

Audit Report of Healthcare Activos Yield SOCIMI, S.A.

**(Together with the annual financial statements
of Healthcare Activos Yield Socimi, S.A.
corresponding to fiscal year ended
31/12/2021)**

*[Translation from the original in Spanish.
In the event of discrepancy, the Spanish-
language version prevails]*

Auditors' Report on the Annual Accounts issued by an Independent Auditor

To the shareholders of Healthcare Activos Yield Socimi, S.A.

Opinion

We have audited the annual financial statements of Healthcare Activos Yield SOCIMI, S.A. (the Company), which comprise the balance sheet as of 31 December 2021, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated annual report for financial year ended on that date.

In our opinion, the accompanying annual financial statements express, in all significant aspects, a fair representation of the equity and the financial position of the Company at 31 December 2021, as well as its results and cash flow for the period ended on that date, in accordance with the applicable regulatory financial reporting framework (identified in note 2 of the annual report) and, in particular, with the accounting principles and criteria contained therein.

Basis of the opinion

We have conducted our audit in accordance with the current regulatory standards for the auditing of accounts activity in Spain. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the annual financial statements* section of our report.

We are independent of the Company in accordance with ethical requirements, including those of independence, which are applicable to our audit of the annual financial statements in Spain as required by the regulatory standards for the auditing of accounts activity. In this sense, we have not provided services other than those of the audit of accounts nor have we encountered situations or circumstances that, in accordance with the provisions of the aforementioned regulatory standards, could have affected the necessary independence such that it may have been compromised.

We consider that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, in our professional judgment, have been considered as the most significant risks of material misstatement in our audit of the annual financial statements for the current period. These risks have been addressed in the context of our audit of the annual financial statements as a whole, and in the formation of our opinion on them, and we do not express a separate opinion on those risks.

Recoverable value of investments in group companies (see notes 4.a) and 5

As of December 31, 2021, the company maintains investments in group companies for an amount of 204.3 million euros (representing 98% of the total assets at this date). The real estate investment valuation process has been considered a relevant part of our audit, as the investments stand for a highly relevant percentage of the total assets, in addition to the fact that the company's analysis of its valuation often requires value judgements by directors, and the use of assumptions and estimates.

Our audit procedures have included, among others, the evaluation of the design and implementation of the key control measures related with the valuation, evaluation of the existence of impairment evidence identified by the Company, as well as the evaluation, analysis and discussion with Company Management of the recording process, including the substantive analysis of the supporting documents and internal control established, as well as the analysis of any objective evidence that the book value is recoverable. Additionally, we have evaluated whether the information disclosed in the Annual Financial Statements complies with the financial reporting regulations applicable to the Company.

Other information: Directors' report

The other information exclusively includes the management report for the fiscal year 2021, whose formulation is the responsibility of the Company' directors and does not form an integral part of the annual financial statements.

Our audit opinion on the annual financial statements does not cover the management report. Our responsibility for the management report, in accordance with the requirements of the regulatory standards for the auditing of accounts activity, consists of evaluating and reporting on the concordance of the Management Report with the annual financial statements, based on the Company's knowledge obtained in the conduct of the audit of the aforementioned accounts as well as evaluating and reporting whether the content and presentation of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report it.

On the basis of the work carried out, as described in the previous paragraph, the information contained in the management report is consistent with that of the annual financial statements for the fiscal year 2021 and their content and presentation are in accordance with the applicable regulations.

Responsibility of the directors in relation to the annual financial statements

The directors are responsible for preparing the accompanying annual financial statements, so that they express a fair representation of the consolidated equity, the financial position and the results of the Group, in accordance with the regulatory framework for financial reporting applicable to the Company in Spain, and the internal control that they deem necessary to allow the preparation of the annual financial statements free from material misstatement, whether due to fraud or error.

In the preparation of the annual financial statements, the directors are responsible for the valuation of the Company's capacity to continue operating as a going concern, disclosing any issues related to the company operating as a going concern and using the accounting principle of a going concern, except if the directors intend to liquidate the company or cease its operations, or if there is no other realistic alternative.

Responsibilities of the auditor in relation to the audit of the annual financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high degree of assurance but does not guarantee that one audit conducted in accordance with the current regulatory standards for the auditing of accounts activity in Spain will always detect a material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the annual financial statements.

As part of an audit in accordance with the current regulatory standards for the auditing of accounts activity in Spain, we apply our professional judgement and maintain an attitude of professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, we design and apply audit procedures to respond to such risks and we obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements or the avoidance of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate depending on the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- We evaluate whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information disclosed by the directors.

- We conclude on whether the use by the directors of the going concern accounting principle is adequate and, based on the audit evidence obtained, we conclude on whether or not there is any material uncertainty related to events or conditions that may generate significant doubts about the Company's ability to continue as operating as a going concern. If we conclude that there is material uncertainty, our audit report must emphasise the corresponding information disclosed in the annual financial statements or, if such disclosures are not appropriate, we must express a modified opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may be cause for the Group to cease to be a going concern.
- We evaluate the overall presentation, structure and contents of the annual financial statements, including the information disclosed, and whether the annual financial statements represent the underlying transactions and events in a way that manages to express a fair representation.

We communicate with the directors of the company in relation to, among other matters, the scope and timing of the planned audit and significant audit findings, as well as any significant deficiencies in the internal control that we may have identified in the course of the audit.

Among the significant risks that have been communicated to the directors of Healthcare Activos Yield Socimi, S.A., we determine those that have been of the greatest significance in the audit of the annual financial statements for the current period and that are, consequently, the risks considered most significant.

We describe these risks in our audit report unless the legal or regulatory provisions prohibit publicly disclosing the issue.

KPMG Auditores, S.L.

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Informe d'auditora de comptes subjecte
a la normativa d'auditoria de comptes
espanyola o internacional

[Original in Spanish signed by]

Alejandro Núñez Pérez

Registered with R.O.A.C. No. 15732

25 February 2022

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.

Annual Report of the Annual Financial
Statements of the year

December 31, 2021

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.**Balance sheet**

December 31, 2021

(Expressed in euros)

Assets	Note	2021	2020
NON-CURRENT ASSETS		204,307,091	207,448,189
Non-current investments in group companies and associates		204,307,091	207,448,189
Equity instruments	5	204,307,091	207,448,189
CURRENT ASSETS		4,592,028	12,337,401
Trade and other receivables		-	441,582
Trade receivables, group and associated companies	10	-	290,000
Public entities, other	7	-	151,582
Current investments in group companies and associates		3,456,844	3,542,185
Loans to companies	10	1,406,844	3,542,185
Other financial assets	10	2,050,000	-
Prepayments for current assets		5,191	3,981
Cash and cash equivalents		1,129,993	8,349,653
Cash and cash equivalents		1,129,993	8,349,653
TOTAL ASSETS		208,899,119	219,785,590

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.**Balance sheet**

December 31, 2021

(Expressed in euros)

Equity and liabilities	Note	2021	2020
EQUITY	6	187,429,523	190,418,555
Shareholders' equity		187,429,523	190,418,555
Capital		118,713,600	118,713,600
Capital		118,713,600	118,713,600
Share premium		35,350,441	37,297,635
Reserves		(253,924)	(645,376)
Legal and statutory		387,068	-
Other reserves		(640,992)	(645,376)
Prior period's profit and loss		-	(1,389,634)
(Prior periods' losses)		-	(1,389,634)
Other equity holders' contributions		33,124,836	34,518,855
Profit/(loss) for the period		4,154,233	3,870,668
Interim dividend		(3,659,663)	(1,947,193)
NON-CURRENT LIABILITIES		-	25,622,985
Group companies and associates, non-current	10	-	25,622,985
CURRENT LIABILITIES		21,469,596	3,744,050
Current payables		1,301,606	497
Other financial liabilities	10	1,301,606	497
Group companies and associates, current	10	18,700,112	3,113,545
Trade and other payables		1,467,878	630,008
Trade payables, group and associated companies	10	-	608
Other payables		793,539	275,777
Other debts with public entities	7	674,339	353,623
TOTAL NET EQUITY AND LIABILITIES		208,899,119	219,785,590

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.**Profits and Losses**

December 31, 2021

(Expressed in euros)

Profits and Losses	Note	2021	2020
Turnover		5,757,628	5,770,699
Financial income from holding companies	8 and 10	5,757,628	5,770,699
Other operating income		2,199,363	2,370,622
Non-trading and other operating income	8 and 10	2,199,363	2,370,622
Other operating expenses		(3,180,678)	(3,186,681)
External services	8	(3,180,678)	(3,186,681)
Other gains/(losses)		7	28
Results from operating activities		4,776,320	4,954,668
Financial income		-	92
Group companies and associates	10	-	92
Financial expenses		(622,087)	(1,084,092)
Group companies and associates	10	(622,026)	(1,084,092)
Other		(61)	-
Net finance income / (expense)		(622,087)	(1,084,000)
Profit/(loss) before income tax		4,154,233	3,870,668
Profit/(loss) for the period		4,154,233	3,870,668

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.**Statement of changes in equity**

December 31, 2021

(Expressed in euros)

A) Statement of revenues and expenses
for the 2021 financial year

	2021	2020
Profit/(loss) for the period	4,154,233	3,870,668
Income and expenses recognised directly in equity		
Total income and expenses recognised directly in equity	-	-
Transfers to the consolidated profit and loss account		
Total amount transferred to the consolidated profit and loss account	-	-
Total consolidated recognised income and expenses	4,154,233	3,870,668

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.

