
Repair and maintenance costs	682,511.76	723,673.56
Independent professional services	3,434,430.11	2,757,138.07
Insurance premiums	75,134.40	75,699.02
Banking services	67,413.64	67,105.24
Advertising	30,570.25	1,606.32
Utilities	1,020,016.83	1,208,551.98
Other services	1,452,296.67	1,483,707.55
Taxes	1,738,622.39	1,647,342.22
TOTAL	**8,500,996.05**	**7,964,823.96**

The "Repairs and maintenance" heading includes expenses relating to investment property owned by the Group (see Note 7).

With respect to taxes, the corresponding breakdown would be as follows:

Taxes	31/12/2020	31/12/2019
Local taxes	1,649,129.97	1,631,317.35
Non-deductible VAT	89,492.42	16,024.87
TOTAL	**1,738,622.39**	**1,647,342.22**

The Group was exempted from Business Taxes in 2019. In 2020, amounts were received on account of Business Taxes as detailed below:

- Orbis Cristalia 2&3: 46,275.11 euros
- Orbis Cristalia 5&6: 45,441.18 euros
- Orbis De La Vega: 36,506.10 euros

13.3. OTHER PROFIT/LOSS

During 2020, the Group received compensation totalling 600,000.00 euros as a result of exercise of the early termination option on the lease by one of the main lessees of a space in one of the Group's properties (see Note 7). In 2019, 1 million euros was received on such account.

(Expressed in euros)

13.4. FINANCIAL PROFIT(LOSS)

The breakdown of this heading for the period up to 31 December 2020, and with respect to 31 December 2019, is as follows:

	31/12/2020	31/12/2019
Finance costs:	**(6,936,837.06)**	**(7,286,976.03)**
Interest on loans with companies of the Group (see Note 14.1)	(3,194,580.90)	(3,185,852.55)
Interest on loans with financial institutions (see Note 10)	(1,744,722.80)	(2,012,773.76)
Interest on financial derivatives (Swap)	(1,073,579.29)	(1,011,021.70)
Other finance costs	(923,954.07)	(1,077,328.02)
Exchange rate differences	**(196.41)**	**(90.56)**
Fair value variation in financial instruments:	(116,773.28)	(1,782,640.08)
TOTAL	**(7,053,806.75)**	**(9,069,706.67)**

14. RELATED PARTIES

All transactions with related parties have been between the subsidiaries and the sole shareholder of the Parent Company, EPISO 4 REBOUND HOLDING, S.À.R.L. The transactions between the abovementioned parties are for financing and management services provided to the subsidiaries.

14.1. RELATED PARTY TRANSACTIONS AND BALANCES.

The transactions that took place in 2020 and 2019 were the following:

			31/12/2020
Company name	**Type of relationship**	**Item**	**Amount**
EPISO Rebound Holding Sarl	Shareholder	Accrued interest	3,194,580.90
EPISO Rebound Holding Sarl	Shareholder	Current transactions	1,481,040.47
Total			**4,675,621.37**

			31/12/2019
Company name	**Type of relationship**	**Item**	**Amount**
EPISO Rebound Holding Sarl	Shareholder	Accrued interest	3,185,852.55
EPISO Rebound Holding Sarl	Shareholder	Current transactions	1,525,708.46
Total			**4,711,561.01**

Transactions with related parties regarding operations in the normal course of the Company's business and are carried out at market prices, which are similar to those applied to unrelated entities.

(Expressed in euros)

The breakdown of balances for financing with group companies is as follows:

	Type of relationship	Type of relationship	Related parties	% of holding	Loan principal (31/12/2020)	Accumulated interest (31/12/2020)
Orbis Cristalia 2&3, S.L.U.	Bridge debt Interest-bearing loan	Shareholder	EPISO Rebound Holding S.à.r.l.	100.00%	-	532,978.97
	Interest-bearing loan				8,425,251.43	1,689,033.59
Orbis Cristalia 5&6, S.L.U.	Bridge debt Interest-bearing loan				-	541,014.49
	Interest-bearing loan				11,409,707.71	1,727,498.73
Orbis Foxa 29, S.L.U.	Bridge debt Interest-bearing loan				-	227,171.91
	Interest-bearing loan				4,531,198.27	728,290.74
Orbis Jilt 6&14, S.L.U.	Bridge debt Interest-bearing loan				-	415,521.79
	Interest-bearing loan				7,906,307.63	1,209,200.34
Orbis de la Vega, S.L.U.	Bridge debt Interest-bearing loan				-	594,318.55
	Interest-bearing loan				10,205,568.95	1,879,811.90
TOTAL					**42,478,033.99**	**9,544,841.01**