Statement of changes in equity

December 31, 2021

(Expressed in euros)

B) Total statement of changes in equity
corresponding to financial year 2021

	Capital	Share premium	Reserves	(Own shares or equity units)	Prior periods' profit and loss	Other equity holders' contributions	Profit/(loss) for the period	(Interim dividend)	TOTAL
BEGINNING OF YEAR 2020	114,309,600	38,935,970	(213,042)	–	3,522	19,661	(1,393,156)	–	151,662,555
Total recognised income and expenses	–	–	–	–	–	–	3,870,668	–	3,870,668
Transactions with equity holders	4,404,000	(1,638,335)	(432,334)	–	–	34,499,194	–	(1,947,193)	34,885,332
Capital increases	13,404,000	6,502,153	–	–	–	(4)	–	–	19,906,149
(-) Capital reductions	–	–	–	(12,481,794)	–	–	–	–	(12,481,794)
(-) Distribution of dividends	–	(5,091,028)	–	–	–	(802)	–	(1,947,193)	(7,039,023)
Transactions with own shares and equity units	(9,000,000)	(3,049,460)	(432,334)	12,481,794	–	–	–	–	–
Other transactions with equity holders or owners	–	–	–	–	–	34,500,000	–	–	34,500,000
Other changes in equity	–	–	–	–	(1,393,156)	–	1,393,156	–	–
BALANCE, END OF YEAR 2020	118,713,600	37,297,635	(645,376)	–	(1,389,634)	34,518,855	3,870,668	(1,947,193)	190,418,555
BEGINNING OF YEAR 2021	118,713,600	37,297,635	(645,376)	–	(1,389,634)	34,518,855	3,870,668	(1,947,193)	190,418,555
Total recognised income and expenses	–	–	–	–	–	–	4,154,233	–	4,154,233
Transactions with equity holders	–	(1,947,194)	(1,536,408)	–	–	–	–	(3,659,663)	(7,143,265)
(-) Distribution of dividends (note 6)	–	(1,947,194)	(1,536,408)	–	–	–	–	(3,659,663)	(7,143,265)
Other changes in equity	–	–	1,927,860	–	1,389,634	(1,394,019)	(3,870,668)	1,947,193	–
BALANCE, END OF YEAR 2021	118,713,600	35,350,441	(253,924)	–	–	33,124,836	4,154,233	(3,659,663)	187,429,523

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.**Cash Flow Statement**

December 31, 2021

(Expressed in euros)

	Note	2021	2020
Cash flow from operating activities			
Profit/(loss) for the period before tax		4,154,233	3,870,668
Adjustments to the result		622,087	1,084,000
Financial income		–	(92)
Financial expenses	10	622,087	1,084,092
Changes in operating assets and liabilities		(772,332)	(341,373)
Trade and other receivables		(1,608,418)	(385,884)
Other current assets		(1,210)	(3,981)
Trade and other payables		837,296	48,492
Other cash flow from operating activities		(61)	–
Interest paid		(61)	–
Cash flows from operating activities		4,003,927	4,613,295
Cash flow from investing activities			
Payments related to investments		(9,000)	(29,932,728)
Group companies and associates	5	(9,000)	(29,932,728)
Proceeds from sale of investments		3,150,098	3,889,301
Group companies and associates	5	3,150,098	3,889,301
Cash flows from investing activities		3,141,098	(26,043,427)
Cash flow from financing activities			
Proceeds from and payments for equity instruments		–	41,924,358
Issuance of equity instruments	6	–	54,406,152
Acquisition of own shares and equity units	6	–	(12,481,794)
Proceeds from and payments for financial liability instruments		(8,523,103)	(9,280,340)
<i>Issuance</i>		<i>–</i>	<i>513,545</i>
Group companies and associates	10	–	513,545
<i>Redemption and repayment</i>		<i>(8,523,103)</i>	<i>(9,793,885)</i>
Group companies and associates	10	(8,523,103)	(9,793,885)
Payments for dividends and remunerations from other equity instruments		(5,841,582)	(7,128,548)
Dividends	10	(5,841,582)	(7,128,548)
Cash flows from financing activities		(14,364,6685)	25,515,470
Net increase/decrease in cash and cash equivalents		(7,219,660)	4,085,338
Cash and cash equivalents at beginning of the period		8,349,653	4,264,315
Cash and cash equivalents at end of the period		1,129,993	8,349,653

Annual Report of the Financial Statements

December 31, 2021

1. Activity of the Company

Healthcare Activos Yield Socimi, S.A. (formerly Roldania Investments, S.A.) was incorporated on 1 February 2019 before notary Fernando Fernández Medina.

On 26 July 2019, the corporate domicile of the Company was modified, initially located at Calle Nanclares de Oca, 1st floor B, 28022 Madrid, to the current one located at Paseo de la Castellana 45, 6th floor, left door, 28046 Madrid.

On 31 July 2019, and due to the entry of new equity holders in the Company, the Company acquired 100% of the equity units of Healthcare Activos Yield, S.L.U.

By public deed dated 9 September 2019, and with effect from 1 August 2019, Roldania Investments, S.A. absorbed Healthcare Activos Yield, S.L.U. by merger by absorption, and became Healthcare Activos Yield, S.A.

The Company, as well as its subsidiary companies, form the first investment platform specialised in real estate assets at the service of the healthcare sector, including nursing homes, hospitals and clinics. The purpose of the Company is to perform promotion and implementation of all kinds of activities regarding property, urban or planning developments or land use, whether for industrial, commercial or housing purposes. This will include the purchase, possession, lease, management, administration, exchange and sale of real estate assets of all kinds.

On 19 September 2019, the Company communicated to the State Agency of the Tax Administration the decision made on 13 September 2019 by the General Meeting of Shareholders, consisting of opting for the application of the special tax regime of the SOCIMIs established in Law 11/2009, of October 26, which regulates Publicly-traded Investment Corporations in the Real Estate Market, with effect for tax periods beginning 1 February 2019 (date of incorporation of the Company). On 18 September 2019, the Company was named Healthcare Activos Yield Socimi, S.A.

The corporate purpose of the Parent Company is within the corporate purposes required by the SOCIMI in article 2 of Law 11/2009, of October 26, which regulates the Publicly Held Investment Corporations in the Real Estate Market (SOCIMI).

Likewise, Law 11/2009 establishes the following investment requirements in article 3:

1. The SOCIMI must have invested, at least, 80% of the value of the asset in real estate of an urban nature intended for the lease, in land for the promotion of real estate to be used for that purpose, provided that the promotion is initiated within three years following its acquisition, as well as in shares in the capital or equity of other entities that are also intended for the acquisition and promotion of urban real estate for their lease.

This percentage will be calculated on the consolidated balance in the event that the company is the parent company of a group according to the criteria established in Article 42 of the Commercial Code, regardless of residence and the obligation to formulate consolidated annual financial statements. This group will be made up exclusively of the SOCIMI and the rest of the entities referred to in section 1 of Article 2 of said Law (companies with a main corporate purpose corresponding to the acquisition and promotion of real estate of an urban nature for its lease). This percentage is met as of 31 December 2021 and as of 31 December 2020.

2. Likewise, at least 80% of the income of the tax period corresponding to each financial year, excluding those derived from the transfer of the shares and the real estate assets both subject to the fulfilment of their main corporate purpose, once the maintenance period referred to in the following section has elapsed, must come from:
 - (a) the leasing of real estate subject to the fulfilment of its main corporate purpose with persons or entities with respect to which none of the circumstances established in Article 42 of the Commercial Code occurs, regardless of residence, and/or
 - (b) dividends or shares in profits from shares subject to the fulfilment of its main corporate purpose.

This percentage will be calculated on the consolidated result in the event that the company is the parent company of a group according to the criteria established in Article 42 of the Commercial Code, regardless of residence and the obligation to formulate consolidated annual financial statements. Said group shall be made up exclusively of the SOCIMI and the rest of the entities referred to in section 1 of Article 2 of said Law. This percentage is met as of 31 December 2021 and as of 31 December 2020.

3. The real estate that makes up the assets of the company must remain leased for at least three years. For the purposes of the calculation, the time that the properties have been offered under lease will be added, with a maximum of one year.

The term shall be calculated:

- (a) In the case of real estate that appears in the equity of the Company before the time of joining the regime, from the start date of the first tax period in which the special tax regime established in said Law is applied, provided that on that date the property was leased or offered under lease. Otherwise, the provisions of the following letter shall apply.
- (b) In the case of real estate promoted or acquired later by the Company, from the date on which they were leased or offered in lease for the first time.

The real estate that makes up the assets of the Group at the end of the 2021 financial year have contracts linked with an average duration of mandatory compliance of 24 years, so they will remain leased for at least the minimum necessary period.

In the case of shares or equity interests in the capital of entities referred to in section 1 of article 2 of said Law, they must remain in the assets of the Company for at least three years from their acquisition or, where appropriate, from the beginning of the first tax period in which the special tax regime established in said Law is applied. In addition, Law 11/2009 establishes the following requirements in Articles 4 and 5:

1. The shares of the SOCIMI must be registered and be admitted for negotiation in a regulated market or in a multilateral Spanish trading system or in that of any other Member State of the European Union or the European Economic Area, or in a regulated market of any country or territory with which there is effective exchange of tax information, uninterrupted throughout the tax period. On 1 October 2020, the Company's shares were admitted for trading in the "Euronext Access" stock exchange, a regulated European market, thus complying with said requirement.
2. The SOCIMI will have a minimum share capital of 5 million euros, an amount that has been exceeded by the Company, thus complying with this requirement.

Non-monetary contributions for the constitution or increase of capital made in real estate must be subject to a tax at the time of their contribution in accordance with the provisions of article 38 of the Consolidated Text of the Capital Companies Act, and for that purpose, the independent expert appointed by the Commercial Registrar must be one of the appraisal companies provided for in the mortgage market legislation. Likewise, an appraisal will be required by one of the appraisal companies indicated for non-monetary contributions made in real estate for the constitution or capital increase of the entities indicated in paragraph c) of Article 2.1 of said Law.

There may only be one class of shares, being fulfilled in the case of the Company, as shown in note 7. When the Company has opted for the special tax regime established in said Law, it must include in the company's name the indication "Sociedad Cotizada de Inversión en el Mercado Inmobiliario, Sociedad Anónima", or its abbreviation, "SOCIMI, S.A.". This requirement is met by the Company.

3. In addition, as described in Article 6 of Law 11/2009, of 26 October, which regulates Publicly-traded Investment Corporations in the Real Estate Market, the SOCIMI and entities residing in the Spanish territory in which they participate that have opted for the application of the special tax regime established by said Law, are required to distribute dividends to their shareholders, once the corresponding commercial obligations have been fulfilled, the profit obtained in the financial year, its distribution must be agreed upon within six months following the conclusion of each financial year, in the following form:
 - 100% of the profits from dividends or interests in profits distributed by the entities subject to said regime.
 - 50% of the profits arising from the transfer of real estate and shares or equity units, made after the deadlines established in the investment requirements have elapsed, with the rest of said profits being reinvested within the three years following said transfer, and failing that, must be distributed in full.
 - At least 80% of the rest of the profits obtained.

As stated in Note 6, the Parent Company has proceeded to distribute three interim dividends of the results of the financial year 2021, during this financial year, the remaining profits obtained during the financial year will be distributed during the first half of the financial year 2022.

The Company obtained profits during the financial year 2020, which have been distributed as dividends, except for the amount allocated to the Company's legal reserve.

As established in the First Transitory Provision of Law 11/2009, of 26 October, which regulates Publicly-traded Investment Corporations in the Real Estate Market, may opt to apply the special tax regime in the terms established in article 8 of said Law, even when the requirements therein are not met, provided that such requirements are met within two years following the date of the option to apply said regime.

In this regard, as of 31 December 2021 and 2020 of the requirements established by Law 11/2009, of 26 October, which regulates the Publicly-traded Investment Corporations in the Market, the Company complies with all the conditions mentioned therein.

The Company is the head of a group of subsidiary entities, and in accordance with the current legislation, is required to separately prepare consolidated annual financial statements.

2. Basis for presentation of annual financial statements

a) Fair representation

The annual financial statements have been prepared from the Company's accounting records, and are presented in accordance with the General Accounting Plan, approved by Royal Decree 1514/2007, of 16 November, which approves the General Accounting Plan and the mandatory accounting legal provisions, in order to show a fair representation of the equity, the financial position and the results of the company during the corresponding financial year.

The Company's annual financial statements for financial year 2021 have been formulated by the Company's Board of Directors on 23 February 2022, and will be submitted for approval by the General Meeting of Shareholders, it being estimated that they will be approved without any modification.

b) Accounting principles not applied

The accounting principles and valuation rules used by the Company to prepare the annual accounts of the financial year are the same ones applied for the financial year Financial Statements ending at 31 December 2020, except for the approval of Royal Decree 1/2021, as well as the ratification of Decision of 10 February 2021, of the Institute of Accounting and Account Auditing, which establishes the rules for recording, assessment and preparation of Financial Statements to recognize income for the delivery of goods and rendering of services.

Impacts derived from the ratification of Royal Decree 1/2021 are:

Financial instruments

With regard to financial assets and liabilities, new criteria are introduced for their classification, assessment and derecognition in the accounts, and introduces new rules for hedge accounting.

The option has been taken to change the classification of assets and liabilities of 2020 without affecting their valuation. The Company has not had any adjustments to amounts of financial assets and liabilities accounted for in reserves as of January 1, 2021. The impacts derived from the initial application of the rule have not been significant.

Recognition of Income

The rule establishes a new model for recognition of income derived from contracts with customers, in which income must be recognized depending on the obligations of performance before customers. Ordinary income represents the transfer of goods or services committed to customers for an amount that reflects the consideration to which the organization expects to be entitled to in exchange for said goods and services.

Additionally, it is herein considered that an asset will be recognized for the costs derived from fulfilment of a contract with a customer, and an accrual of the expense for the case of incremental costs of obtaining a contract with a customer, and in both cases if they are expected to be recovered.

The impacts derived from the initial application of the rule have not been significant for the Company. As of January 1, 2021, the Group has chosen the practical solution of applying the new rule for new contracts as of said date as the method of first application.

c) Functional currency

The figures obtained in the abridged annual financial statements are expressed in euros.

d) Critical assessment aspects and estimation of uncertainty

There is no relevant data on the estimation of uncertainty at the closing date of financial year, as it has not associated any significant risk that could involve significant changes in the value of assets or liabilities in the following financial year.

The management estimates that there are no risks of significant uncertainties related to events or conditions that may give rise to significant doubts about the possibility that the company will continue to operate normally.

e) Comparison of information

The annual financial statements are presented for comparative purposes, with each of the items of the abridged balance sheet and the abridged profit and loss account, in addition to the figures of the 2021 financial year, those corresponding to the previous financial year, which were part of the abridged annual financial statements of the 2020 financial year that were approved by the General Meeting of Shareholders on 6 April 2021.

f) Going concern principle

The working capital of the Group at 31 December 2021, calculated as the difference between current assets and liabilities, is negative for an amount of 16.9 million euros, as a consequence of the maturity date initially established in the loan received by the subsidiary Healthcare Activos Financing S.L.U. and whose balance at year-end 2021 amounted to 16.551.849 euros (see note 10). Along these lines, it is worth noting that plans call for the renewal of said loan following preparation of these financial statements, extending the loan to a long-term maturity. Based on the foregoing and the fact that the financial needs are covered at the group level, the company directors have prepared these financial statements applying the going concern accounting principle.