	Type of relationship	Type of relationship	Related parties	% of holding	Loan principal (31/12/2019)	Accumulated interest (31/12/2019)
Orbis Cristalia 2&3, S.L.U.	Bridge debt Interest-bearing loan	Shareholder	EPISO Rebound Holding S.à.r.l.	100.00%	-	532,978.96
	Interest-bearing loan				9,918,239.00	943,127.67
Orbis Cristalia 5&6, S.L.U.	Bridge debt Interest-bearing loan				-	541,014.49
	Interest-bearing loan				10,144,029.00	964,612.16
Orbis Foxa 29, S.L.U.	Bridge debt Interest-bearing loan				-	227,171.91
	Interest-bearing loan				4,276,667.00	406,661.95
Orbis Jilt 6&14, S.L.U.	Bridge debt Interest-bearing loan				-	415,521.79
	Interest-bearing loan				7,100,499.00	675,203.92
Orbis de la Vega, S.L.U.	Bridge debt Interest-bearing loan				-	594,318.55
	Interest-bearing loan				11,038,600.00	1,049,648.70
TOTAL					**42,478,034.00**	**6,350,260.11**

On 28 November 2018, the subsidiaries signed a series of loans granted by the Sole Shareholder of the Parent Company, i.e. EPISO Rebound Holding S.à.r.l., as described above, with maturity on 31 March 2024. At 31 December 2020 and 2019, the loans with the Parent Company's Sole Shareholder were as follows:

Interest-bearing loan:

- Interest-bearing loan agreement between Orbis Cristalia 2&3, S.L. (hereinafter, the "borrower") and EPISO Rebound Holding S.à.r.l. (hereinafter, the "lender") by which the lender made available to the borrower a maximum amount of 9,918,239.00 euros with an annual interest rate of 7.5%. At 31 December 2018, the maximum amount of 9,918,239.00 euros had been drawn, an amount that was maintained as at 31 December 2019. On 31 December 2020, the drawn balance was reduced by 1,492,987.57 euros. Interest accrued in the amount of 745,905.92 euros (943,127.67 euros at 31 December 2018), which added to the principal of this loan.

(Expressed in euros)

- Interest-bearing loan agreement between Orbis Cristalia 5&6, S.L. (hereinafter, the "borrower") and EPISO Rebound Holding S.à.r.l. (hereinafter, the "lender") by which the lender made available to the borrower a maximum amount of 11,409,707.71 euros with an annual interest rate of 7.5%. At 31 December 2018, the maximum amount of 10,144,029.00 euros had been withdrawn, an amount that was maintained as at 31 December 2019. On 31 December 2020, the drawn balance was increased by 1,265,678.71 euros. Interest accrued in the amount of 762,886.58 euros (964,612.16 euros at 31 December 2018), which added to the principal of this loan.

- Interest-bearing loan agreement between Orbis Foxa 29, S.L. (hereinafter, the "borrower") and EPISO Rebound Holding S.à.r.l. (hereinafter, the "lender") by which the lender made available to the borrower a maximum amount of 4,531,198.27 euros with an annual interest rate of 7.5%. At 31 December 2018, the maximum amount of 4,276,666.99 euros had been drawn, an amount that was maintained as at 31 December 2019. On 31 December 2020, the drawn balance was increased by 254,531.28 euros. Interest accrued in the amount of 321,628.78 euros (406,661.95 euros at 31 December 2018), which added to the principal of this loan.

- Interest-bearing loan agreement between Orbis Jilt 6&14, S.L. (hereinafter, the "borrower") and EPISO Rebound Holding S.à.r.l. (hereinafter, the "lender") by which the lender made available to the borrower a maximum amount of 7,906,307.63 euros with an annual interest rate of 7.5%. At 31 December 2018, the maximum amount of 7,100,499.00 euros had been drawn, an amount that was maintained as at 31 December 2019. On 31 December 2020, the drawn balance was increased by 805,808.64 euros. Interest accrued in the amount of 533,996.42 euros (675,203.92 euros at 31 December 2018), which added to the principal of this loan.

- Interest-bearing loan agreement between Orbis de la Vega, S.L. (hereinafter, the "borrower") and EPISO Rebound Holding S.à.r.l. (hereinafter, the "lender") by which the lender made available to the borrower a maximum amount of 11,038,600.00 euros with an annual interest rate of 7.5%. At 31 December 2018, the maximum amount of 11,038,600.00 euros had been drawn, an amount that was maintained as at 31 December 2019. On 31 December 2020, the drawn balance was reduced by 833,031.05 euros. Interest accrued in the amount of 830,163.20 euros (1,049,648.70 euros at 31 December 2018), which added to the principal of this loan.