3. Distribution of results**a) Proposal to apply results for financial year**

The Board of Directors of the Company will propose to the General Meeting of Shareholders the application of the results of financial year 2021 detailed below:

	Basis of application	Application
<u>Basis of Distribution:</u>		
Profit/(loss) for the financial year 2021	4,154,233	
<u>Application to:</u>		
Legal reserve		415,423
Distribution of dividends		3,738,810
TOTAL	4,154,233	4,154,233

The distribution of the Company's results for the financial year ending 31 December 2020, approved by the General Meeting of Shareholders, was as follows:

	Basis of application	Application
<u>Basis of Distribution:</u>		
Profit/(loss) for the financial year 2020	3,870,668	
<u>Application to:</u>		
Legal reserve		387,067
Distribution of dividends		3,483,601
Total	3,870,668	3,870,668

4. Registration and valuation standards

The valuation standards used by the Company in the preparation of its consolidated annual financial statements for the year ended 31 December 2021, in accordance with those established by the General Accounting Plan, are the following:

a) Financial instruments: Assets

Initial recognition

Financial assets are recognised in the balance sheet when their acquisition is carried out and are initially recorded at fair value, including operating costs in general.

The financial assets held by the Company are classified as:

Financial assets held for trading

Assets whose acquisition originates with the purpose of selling them in the short term. It is initially valued at fair value and subsequently at its amortised cost.

Investments in group and associated companies, and multigroup

Group companies are considered those over which the Company, directly or indirectly, through subsidiaries, exercises control in the terms laid down in Art. 42 of the Commercial Code, or when companies are controlled by any means by one or several natural or legal persons that act jointly or are under a single management by agreements or statutory clauses.

Associated companies are considered those over which the Company, directly or indirectly, through subsidiaries, exercises significant influence. Significant influence is the power to intervene in the decisions of financial and operating policy of a company, without this implying the existence of control or joint control over said company. Existence of significant influence is assessed considering for these purposes the potential voting rights that can be exercised or converted at the end of the financial year, and also considering the potential voting rights held by the Company or the other company.

Multigroup companies are considered those managed jointly by the Company or one or some of the group companies, including entities or dominant natural persons, and one or several third parties from outside the group.

Investments in group associated and multigroup companies, are initially recognised at cost, which is equivalent to the fair value of the consideration delivered, including, for investments in associated and multigroup companies, the transaction costs incurred. These are later assessed at cost, minus the accrued amount of valuation adjustments for impairment.

Loans and receivables

These correspond to credits (commercial or non-commercial) originated by the Company in exchange for supplying cash, goods or services directly and whose collections are of a determined or determinable amount and that are not traded in an active market. They are subsequently valued at their amortised cost by recognising the interest accrued based on their effective interest rate in the income statement.

The Company applies impairment criteria to those customers covered by an insurance entity, to the extent that the customer debts exceed 180 days from the expiration date for the amount of the uninsured part, and to those customers not insured when they exceed 180 days from the expiration date.

Cash and cash equivalents

Under this heading of the attached balance sheet, cash is recorded in cash and banks, sight deposits and other highly liquid short-term investments that are quickly cash-realizable and have no risk of changes in value.

Investments held until maturity

Investments held until maturity are securities representing debt with a fixed maturity date, fixed or determinable collections, which are traded in an active market and which the Company has the effective intention and ability to hold until maturity, other than those classified in other categories. The valuation criteria applicable to financial instruments classified in this category are those applicable to loans and receivables.

Derecognition of financial assets

The Company derecognises a financial asset, or part thereof, when the contractual rights to the cash flows of the financial asset expire or are assigned, it being necessary to substantially transfer the risks and benefits inherent in its ownership.

The disposal of a financial asset in its entirety implies the recognition of results for the difference between its book value and the sum of the consideration received, net of transaction expenses, including the assets obtained or liabilities assumed and any deferred profit or loss on consolidated recognised income and expenses in the consolidated net equity.

Impairment of the value of financial assets

A financial asset or group of financial assets is impaired and an impairment loss has occurred, if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that event or events causing the loss to have an impact on the estimated future cash flows of the financial asset or group of assets, which can be reliably estimated.

The Company follows the criteria of recording the timely valuation corrections for impairment of loans and receivables and debt instruments, when there has been a reduction or delay in estimated future cash flows, caused by the debtor's insolvency.

Likewise, in the case of equity instruments, there is an impairment in value when there is a lack of recoverability of the book value of the asset due to a prolonged or significant decrease in its fair value.

b) Financial instruments: Liabilities

Financial liabilities, including trade creditors and other accounts payable, that are not classified as held for trading or as financial liabilities at fair value with changes in the profit and loss account, are initially recognised at their fair value, minus, where appropriate, transaction costs that are directly attributable to the issuance thereof. After initial recognition, liabilities classified under this category are valued at amortised cost using the effective interest rate method.

The financial liabilities, for valuation purposes, are classified into the following categories:

- **Debits and items payable:** The debits for commercial transactions, which have originated in the purchase of goods and services for traffic transactions, and the debits for non-commercial transactions, which, not being derivative instruments, have no commercial origin, have been included. These financial liabilities have been initially valued at their fair value, and subsequently, at their amortised cost.
- **Financial liabilities held for trading:** Includes liabilities issued mainly for the purpose of repurchase in the short term, liabilities that are part of a portfolio of financial instruments identified and managed jointly, when there is evidence of recent actions to obtain short-term profits, and finally derivative financial instruments that are not contracted as financial guarantees, nor have been designated as hedging

instruments. These liabilities have been valued at their fair value both initially and subsequently with allocation to the profit and loss account.

- Bank loans and overdrafts that accrue interest are accounted for at the amount received, minus direct issue costs. Financial expenses, including premiums payable in settlement or reimbursement and direct issuance costs, are accounted for at the accrual criteria in the profit and loss account using the effective interest method and are added to the instrument's book value to the extent that they are not settled in the period in which they occur.

Derrecognition and modification of financial liabilities

The Company derecognises a financial liability or a portion thereof when it has complied with the obligation contained in the liability or is legally exempted from the main liability contained in the liability either by virtue of a judicial process or by the creditor.

The difference between the book value of the financial liability or the part thereof that has been derecognised and the consideration paid – including attributable transaction costs and in which any asset assigned other than the cash or liability assumed will also be recorded – is recognised in the profit and loss account for the year in which it took place.

c) Cash and cash equivalents

Cash and other cash equivalents include cash at hand and current bank deposits in financial institutions. Other short-term, highly liquid investments are also included in this concept, as long as they are easily convertible into certain amounts of cash, and there is insignificant risk of any value change. For that purpose, investments maturing in less than three months from the date of acquisition are included. The cash flow statement includes as cash and other equivalent liquid assets bank overdrafts repayable on demand and that form part of the company's cash management. Bank overdrafts are recognised in the consolidated balance sheet as financial liabilities for debts with credit entities.

d) Tax on profits

The tax expense or income against profits represents the current as well as deferred taxes.

The Company does not pay tax under a consolidated tax regime, by doing so individually for each of the companies.

The differences existing between the accounting result and the tax result have been considered, this being understood as the tax base of the Corporate Tax. These differences are due to the unequal definition of income and expenses in the economic and tax spheres and to the different time criteria for income and expenses in the aforementioned spheres.

The differences are classified into:

- Permanent differences, produced between the tax base of said tax and the accounting result before taxes for the financial year, which do not reverse in subsequent periods, excluding the offset losses.
- Temporary differences are those derived from the different valuation – accounting and fiscal – attributed to the assets, liabilities and certain instruments of own equity of the company, to the extent that they have an impact on the future tax burden.

As described in Note 1, the company is under the SOCIMI (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario [Public Limited Companies with Investment in the Real Estate Market]) regime regulated by Law 11/2009, of 26 October, regulating Public Limited Companies with Investment in the Real Estate Market. In this regard, in compliance with certain requirements established by said Law, the company pays a rate of 0% on Corporate Tax. Article 10 of that Law also regulates the special tax regime of partners, and particularly dividends distributed from profits or reserves on which the special tax regime established in that Law has been applied, as well as income arising from the transfer or reimbursement of capital stock of the companies opting to apply that regime.

The Board of Directors of the Company monitors compliance with the requirements established in said Law, with the objective of maintaining the tax advantages of the same, estimating that said requirements will be fulfilled in the terms and deadlines set, and recognising the corporate tax for the financial year in that sense.

Deferred tax assets

According to the principle of prudence, deferred tax assets will only be recognised to the extent that it is probable that the Company will have future tax profits that allow the application of these assets. Whenever the above condition is met, a deferred tax asset will be recognised in the following cases:

- a) For deductible temporary differences;
- b) For the right to offset tax losses in subsequent periods;
- c) For deductions and other unused tax advantages not yet applied for tax purposes.