Bridge interest-bearing loan:

During 2018, the subsidiaries signed certain loan agreements with EPISO Rebound Holding S.à r.l. for a total of 167,727,977.00 euros, with an annual interest rate of 7.5%, which was cancelled on 30 November 2018 after being granted the loan described in Note 10.4. Until cancellation, these loans accrued interest for a total of 2,311,005.70 euros, which remained unpaid at 31 December 2020 and 2019.

(Expressed in euros)

The following is a breakdown of business transactions by management fees accrued with EPISO Rebound Holding S.à.r.l. at 31 December 2020 and 2019:

	31/12/2020	31/12/2019
Orbis Cristalia 2&3, S.L.U.	347,242.20	357,714.95
Orbis Cristalia 5&6, S.L.U.	344,611.53	355,004.98
Orbis Foxa 29, S.L.U.	155,206.73	159,887.75
Orbis Jilt 6&14, S.L.U.	236,756.02	409,204.22
Orbis de la Vega, S.L.U.	397,223.99	243,896.56
TOTAL	**1,481,040.47**	**1,525,708.46**

All invoices received during 2019 and 2020 were paid in the corresponding reporting periods and the outstanding balance is zero euros.

15. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

a) Remuneration of the members of the Board of Directors

The members of the Board of Directors of the Parent Company and its subsidiaries have not received any remuneration in the form of profit-sharing or bonuses. They have also not received any shares or stock options during the reporting period, nor have they exercised any options or have any options outstanding.

At 31 December 2020, as in 2019, no contributions had been made to pension funds or plans for former or current members of the Board of Directors of the Parent Company or its subsidiaries. Similarly, no obligations have been incurred for these items during 2020 or 2019.

At 31 December 2019 and 31 December 2020, the Parent Company and its subsidiaries had not paid any life insurance premium, nor had they taken out any life insurance policy to cover the risk of death, or any liability insurance policy.

b) Advances and loans to the members of the governing body

At 31 December 2020, as in 2019, no advances or loans had been granted to the members of the Company's governing body, nor was any balance maintained with them.

c) Remuneration and loans to senior executives

The members of the senior management, who also form part of the Board of Directors of the Parent Company and its subsidiaries, earned a total of 27,799.96 euros at 31 December 2020 for their executive duties in the Parent Company and its subsidiaries (18,000.00 euros at 31 December 2019), invoiced through a business company.

d) Information regarding conflicts of interest involving members of the Board of Directors.

In order to avoid situations of conflict of interest in the Company, the directors have throughout the reporting period complied with the obligations set out in Article 228 of the revised text of the Spanish Companies Law. Furthermore, both said directors and the persons related to them have refrained from engaging in any of the situations of conflict of interest provided for in Article 229 of said Law, except in cases where the corresponding authorisation was obtained.

Neither the Company's directors nor persons connected to them, as defined in the Spanish Companies Law, held ownership interests in companies engaging in an activity that is identical, similar or complementary to the corporate purpose of the Company. The titles or positions held in such companies, where appropriate, are shown below:

Director	Company	Interests	Title or position
Yves Barthels	Orbis de la Vega, S.L.	0%	Joint and several director
Yves Barthels	Orbis Cristalia 2&3, S.L.	0%	Joint and several director
Yves Barthels	Orbis Cristalia 5&6, S.L.	0%	Joint and several director
Yves Barthels	Orbis Foxa 29, S.L.	0%	Joint and several director
Yves Barthels	Orbis Jilt, S.L.	0%	Joint and several director
Yves Barthels	Orbis Properties Socimi, S.A.	0%	Director
Yves Barthels	CCP5 Curzon Manoteras Holding, S.L.	0%	Joint director
Yves Barthels	CCP5 Curzon Propco Manoteras, S.L.	0%	Joint director
Yves Barthels	Selvademar Properties S.L.	0%	Director

Director	Company	Interests	Title or position
Jean-Philippe Jean Jacques Blangy	Selvademar Properties S.L.	0%	Director

16. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS

The Group’s risk management policies are established by the Board of Directors and management of the Group’s financial risks is centralised in the Finance Department of the larger Group to which Orbis Properties Group belongs, which has mechanisms in place to control exposure to fluctuations in interest rates and exchange rates, and to credit and liquidity risks. Based on these policies, the Group has established a series of procedures and controls to identify, measure and manage the risks arising from its business activity.

The Group’s activities are exposed to several kinds of financial risk: market risk (including interest rate risk), credit risk and liquidity risk. The Group’s global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on its financial returns. The Group uses derivative financial instruments to hedge its exposure to certain risks.