The companies of the Company, in accordance with current accounting regulations, proceed to activate the tax losses estimating that they will be able to recover all those accounted for according to future financial projections that support such activation.

Deferred tax liabilities

A deferred tax liability is recognised for all taxable temporary differences, unless they arise from:

- a) The initial recognition of a goodwill. However, deferred tax liabilities related to a goodwill will be recorded provided they have not arisen from their initial recognition.
- b) The initial recognition of an asset or liability in a transaction that is not a business combination and also did not affect the book result or the tax base.

Current tax assets and liabilities

The current tax is the amount that the company satisfies as a result of the tax settlements of the tax or taxes on the profit relating to a financial year. The deductions and other tax advantages in the tax quota, excluding withholdings and payments on account, as well as the tax losses to be offset from previous financial years and effectively applied therein, will result in a lower amount of current tax. However, those deductions and other tax advantages in the tax quota that have an economic nature similar to subsidies are recorded in accordance with the provisions of the standard relating to subsidies, donations and legacies received.

Valuation of current and deferred tax assets and liabilities

Current tax assets and liabilities are valued at the amounts expected to be paid or recovered by the tax authorities, in accordance with current regulations.

Deferred tax assets and liabilities shall be valued according to the types of tax expected at the time of their reversal, according to current regulations, and according to the manner in which the asset or liability is reasonably expected to be recovered or paid.

e) Income and expenses

The income and expenses are allocated based on the accrual criterion regardless of the moment in which the monetary or financial current derived from them occurs.

However, the Company only records the profits realised at the year-end closing, while foreseeable risks and losses, even if they are eventual, are accounted for as soon as they are known.

Income from contracts with customers are recognised depending on the fulfilment of performance obligations with customers. However, the Company only records the profits realised at the year-end closing, while foreseeable risks and losses, even if they are eventual, are accounted for as soon as they are known.

Income from the sale of goods or services is recognised at the fair value of the compensation received or to be received as a result thereof. Cash discounts, by volume or other types of discounts, as well as interest incorporated into the nominal value of the credits, are recorded as a reduction thereof.

The Company obtains its income mainly from the management services provided to its subsidiaries and the dividends received from them.

f) Provisions and contingencies

The transactions between companies of the same group, regardless of the degree of connection between the companies pertaining to the group, will be accounted for in accordance with the general rules.

The items that are the object of the transaction are initially accounted for at fair value.

The Company carries out all its transactions with related parties to market values. Additionally, the transfer prices are adequately supported, so the Company's directors consider that there are no significant risks for this aspect from which liabilities of consideration may arise in the future.

g) Criteria used in transactions between related parties

The transactions between companies of the same group, regardless of the degree of connection between the companies pertaining to the group, will be accounted for in accordance with the general rules.

The items that are the object of the transaction are initially accounted for at fair value.

The Company carries out all its transactions with related parties to market values. Additionally, the transfer prices are adequately supported, so the Company's directors consider that there are no significant risks for this aspect from which liabilities of consideration may arise in the future.

h) Current and non-current items

Current assets are considered to be those related to the normal operating cycle, which in general is considered to be one year, as well as other assets whose maturity, disposal or realisation is expected to occur in the short term from the closing date of the financial year. There are financial assets held for trading that are held under the non-current assets, despite a short-term return. Assets that do not meet these requirements are classified as non-current.

Similarly, current liabilities are those related to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement term is greater than the year and in general all obligations whose maturity or extinction will occur in the short term. Otherwise, they are classified as non-current.

i) Merger and spin-off operations and non-monetary contributions

In merger operations, business spin-off and non-monetary contributions between companies of the group in which the parent company of the same or the parent company of a subgroup and its dependents intervene, directly or indirectly, the assets that are contributed are valued for the amount that would correspond, once the operation is performed, in the consolidated annual financial statements of the group or subgroup in accordance with the Standards for the Formulation of the Consolidated Annual Financial Statements established in RD 1159/2010, of 17 September 2010. However, in the event that consolidated annual financial statements are not formulated, under any of the exemptions provided for in the accounting regulations in force, the existing accounting values are considered before the operation is carried out in the individual annual financial statements of the contributing company

In the event that a difference between the individual and the consolidated accounting values is revealed, said difference would be attributed against a reserve item in the beneficiary company.

The date of accounting effects for all merger and spinoff operations between companies of the group is the date of commencement of the period in which the operation is approved, provided that it is subsequent to the time when the companies were incorporated into the group; otherwise, the date of accounting effects would be that of incorporation into the group. In the case of non-monetary contributions of assets and liabilities that constitute a business, the date of accounting effects is considered to be the date of public increase of the capital increase agreement provided that the date of registration in the Commercial Registry is prior to the date on which the annual financial statements for the year in which such contributions are made.

Likewise, and in accordance with the provisions of RD 1159/2010 of 17 September, in merger and spin-off operations between companies forming part of the same group prior to the start of the immediately preceding period, no information is included on the accounting effects of the merger or spin-off in the comparative information.

5. Long-term investments in group and associated companies

The value of the long-term investments in group and associated companies at December 31, 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Healthcare Activos Financing, S.L.U.	144,544,726	144,544,726
Healthcare Activos Yield Growth, S.L.U.	24,748,464	27,898,562
Healthcare Activos Inmobiliarios 13, S.L.U.	32,967,735	32,967,735
Healthcare Activos Inmobiliarios 22, S.L.U.	15,000	6,000
Provitae Centros Asistenciales, S.L.	2,031,166	2,031,166
Total	204,307,091	207,448,189

On 16 and 20 December 2021, the Company's Sole Shareholder approved the distribution and extraordinary dividend against the refund of equity holders' contributions for the subsidiary Healthcare Activos Yield Growth S.L.U. for the amount of 2,019,093 and 1,131,005 euros, respectively.

On 15 February and 23 July 2021 the Company made a contribution of funds to the company Healthcare Activos Inmobiliarios 22, S.L.U, in the amount of 4,500 euros on both dates.

On 30 June 2020, the Company's Sole Shareholder approved the distribution of the 2019 profit or loss of the subsidiary company Healthcare Activos Inmobiliarios 13, S.L., being a part of the dividend distribution for the amount of 290,000 euros. Given that said company became part of the Group on 1 August 2019, the dividend corresponding to the result generated after taking control, which amounted to 150,699 euros, has been recorded in the income statement of financial year 2020 under the heading "Net amount

of the turnover". However, the remaining 222,351 euros have been recognised as the lowest value of the subsidiary company's share under the heading "Long-term investments in group and associated companies", as they are profits generated prior to the entry of the subsidiary company into the Group during financial year 2019.

On 7 September 2020, the Company Healthcare Activos Financing, S.L.U. proceeded to return the contributions of equity holders to the Company for an amount of 3,750,000 euros.

On 29 October 2020, the Company made a contribution of funds to the company Healthcare Activos Yield Growth, S.L.U, for an amount of 27,895,562 euros.

On 18 December 2020, the Company acquires from Maquavit Inmuebles, S.L.U., a subsidiary fully owned by the company Healthcare Activos Yield Growth, S.L.U., 50% of the equity units of Provitae Centros Asistenciales, S.L. for an amount of 2,031,166 euros.

On 23 December 2020, the Company acquired 100% of the equity units of the company Healthcare Activos Inmobiliarios 22, S.L. from Healthcare Activos Investment, S.A. for an amount of 6,000 euros.

The information relating to the investment in companies of the group for the financial year 2021 is the following

Name	Address	Auditor	% of Equity Holding	Capital	Equity holders' contributions	Reserves	2021 Profit/loss	Prior periods' profits/losses	(Interim dividends)	Total Shareholders' equity	Net book value
Healthcare Activos Financing, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,000	144,417,662	600	6,189,149	-	(5,200,000)	145,410,411	144,544,726
Healthcare Activos 13, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,430,846	8,132,914	155,517	871,475	-	(400,000)	12,190,753	32,967,735
Healthcare Activos Yield Growth, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,000	24,163,277	-	65,490	-	-	24,231,767	24,748,464
Healthcare Activos Inmobiliarios 22, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	-	100%	3,000	12,000	-	(3,481)	(4,011)	-	7,508	15,000
Provitae Centros Asistenciales, S.L.	Paseo de la Castellana, 83-85, planta 4ª, 28046, Madrid	-	50%	6,314,100	-	394,233	(42,476)	(1,553,536)	-	5,112,321	2,031,166

The information relating to the investment in companies of the group for the financial year 2020 is the following

Name	Address	Auditor	% of Equity Holding	Capital	Equity holders' contributions	Reserves	2020 Profit/loss	Prior periods' profits/losses	(Interim dividends)	Total Shareholders' equity	Net book value
Healthcare Activos Financing, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,000	144,417,662	-	5,122,007	-	(5,100,000)	144,442,669	144,544,726
Healthcare Activos 13, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,430,846	8,132,914	82,604	729,134	-	(520,000)	11,855,498	32,967,735
Healthcare Activos Yield Growth, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	KPMG Auditores, S.L.	100%	3,000	27,890,723	-	(277,347)	-	-	27,616,376	27,898,562
Healthcare Activos Inmobiliarios 22, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda, 28046 Madrid	-	100%	3,000	3,000	-	(3,254)	(757)	-	1,989	6,000
Provitae Centros Asistenciales, S.L.	Paseo de la Castellana, 83-85, planta 4ª, 28046, Madrid	-	50%	6,314,100	-	394,233	(46,884)	(1,506,652)	-	5,154,797	2,031,166

6. Shareholders' equity and own funds

a) Share capital, Share premium and other equity holders' contributions

The Company was incorporated on 1 February 2019 with an initial capital of 15,000 euros, subscribed in full by the sole shareholder.

On 9 April 2020, there was a capital increase in the Company for an amount of 9,150,000 euros with a share premium of 3,539,247 euros, having issued 9,150,000 shares with a nominal value of 1 euro. This capital increase was disbursed on 2 April 2020. In order to equalise the capital after said increase, a refund of the share premium is made for the amount of 6,625 euros.

As already planned since the formation of the Group on 1 August 2019, on 3 April 2020, the Company acquired from one of its shareholders (Nortia Capital Investment Holding, S.L.) 9,000,000 shares of treasury shares with a nominal value of 1 euro, representing 7.873% of the share capital of the Company, for an amount of 12,481,793 euros, of which 9,000,000 euros corresponded to capital and 3,481,793 euros to share premium. This share purchase was disbursed on 3 April 2020. Subsequently, on 19 August 2020, the Company carried out a capital reduction for amortisation of said own shares, reducing the capital and share premium for the amounts of 9,000,000 euros and 3,049,460 euros, respectively, generating a reserve for amortised capital amounting to 432,333 euros, the amount resulting from the capital reserve amortised of 645,376 euros as of 31 December 2020.

On 1 July and 27 October 2020, in proportion to its shareholding in the Company's share capital, the equity holders made contributions to the shareholders' equity for the amount of 7,500,000 euros and 27,000,000 euros, respectively. These contributions were disbursed on 21 July 2020 and 22 October 2020, respectively.

On 1 December 2020, there was a capital increase in the Company for an amount of 4,254,000 euros with a share premium of 2,969,531 euros, having issued 4,254,000 shares with a par value of 1 euro. This capital increase was disbursed on 13 November 2020.

During financial year 2021 the Company has not carried out any capital increases reductions, or operations with shareholders other than dividend distributions

During financial year 2021 the Parent Company has carried out the following dividend distributions:

- On 6 April 2021, the distribution of an ordinary dividend corresponding to the distribution of profits from the 2020 financial year for an amount of 1,536,408 euros. Additionally, on the same date, an extraordinary dividend was distributed in favour of the shareholders of the Company was carried out by means of an interim dividend for the profits of the 2021 business year in the amount of 410,786 euros. These dividends were disbursed on 13 April 2021.
- On 30 June 2021, an extraordinary dividend was distributed in the Company shareholders' favour by refund of the share premium in the amount of 1,947,194 euros. Said dividend was disbursed on 8 July 2021.
- On 8 November 2021, an extraordinary dividend was distributed in favour of the shareholders of the Company by means of an interim dividend for the profits of the 2021 business year in the amount of 1,947,191 euros. Said dividend was disbursed on 16 November 2021.
- On 14 December 2021, an extraordinary dividend was distributed in favour of the shareholders of the Company by means of an interim dividend for the profits of the 2021 business year in the amount of 1,301,686 euros. Said dividend was pending at the end of the 2021 financial year, and disbursed on 11 January 2022.

Additionally, during financial year 2020 the Company has carried out the following dividend distributions:

- On 6 April 2020, an extraordinary dividend was distributed in the Company shareholders' favour by refund of the share premium in the amount of 1,531,615 euros, and refund of other equity holder contributions in the amount of 802 euros. Said dividend was disbursed on 6 April 2020.
- On 15 July 2020, an extraordinary dividend was distributed in the Company shareholders' favour by refund of the share premium in the amount of 1,532,418 euros. Said dividend was disbursed on 16 July 2020.
- On 30 September 2020, an extraordinary dividend was distributed in the Company shareholders' favour by refund of the share premium in the amount of 1,607,418 euros. Said dividend was disbursed on 8 October 2020.
- On 15 November 2020, an extraordinary dividend was distributed in favour of the Company's shareholders through the return of the share premium amounting to 419,577 euros, in order to equalise the capital after the increase paid on 13 November 2020. Said dividend was disbursed on 24 November 2020.
- On 10 December 2020, an extraordinary dividend was distributed in favour of the shareholders of the Company by means of an interim dividend for the profits of the 2020 business year in the amount of 1,947,193 euros. Said dividend was disbursed on 29 December 2020.

Consequently, and after the movements that have taken place during financial years 2021 and 2020 described, at the end of financial years 2021 and 2020, the Parent Company's share capital amounted to 118,713,600 euros, represented by 118.713.600 registered equity units of 1 euros of nominal value that are fully subscribed and paid.

Additionally, as of 31 December 2021, the share premium amounts to 35,350,441 euros (37,297,635 euros as at 31 December 2020) as a result of the described transactions.

As of 31 December 2021 and 2020, the Parent Company's shareholders are composed of 105 and 100 shareholders respectively. Those with an ownership percentage higher than 5% are listed hereinunder:

	% of ownership of total share capital	
	31/12/2021	31/12/2020
Nortia Capital Investment Holding, S.L.	15.16%	15.16%
Inmomutua Madrileña, S.L.U.	6.07%	6.07%
Altamar HA Yield Fondo de Inversión Privado (Chile)	6.07%	6.07%
Espai D'Inversions 2005, S.L.	5.18%	5.18%
Other investors	67.52%	67.52%

b) Reserves

The composition of the Company's reserves as of 31 December 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Reserves and profit/(loss) from previous years	391,452	(1,389,634)
Amortized capital reserve	(645,376)	(645,376)
Total	(253,924)	(2,035,010)

On 19 August 2020 and 23 December 2019, the Company has carried out a capital reduction due to the amortisation of its own shares and, consequently, a redeemed capital reserve has been generated.

In 2021, the Parent Company has allocated 1,394,019 euros of the accumulated amount of the account Other equity holders' contributions to offset the accumulated prior years' results as of 31 December 2020.

7. Public Entities and tax situation

a) Current balances with Public Entities

The composition of current balances with Public Entities is as follows:

Item	31/12/2021		31/12/2020	
	Debtor	Creditor	Debtor	Creditor
Tax authorities, receivables: VAT recoverable	-	-	151,582	-
Tax authorities, payable: VAT payable	-	297,506	-	-
Taxation authorities, payables: withholding tax	-	376,833	-	353,623
Total	-	674,339	151,582	353,623

On 17 December 2019, the Board of Directors of the Company agreed to the acceptance from 1 January 2020 of the group of entities whose parent is the Company, opting for the application of the Special Regime of the Value Added Tax of the Group of Entities, provided for in Chapter IX of Heading IX of Law 37/1992, of 28 December. The subsidiaries of this group are Healthcare Activos Financing, S.L.U., Healthcare Activos Inmobiliarios 13, S.L.U. and Healthcare Activos Yield Growth, S.L.U.

b) Tax on profits

The differences existing between the accounting result and the tax result have been considered, this being understood as the tax base of the Corporate Tax. These differences are due to the unequal definition of

income and expenses in the economic and tax spheres and to the different time criteria for income and expenses in the aforementioned spheres.

The differences are classified into:

- Permanent differences, produced between the tax base of said tax and the accounting result before taxes for the financial year, which do not reverse in subsequent periods, excluding the offset losses.
- Temporary differences, existing between the taxable base of Corporate Income Tax and the income before taxes of the financial year, whose origin is in the different time criteria used to determine both magnitudes.