The main financial risks affecting the Group are detailed below:

<u>a) Market risk:</u>

Interest rate risk

The Group’s interest rate risk derives from its financial debt. Loans taken out with floating interest rates expose the Group’s cash flows to the interest rate risk, which is offset by cash and cash equivalents held at floating rates.

The Group analyses its exposure to interest rates in an ongoing manner. Several scenarios are simulated, taking into account financing alternatives. Based on these scenarios, the Group calculates the impact of a certain change in interest rates on its profits (these scenarios are used only for liabilities representing the most significant positions subject to interest rates). These analyses take into account:

- the economic setting in which the Group operates, designing different economic scenarios by modifying the key variables that could affect the Group (interest rates, share prices, occupancy rates of the investment properties, etc.).

- any inter-dependent variables identified and the degree to which they are linked.

- the timeframe in which the assessment is made, taking the time horizon of the analysis into consideration and any possible deviations.

Simulations are performed regularly so as to ensure that the maximum potential loss stays within the limits set by Management and the Directors of the Parent Company.

At 31 December 2020 and 2019, 100% of the financing in place with third parties was tied to floating rates (see Note 10.4), and the Group has set up certain derivative financial instruments to mitigate its exposure to fluctuations in interest rates (see Note 10.3). The Group's loans are denominated in euros.

b) Credit risk:

There is no significant concentration of credit risk, defined as the impact of impairment of accounts receivable on the consolidated income statement, within the Group companies. The Group has policies in place to ensure that sales and leases are undertaken with customers that have an appropriate credit history. In general, the Group keeps its cash on hand and cash equivalents at financial institutions with a high credit rating. Most of the leasing agreements concluded with the tenants are long-term agreements.

c) Liquidity risk:

Management and the Board of Directors of the Parent Company are responsible for managing the liquidity risk related to the ability to settle payment commitments and/or commitments arising from new investments. The specific maturity of the Group's financial instruments at 31 December 2020 is shown in Notes 8 and 10 of these consolidated financial statements.

Excess cash held by the Group is invested in current accounts that earn interest at a certain rate or in term deposits, choosing appropriate maturities or sufficient liquidity to afford the required comfort in line with the forecasts mentioned above. At 31 December 2020, the Group has the cash and cash equivalents indicated in Note 8.3.

It should be noted that, as pointed out in Notes 10.4 and 8.3, as a consequence of the circumstances derived from the requirements set under the financing agreement, a portion of the generated liquidity is withheld in an account called Cash Trap and Financial Covenant.

The Parent Company's ultimate shareholder, EUROPEAN PROPERTY INVESTORS SPECIAL OPPORTUNITIES 4 LP, has stated in writing that it will provide the necessary financial support to enable the Parent Company and its subsidiaries to continue operating and to meet their obligations.

17. OTHER DISCLOSURES

17.1. PERSONNEL STRUCTURE

The Group does not have any employees. As such, there were no personnel expenses, social security contributions or other personnel costs accrued in the reporting period (2019: same situation).

The current Board of Directors of the Parent Company is made up of 2 men and 1 woman (2019: 3 men).

17.2. AUDIT FEES

Fees earned during the reporting period by PricewaterhouseCoopers Auditores, S.L. for auditing the 2020 separate and consolidated financial statements amounted to 70,910 euros (2019: 69,800 euros), and for other verification services, 5,700.00 euros (2019: 27,000.00 euros).

The fees earned by other companies belonging to the auditor’s network amounted to 4 thousand euros (2019: 0 thousand euros).

17.3. PROVISIONS AND CONTINGENCIES

At the date of preparation of these consolidated financial statements, the Parent Company's directors considered that no events had occurred that might make it necessary to allocate a provision or to disclose information about any contingencies.

18. ENVIRONMENTAL INFORMATION

The systems, equipment, facilities and expenses incurred by the Group for the protection and improvement of the environment were not significant either at 31 December 2020 or at 31 December 2019.

The Parent Company's directors considered that at 31 December 2020 and 2019 there were no contingencies relating to environmental protection and improvement that would have a significant impact on the consolidated financial statements. At present, the Group does not carry out activities that have a significant impact on the environment.

The Group did not receive any environmental subsidies during the reporting periods ended on 31 December 2020 or 31 December 2019.

19. INFORMATION REQUIREMENTS DERIVING FROM THE STATUS OF SOCIMI (LAW 11/2009)

The Parent Company and its subsidiaries are in the process of formalising certain legal and formal requirements of the SOCIMI regime during the transition period established by Law 11/2009 of 26 October (see Note 2).

In compliance with the provisions of Article 11 of Law 11/2009 regulating Listed Real-Estate Market Investment Companies, as the Parent Company and its subsidiaries are covered by the SOCIMI regime, the following information is provided:

1- Reserves from previous periods to the application of the tax regime established in Law 11/2009, modified by Law 16/2012 of 27 December.

   There are no reserves from previous periods in which the tax regime established in Law 11/2009, as amended by Law 16/2012 of 27 December, has not been applied because the 2018 reporting period, in which the companies were incorporated, was the same period as that from which the aforementioned special regime has been applied.

2- There are no reserves from periods in which the special tax regime has been applicable, so there is no need to differentiate between the portion of income taxed at 0% or at the special rate of 19% and that which has been taxed at the general tax rate.

At 31 December 2020 and 2019, negative reserves were disclosed (see Note 9).

3- As the profits of the Parent Company and its subsidiaries as at this date were below retained losses, no dividends were distributed out of profits. No dividends were distributed from the profits for each reporting period in which the tax regime established in this Law was applicable.

4- The distribution of dividends charged to reserves has not been agreed upon and, therefore, it is not appropriate to specify the reporting period from which the applied reserve came and whether these were taxed at the 0% tax rate, or at the special 19% tax rate, or at the general tax rate.

5- No resolution date for distribution of the dividends mentioned in sections c) and d) above has been established.

6- The date of acquisition of the real estate properties intended for lease referred to in section 1, article 2, of this Act is indicated in Note 7 of these consolidated financial statements.

7- Dates of acquisition of equity interests in the entities referred to in section 1, paragraph 2, of the Law: not applicable.

8- The assets calculated as part of the 80% referred to in section 1, article 3, of this Act are identified in Note 7.

9- Reserves carried forward from reporting periods in which the tax regime stipulated in this Act was applicable and capitalised during the tax period, but not for distribution or to offset losses, identifying the period in which the reserves arose: not applicable.

MANDATORY DISTRIBUTION OF DIVIDENDS

Given its status as a SOCIMI, and as set forth in article 27 of its articles of association, the Parent Company is required to distribute dividends of the profits earned during the reporting period, after meeting the relevant commercial obligations, pursuant to article 6 of Law 11/2009, of 26 October, amended by Law 16/2012, which regulates Listed Real-Estate Market Investment Companies ("SOCIMI").

20. BUSINESS COMBINATIONS

In 2018, on 7 August 2018, specifically, the Parent Company acquired 100% of the share units and voting rights of the subsidiaries for a total acquisition price of 15,000.00 euros (Note 3).

This transaction did not give rise to revaluation of the assets provided, intangible assets or goodwill because the fair value of the assets acquired (cash) was equal to the consideration given.

21. SEGMENT REPORTING

Since all the revenue-generating companies engage in the operation of real-estate investments under a rental system and they are all located in the Community of Madrid, there is no segmentation or classification based on relevant criteria that would provide any useful information not already provided in the other notes to these consolidated financial statements, because all the income and expenses are linked to the same segment: real-estate leasing.

22. IMPLICATIONS OF THE PANDEMIC

Since December 2019, COVID-19, a new coronavirus strain, has spread from China to other countries, including Spain. On 11 March 2020, the World Health Organisation declared the public health emergency situation brought about by the coronavirus (COVID-19) outbreak a global pandemic. Since then, national governments have responded by implementing policies and measures aimed at mitigating the virus and its economic impact on domestic markets and the global economy.

The quick development of the events, both nationwide and worldwide, has led to an unprecedented health crisis, which has had an impact on the macroeconomic environment as well as on business performance. To address this situation, a series of measures were adopted during the 2020 and 2021 reporting periods to deal with the economic and social impact, which, among other aspects, have led to restrictions on the mobility of people. In particular, the Spanish government, among other measures, proceeded to declare a state of alarm through the publication of Royal Decree 463/2020 of 14 March, which was lifted on 1 July 2020, and approved a number of extraordinary urgent measures aimed at addressing the economic and social impact of COVID-19, through Royal Decree-law 8/2020 of 17 March, among others. On the date of preparation of these financial statements, the state of alarm declared by the Spanish government through Royal Decree 926/2020 of 25 October, which was initially approved until 9 November 2020, was in force and it has been extended until 9 May 2021 through Royal Decree 956/2020 of 3 November.

The impact on the Group’s transactions mainly involves some tenants’ inability to continue their business activities as usual, thus preventing some of them from being able to pay the full rent amounts agreed and leading others to terminate their rental agreements. In response to this situation, in order to minimise the impact of COVID-19, the Group has negotiated with several tenants in response to their requests to stipulate staggered rent periods for several months, and as a result, it has executed certain agreements establishing new rent grace periods and staggered rents.