The tax valuation of an asset, liability or equity instrument, called a tax base, is the amount attributed to said item in accordance with the applicable tax legislation. There may be some element that has a tax base, even if it lacks book value and, therefore, is not recognised in the balance sheet.

As can be seen in subgroup 47 (Public Entities), the temporary differences between accounting and corporate tax have been taken into account for the correct accounting of the tax.

On 13 September 2019, effective for the entire financial year 2019, the Company reported to the State Agency of the Tax Administration the application of the special tax regime of the SOCIMIs. The application of this regime has effects for the entire tax period of 2021 and 2020.

As of 31 December 2020 and 2019, the Company does not have negative tax bases pending offset.

c) Periods not yet verified by the tax authorities

According to current legal provisions, tax assessments cannot be considered definitive until they have been inspected by the tax authorities or until the statute of limitations has elapsed.

In general, for the main applicable taxes, the Company has pending inspection by the tax authorities for all financial years since its incorporation. Due to the different interpretations of the applicable fiscal regulations, the Management considers that there may be contingent liabilities, which are not susceptible to objective quantification. However, Management considers that the materialisation of these would be unlikely and in any case defensible, and that they would not reach significant amounts in relation to the annual financial statements and it has not been considered necessary to provide any extra provision for this concept.

8. Income and expenses

a) Net amount of the turnover and Other operating income

The net turnover item corresponds to the dividends received by the Company from its subsidiary companies (see note 10).

The heading Other operating income corresponds to the management contract existing between the Company and its subsidiary companies (see note 10).

b) Other operating expenses

The details of the main items included in this heading are as follows:

	2021	2020
Independent professional services	3,083,381	3,139,911
Insurance premiums	95,630	45,797
Banking and similar services	1,667	571
Other services	-	402
Total	3,180,678	3,186,681

The heading Services from independent professionals includes management fees invoiced by the managing companies of the Group for a total amount of 2,322,667 euros (2,323,765 euros in financial year 2020), of which 2,122,951 (2,138,098 euros in financial year 2020) have been re-invoiced to the subsidiaries of the Company (see note 10 a) under the management fee agreement formalised between these companies and the Company. Additionally, for the 2021 financial year, there are expenses related with the agreement signed with a consortium of global institutional investors to invest in the platform and support its future growth. There are consultant fees related with the capital operations described in Note 7a in the 2020 financial year.

The Company has incurred a total of 76,412 euros (33,855 euros in the 2020 financial year) under the heading "Insurance premiums" for expenses re-invoiced to Subsidiaries, the re-invoicing of which is recorded under the heading "Other operating income" (See note 10a).

9. Information on the average period of payment to suppliers during financial year.

Third additional provision. Duty of information of Law 15/2010, of 5 July

	2021	2020
Average supplier payment period	30	30
Ratio of paid operations	30	30
Ratio of operations pending payment	30	30

	2021	2020
Total payments made	3,075,865.07	4,082,137
Total outstanding payments	777,622	275,778

10. Transactions and balances with related parties

a) Transactions with group, associated and related parties

The breakdown of transactions that have taken place in the 2021 financial year is as follows:

Company	Type of Transaction	Income/Expense	Transaction Amount	Valuation method
Healthcare Activos Financing, S.L.U.	Financial Interest	Financial Expense	(577,127)	Comparable Uncontrolled Price
Healthcare Activos Yield Growth, S.L.U.	Financial Interest	Financial Expense	(44,899)	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Dividends	Net Turnover	5,221,407	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Dividends	Net Turnover	536,221	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Services provided	Other operating income	1,727,044	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Services provided	Other operating income	168,132	Comparable Uncontrolled Price
Healthcare Activos Yield Growth, S.L.U.	Services provided	Other operating income	304,187	Comparable Uncontrolled Price

The breakdown of transactions that have taken place in the 2020 financial year is as follows:

Company	Type of Transaction	Income/Expense	Transaction Amount	Valuation method
Provitae Centros Asistenciales, S.L.	Financial Interest	Financial Income	92	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Financial Interest	Financial Expense	(1,082,300)	Comparable Uncontrolled Price
Maquavit Inmuebles, S.L.	Financial Interest	Financial Expense	(1,792)	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Dividends	Net Turnover	5,100,000	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Dividends	Net Turnover	670,699	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Services provided	Other operating income	1,884,251	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Services provided	Other operating income	226,919	Comparable Uncontrolled Price
Healthcare Activos Yield Growth, S.L.U.	Services provided	Other operating income	259,452	Comparable Uncontrolled Price

The Company owns 100% of the equity units of the companies of the group with which it has carried out transactions during financial years 2021 and 2020, with the exception of Provitae Centros Asistenciales, S.L., of which it owns 50% of the equity units at the end of financial years 2021 and 2020, equity units acquired in the month of December 2020.

The heading Other operating income corresponds to the management contract existing between the Company and its subsidiaries, and costs received by the Company for insurance policies that have been fully re-invoiced to subsidiaries (see note 8b).

b) Balances with group, associated and related parties

Long-term balances

The Company has no long-term balances with group companies as of 31 December 2021:

The breakdown of balances with group companies as of 31 December 2020 were as follows

Company	CIF (Tax Identification Code)	Type of relationship	% of equity holding	Long term	
				Debtor Balance	Creditor Balance
Healthcare Activos Financing, S.L.U.	B88108170	Group Company	100%	-	25,622,985

On 1 August, 2019, Healthcare Activos Inmobiliarios 6, S.L.U. (currently called Healthcare Activos Financing S.L.U.), sold its stake in Healthcare Activos Inmobiliarios 13, S.L.U. to Healthcare Activos Yield, S.L.U. As a result from said sale, the Company maintains a long-term balance payable with the selling Company, as well as the interest accrued up to 31 December 2020. The loan agreement accrues market interest, expires on 1 August 2022 and establishes a single payment upon maturity, which is why this balance has been reclassified as short term. During financial year 2021, the Group has made payments related to this loan for an amount of 7,500,000 euros (9,055,187 euros during financial year 2020). The interest pending payment at the end of financial year 2021 amounts to 2,148,263 euros (1,571,136 euros at the end of financial year 2020).

Short term balances

The breakdown of balances with group companies as of 31 December 2021 were as follows

Company	CIF (Tax Identification Code)	Type of relationship	% of equity holding	Short-term	
				Debtor Balance	Creditor Balance
Healthcare Activos Financing, S.L.U.	B88108170	Group Company	100%	2,265,621	18,700,112
Healthcare Activos Inmobiliarios 13, S.L.U.	B43757780	Group Company	100%	28,765	-
Healthcare Activos Yield Growth, S.L.U.	B88228267	Group Company	100%	56,772	-
Provitae Centros Asistenciales, S.L.	B83141226	Related company	50%	1,105,686	-
				3,456,844	18,700,112

The breakdown of balances with group companies as of 31 December 2020 were as follows

Company	CIF (Tax Identification Code)	Type of relationship	% of equity holding	Short-term	
				Debtor Balance	Creditor Balance
Healthcare Activos Financing, S.L.U.	B88108170	Group Company	100%	2,452,862	607
Healthcare Activos Inmobiliarios 13, S.L.U.	B43757780	Group Company	100%	317,039	-
Healthcare Activos Yield Growth, S.L.U.	B88228267	Group Company	100%	(18,395)	-
Provitae Centros Asistenciales, S.L.	B83141226	Related company	50%	1,080,679	-
Maquavit Inmuebles, S.L.	B86006905	Group Company	100%	-	3,113,546
				3,832,185	3,114,153

As of 31 December 2021, the debtor balances maintained in the short term with companies of the Group correspond, mainly, to the part of the interim dividend received from the group company Healthcare Activos Financing, S.L.U. for a total amount of 2,050,000 euros, collected on 7 and 22 January, 2022. Additionally, there are 301,158 euros receivable for VAT, as the Company is the head of its value-added tax group (see note 7a).

As of 31 December 2020, the debtor balances maintained in the short term with companies of the Group corresponded, mainly, to the part of the interim dividend received from the group company Healthcare

Activos Financing, S.L.U. for a total amount of 5,100,000 euros, of which 2,600,000 euros will be collected during financial year 2021. Additionally, the amount is reduced by 147,138 euros payable for VAT, as the Company is the head of its value-added tax group (see note 7a). Additionally, there were the balances maintained with the rest of the subsidiaries of the Company.