In the context of this pandemic, the Company has analysed the main risks to its business and the measures to adopt: As for liquidity risk, as a consequence of the decrease in current and expected rents under the leases, at the time of preparation of these consolidated financial statements, some of the subsidiaries might experience liquidity stress to honour all the payments they should make over the next few months. However, the Parent Company's ultimate shareholder, EUROPEAN PROPERTY INVESTORS SPECIAL OPPORTUNITIES 4 LP, has stated in writing that it will provide the necessary financial support to enable the Parent Company and its subsidiaries to continue operating and to meet their obligations.

At any rate, the Parent Company’s directors keep on monitoring the events and their impact on the Group. The Group’s Directors are permanently in contact with their service providers to ensure the continuity of the Company’s operations, and to assess its liquidity status and the obligations of lessees with which the subsidiaries have entered into lease agreements and the financing obligations of the latter, as well as making assessments based on the value estimates contained in these consolidated financial statements. The necessary steps are being taken to address the situation and minimise its impact, considering that, based on the most recent estimates and the cash position to date, the situation does not affect application of the going concern principle.

23. EVENTS AFTER THE REPORTING PERIOD

At the date of preparation of these financial statements, no significant subsequent event took place in relation to the Company's activity other than those described in these consolidated notes, and, based on the current estimates of the Governing Body, no significant effects are expected.

ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company) and subsidiaries

CONSOLIDATED DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

1. Company status: organisational structure and operation.

ORBIS PROPERTIES, S.A. (Single-member Company) was incorporated on 5 July 2018 and is the parent of a group of companies (jointly, Orbis Properties Group). The Group's business activity consists of operating real-estate assets, mainly office buildings located in the Community of Madrid, under operating leases. 2018 was the first year for the Group, with eight buildings in its portfolio since they were acquired on 26 September 2018. Nevertheless, in 2020 one of the assets was disposed of (the one situated at C/Juan Ignacio Luca de Tena 6, Madrid).

Since 6 April 2017, the Group has applied the regime established under Law 11/2009, of 26 October, amended by Law 16/2012, which regulates Listed Real-Estate Market Investment Companies (SOCIMI), with retroactive effects starting from 1 January 2018, which in practice means that, when certain requirements are met, the Group is subject to a Corporate Income Tax rate of 0%. The Company has been listed on EURONEXT Paris since July 2020.

1.1. Balance sheet

Investment properties remained virtually unchanged between the acquisition date and 31 December 2020, except for the inclusion of investments related to improvements and upgrades that are being added to the buildings in order to facilitate commercialisation of the spaces available for lease, and the sale of a building by the subsidiary Orbis JILT 6&14, S.L.

In particular, on 27 February 2020 an asset accounted for under "Non-current assets - Investment properties" was derecognised. The net carrying amount of the asset on the sale date was 16,125,736.19 euros, referring to the sale of the building located at C/Juan Ignacio Luca de Tena, 6, 28027 Madrid. The consideration received in the sale of the Property amounted to 21,000,000.00 euros, allocated to the following items:

- Payment on behalf of the seller to return the principal on the loans taken out with CAIXABANK, S.A. and DEUTSCHE PFANDRIEFBANK AG for a total of 13,090,000.00 euros (6,545,000.00 euros with each bank).
- Payment on behalf of the seller of a total of 279,566.82 euros in interest accrued on the loans up to the time of sale and in early settlement fees related to the principal.
- Payment to the seller, Orbis JILT 6&14, S.L., of a total of 7,630,433.18 euros.

On the other hand, it should be noted that one of the most important lessees of the property owned by the subsidiary Orbis de la Vega, S.L. terminated its lease agreement before the end of 2019. Similarly, in 2019, the subsidiary Orbis de la Vega, S.L. was notified by another lessee of its decision to exercise its right to terminate its lease in 2020.

As a consequence, mainly, of the changes in yield-related assumptions, the reduction of occupancy levels in some properties owned by the investees, and the change in market conditions in connection with rent, the Group reported impairment in relation to some of its assets at 31 December 2020.

1.2. Income statement

The higher revenue figure of the Group experienced a decrease compared to 2019 year-end mainly due to the grace periods brought about by the state of alarm at the beginning of the Covid pandemic and the termination of leases by the tenants of the building owned by the subsidiary Orbis de la Vega, S.L.U. During the reporting period ended 31 December 2020, the sum of other operating expenses came to 8,500,996.05 euros (2019: 7,964,823.96 euros). The Group's finance income in said period was 7,053,806.75 euros (2019: 9,069,706.67 euros).

2. Business Evolution

The outbreak of Covid-19 is exposing the real estate industry to a number of difficulties due to the impact of the different royal decrees, which has led to the close-down of industries, the lockdown of the population, and an increase in remote working. The high rate of business liquidations, the decrease in consumption, and the increase in remote working have prompted a drop in real-estate market demand, as well as political and health uncertainty, which are the ongoing risks that must be faced for economic recovery to improve.

The impact on the Group's transactions is linked to some tenants' inability to continue their business activities as usual, thus preventing some tenants from being able to pay the full rent amounts agreed and leading others to terminate their rental agreements. In response to this situation, in order to minimise the impact of COVID-19, the Group has negotiated with several tenants in response to their requests to stipulate staggered rent periods for several months, and as a result, it has executed certain agreements establishing new rent grace periods and staggered rents.

In the context of this pandemic, the Company has analysed the main risks to its business and the measures to adopt: As for liquidity risk, as a consequence of the decrease in current and expected rents under the leases, at the time of preparation of these consolidated financial statements, some of the subsidiaries might experience liquidity stress to honour all the payments that should be made over the next few months. However, the Parent Company's ultimate shareholder, EUROPEAN PROPERTY INVESTORS SPECIAL OPPORTUNITIES 4 LP, has stated in writing that it will provide the necessary financial support to enable the Parent Company and its subsidiaries to continue operating and to meet their obligations.

At any rate, the Parent Company's directors keep on monitoring the events and their impact on the Group. The Group's Directors are constantly in contact with their service providers to ensure the continuity of the Company's operations, and to assess its liquidity status and the obligations of lessees with which the subsidiaries have concluded leasing agreements and the financing obligations of the latter, as well as making assessments based on the value estimates contained in these consolidated financial statements. The necessary steps are being taken to address the situation and minimise its impact, considering that, based on the most recent estimates and the cash position to date, the situation does not affect application of the going concern principle.

3. Main risks and uncertainties

Because of the type of business in which the Group engages, its activities are exposed to a range of financial risks: market risk (including interest rate risk), credit risk, and liquidity risk.

Risk management is monitored by the Directors of the Parent Company, who assess the financial risks and hedge them in line with approved policies. The Directors provide written policies for overall risk management.

The uncertainty caused by the impact of COVID-19 is being managed in conjunction with the tenants that currently occupy the spaces.

ORBIS Properties Group is financed with funds received from group companies and related parties, in addition to financing from banks granted jointly by CAIXABANK, S.A. and DEUTSCHE PFANDRIEFBANK AG.

As the Group companies are subject to the special tax regime for SOCIMI ("LSOCIMI", Spanish acronym), they are required to distribute at least 80% of their profits as dividends paid to their shareholders pursuant to the legal obligation stipulated in Law 16/2012.

The main objectives of the Group's capital management are to ensure short- and long-term financial stability, adequate financing of investments and reduction of debt levels. The Board of Directors of the Parent Company considers the level of debt to be appropriate.

The Group's risk management policies are established by the Board of Directors and management of the Group's financial risks is centralised in the Finance Department, which has mechanisms in place to control exposure to fluctuations in interest rates and exchange rates, and to credit and liquidity risks. Based on these policies, the Group has established a series of procedures and controls to identify, measure and manage the risks arising from its business activity.

The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on its financial returns. The Group uses derivative financial instruments to hedge its exposure to certain risks.

The main financial risks affecting the Group are detailed below:

a) Market risk:

Interest rate risk

The Group's interest rate risk derives from its financial debt. Loans taken out with floating interest rates expose the Group's cash flows to the interest rate risk, which is offset by cash and cash equivalents held at floating rates.

The Group analyses its exposure to interest rates in an ongoing manner. Several scenarios are simulated, taking into account financing alternatives. Based on these scenarios, the Group calculates the impact of a certain change in interest rates on its profits (these scenarios are used only for liabilities representing the most significant positions subject to interest rates). These analyses take into account:

- the economic setting in which the Group operates, designing different economic scenarios by modifying the key variables that could affect the Group (interest rates, share prices, occupancy rates of the investment properties, etc.).

- any inter-dependent variables identified and the degree to which they are linked.

- the timeframe in which the assessment is made, taking the time horizon of the analysis into consideration and any possible deviations.

Simulations are performed regularly so as to ensure that the maximum potential loss stays within the limits set by Management and the Directors of the Parent Company.

At 31 December 2020 and 2019, 100% of the financing in place with third parties was tied to floating rates, as the Group had set up certain derivative financial instruments to mitigate its exposure to fluctuations in interest rates. The Group's loans are denominated in euros.

b) Credit risk:

There is no significant concentration of credit risk, defined as the impact of impairment of accounts receivable on the consolidated income statement, within the Group companies. The Group has policies in place to ensure that sales and leases are undertaken with customers that have an appropriate credit history. In general, the Group keeps its cash on hand and cash equivalents at financial institutions with a high credit rating. Most of the leasing agreements concluded with the tenants are long-term agreements.

c) Liquidity risk:

Management and the Board of Directors of the Parent Company are responsible for managing the liquidity risk related to the ability to settle payment commitments and/or commitments arising from new investments. The specific maturity of the Group's financial instruments at 31 December 2020 is shown in Notes 8 and 10 of the consolidated financial statements.

Excess cash held by the Group is invested in current accounts that earn interest at a certain rate or in term deposits, choosing appropriate maturities or sufficient liquidity to afford the required comfort in line with the forecasts mentioned above.

It should be noted that, as a consequence of the circumstances derived from the requirements stipulated under the financing agreement in relation to compliance with certain financial ratios, a portion of the generated liquidity is withheld in an account designated under said contract.

The Parent Company's ultimate shareholder, EUROPEAN PROPERTY INVESTORS SPECIAL OPPORTUNITIES 4 LP, has stated in writing that it will provide the necessary financial support to enable the Parent Company and its subsidiaries to continue operating and to meet their obligations.

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Techniques such as discounted cash flow estimates are used to determine the fair value of financial instruments.

The carrying amount of trade payables and receivables is assumed to be near their fair value. For the purposes of financial reporting disclosures, the fair value of financial liabilities is estimated by discounting future contractual cash flows.

The table below includes an analysis of financial instruments that are valued at fair value, classified by the valuation method. The different levels have been defined as follows:

- Listed prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- Data other than the listed price included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices) (Level 2).
- Data for assets or liabilities that are not based on observable market data (i.e. unobservable data) (Level 3).

	31/12/2020		
	Level 1	**Level 2**	**Level 3**
Non-current:			
Derivative financial instruments (see Note 10.3)	-	(3,339,809.48)	-

	31 December 2019		
	Level 1	**Level 2**	**Level 3**
Non-current:			
Derivative financial instruments (see Note 10.3)	-	(3,223,036.20)	-

The table sets out the Group's financial liabilities valued at fair value. The fair value of interest-rate swaps is calculated as the present value of future estimated cash flows based on estimated interest rate curves.

See Note 7 of the notes to the consolidated financial statements for details on the fair value of investment properties.

4. Procedures and controls

Risks related to the possibility of inadequate leadership and management of the Group, which could lead to an infringement of Spanish laws, are included in this category. Specifically, this includes Law 5/2010 and the amendments enacted in the Reform of the Criminal Code in reference to the criminal liability of companies, as well as Law 31/2014, which reforms the Spanish Companies Law as regards new duties and responsibilities of Directors.

The implementation of risk management policies in the Group is a process driven by the Directors, for which each and every member of the Group is responsible, aimed at providing reasonable assurance that the objectives set by the Group will be accomplished and offering the shareholders, other stakeholders and the market in general appropriate guarantees to ensure that the value generated will be safeguarded.

5. Research and Development Activities

The Group has not performed any R&D activities during the reporting periods ended 31 December 2019 and 2020.

6. Outlook

As the impact of the COVID-19 crisis slowly subsides with 70% of the population already vaccinated, profits are expected to increase gradually in the coming reporting periods, bolstered by reduced operating costs and higher occupancy levels in the buildings owned by the Group.

7. Treasury shares

The Group owns no treasury shares, nor have any transactions with them been conducted in 2020 or 2019.

8. Other disclosures

The Group does not have any employees. As such, there were no personnel expenses, social security contributions or other personnel costs accrued in the reporting period (2019: same situation).

The average term of payment to suppliers in 2020 was 86.94 days (2019: 31.47 days).

9. Events after the reporting period

At the date of preparation of this directors' report, no significant subsequent events took place in relation to the Company's activity other than those described in this consolidated directors' report, and, based on the current estimates of the Governing Body, no significant effects are expected during the reporting period.

ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company) and subsidiaries

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED DIRECTORS' REPORT

On **June 28th 2021** the Board of Directors of ORBIS PROPERTIES SOCIMI, S.A.U., pursuant to the provisions of article 253 of the Spanish Companies Law and article 44 of the Code of Commerce, drew up the consolidated financial statements of ORBIS PROPERTIES SOCIMI, S.A.U. and subsidiaries and the consolidated directors' report for the year ended 31 December 2020, consisting of the pages preceding this certification. Translation of the report of consolidated annual accounts originally issued in Spanish and prepared in accordance with Spanish Generally Accepted Accounting Principles in the event of a discrepancy the Spanish language version prevails

Yves Barthels

Director

ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company) and subsidiaries

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Jean-Philippe Jean Jacques
Blangy

Director

ORBIS PROPERTIES SOCIMI, S.A. (Single-member Company) and subsidiaries

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Anne-Julie Bellaize

Director