As of 31 December 2021, the creditor balances maintained in the short term mainly correspond to the loan described in the note on long-term balances, a result of the sale of the stake that the group company Healthcare Activos Financing, S.L.U. maintained over Healthcare Activos Inmobiliarios 13, S.L.U., the maturity date of which is in the 2022 financial year.

As mentioned in note 6, on 18 December 2020, the Company acquired 50% of the equity units of Provitae Centros Asistenciales, S.L. from Maquavit Inmuebles, S.L.U., subsidiary fully owned by the company Healthcare Activos Yield Growth, S.L.U. at that time. As a result of said sale, the Company maintains as of 31 December 2020, short-term balances to be paid with the selling Company for an amount of 2,031,166 euros as detailed in note 5, and interest accrued up to 31 December 2020 of the aforementioned debt for the amount of 1,792 euros. Said loan has been completely paid up during the 2021 financial year.

Additionally, on the same date, the Company subrogated in the position that Maquavit Inmuebles, S.L.U. held with respect to receivable balances from the company (Provitae Centros Asistenciales, S.L.) in the amount of 1,080,588 euros. Therefore, as of 31 December 2020, this amount was shown as receivable from Provitae Centros Asistenciales, S.L. and payable to Maquavit Inmuebles, S.L.U. The loan payable with Maquavit Inmuebles, S.L.U. has been totally paid up during the 2021 financial year, while the receivable loan with Provitae Centros Asistenciales, S.L. has increased by 25,000 euros.

The balances maintained as of 31 December 2020 included in the heading of Trade and other receivables corresponded to balances maintained with companies of the group under the management fee agreement formalised between these companies and the Company (see note 8b).

c) Other current payables

As a consequence of the dividend dated 14 December 2021, described in Note 6a, at year-end 2021 the Company had an outstanding balance for payment to its shareholders in the amount of 1,301,606 euros, which was paid on 11 January 2022.

d) Remuneration to Directors and Senior Management

During financial years 2021 and 2020 the Directors and Senior Management of the Company have not earned compensation. No severance pay or payments based on equity instruments have been accrued during the 2021 and 2020 financial years.

No loan or advance payments have been granted to the members of the Board of Directors.

No pension obligations or life insurance have been contracted with respect to any member of the Board of Directors. However, the Company maintains liability insurance for Managers and Directors.

e) Information regarding conflict of interest situations for the directors

At the end of financial years 2021 and 2020, the Company's directors, as well as the persons related to them, as defined in article 229 of the Capital Companies Act, the Directors of the Company persons related to them, who hold positions or functions in companies with the same, similar or complementary type of activity, have incurred conflicts of interest situations that have had to be reported in accordance with the provisions of art. 229 of the TRLSC (Texto Refundido de la Ley de Sociedades de Capital [Consolidated Text of the Capital Companies Act]). For these purposes, at the end of financial years 2021 and 2020, the members of the Board of Directors Jorge Guarner Muñoz and Alberto Fernández Sabater hold the position of Joint and Severally Delegated Board Members in the company Healthcare Activos Investment, S.A.; and

Healthcare Activos Investment 3, S.A.; while, in the subsidiaries thereof, they hold the position of Joint and Several Directors.

During financial years 2021 and 2020, the Parent Company's directors have not carried out with it or with other companies of the group transactions outside the ordinary traffic or in conditions other than those of the market.

11. Other information

a) Audit fees

During financial year 2021, the fees related to financial statements audit services (KPMG Auditores, S.L.) of the individual annual financial statements have amounted to 5,803 euros (5,000 euros during financial year 2020). Fees related to audit services of the consolidated and individual annual financial statements of the companies included in the Group have amounted to 53,187 euros (66,714 euros during financial year 2020). The amounts include all fees for services rendered during the period, regardless of the time of invoicing.

On the other hand, other entities affiliated with KPMG International have invoiced the Group during financial year ended 31 December 2021, for professional service fees for the amount of 33,668 euros (785,759 euros during financial year 2020).

b) Information about the environment

Given the nature of the Company's operations, it has no responsibilities, expenses, assets, provisions and contingencies of an environmental nature or related to greenhouse gases that could be significant in relation to the equity, financial position or results thereof. For this reason, specific breakdowns are not included in this annual report on the annual financial statements regarding information on environmental issues.

c) Other relevant post-closing information

On 23 December 2021, the shareholders of the Company signed an agreement for the addition of new global institutional investors to make long-term investments in the platform and support the European expansion of Healthcare Activos in key markets such as Germany, Italy and Portugal, maintaining the fundamentals of investment at all times.

The transition is expected to be closed in the first half of 2022, following the relevant European regulatory approvals.

Once it is carried out, Healthcare Activos Yield Socimi, S.A. will be the head of a new investment vehicle that will consolidate all of the investments of the current vehicle with those of Healthcare Activos Investment, S.A., investment vehicle managed by the same management team and focused on social/health care projects that require structural tasks of construction, refurbishing and start-up. This way, Healthcare Activos Yield Socimi, S.A., will be the parent company over all of its activities.

Additionally, an agreement has been signed to refinance the entire capital structure with a new long-term financing agreement arranged by BNP Paribas and Credit Agricole CIB, in which they lead a group of 11 national and international institutions, including banks, insurance companies and investment managers.

12. Regulatory requirements arising from the status of SOCIMI, Law 11/2009, amended with law 16/2012

In compliance with the Reporting Obligations derived from the status of Socimi, established in Article 11 of Law 11/2009, of 26 October, which regulates the Public Limited Investment Companies Listed on the Real Estate Market, the following aspects are indicated:

Observation requirement	Information for financial year 2021																				
a) Reserves arising from periods prior to application of the tax regime established in this Law.	There are no reserves from financial years prior to the application of the tax regime established by the Law, as the Company was incorporated in 2019, the financial year in which it requested application of the aforementioned tax regime.																				
b) Reserves from financial years in which the tax regime established in this Law has been applied, differentiating the portion of income that comes from income subject to the tax rate of 0%, or 19%, from those that, where appropriate, have been taxed at the general tax rate.	<p>The reserves from prior financial years in which the tax regime established in this Law has been applied from income are the following:</p> <table border="1" data-bbox="754 712 1393 952"> <thead> <tr> <th></th> <th>Subject to tax rate of 0%</th> <th>Subject to tax rate of 19%</th> <th>Subject to general tax rate</th> <th>Tax-exempt</th> </tr> </thead> <tbody> <tr> <td>2019 Financial year</td> <td>-</td> <td>-</td> <td>-</td> <td>19,661</td> </tr> <tr> <td>2020 Financial year</td> <td>-</td> <td>387,068</td> <td>-</td> <td>33,105,175</td> </tr> <tr> <td>2021 Financial year</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Subject to tax rate of 0%	Subject to tax rate of 19%	Subject to general tax rate	Tax-exempt	2019 Financial year	-	-	-	19,661	2020 Financial year	-	387,068	-	33,105,175	2021 Financial year	-	-	-	-
	Subject to tax rate of 0%	Subject to tax rate of 19%	Subject to general tax rate	Tax-exempt																	
2019 Financial year	-	-	-	19,661																	
2020 Financial year	-	387,068	-	33,105,175																	
2021 Financial year	-	-	-	-																	
c) Dividends distributed from profits for each financial year in which the tax regime established in this Law has been applicable, differentiating the portion that comes from income subject to the tax rate of 0% or 19%, from those that, where appropriate, have been taxed at the general tax rate.	<p>The Company has distributed the following dividends, charged to profits:</p> <ul style="list-style-type: none"> - The company incurred losses in the 2019 financial year, and therefore made no distributions. - On 20 December 2020 the company distributed an interim dividend in the amount of 1,947,193 euros, being completely not subject to the special 19% tax rate. - On 6 April 2021 the company distributed an ordinary dividend in the amount of 1,536,408 euros, being completely not subject to the special 19% tax rate. <p>Additionally, 6 April 2021, 8 November 2021 and 14 December 2021 the Company has distributed interim dividends in the amounts of 410,785 euros, 1,947,194 euros and 1,301,686 euros, respectively. All of the interim dividends distributed were completely not subject to the special 19% tax rate.</p>																				
d) In the case of distribution of dividends charged to reserves, designation of the financial year from which the applied reserve is applicable and whether they have been taxed at the 0%, 19% or general rate tax rate.	<p>The Company has distributed the following dividends, charged to the share premium:</p> <ul style="list-style-type: none"> - On 6 April 2020, 15 July 2020, 30 September, 2020 and 13 November 2020 the Company distributed dividends charged to the share premium amounting to 1,531,615 euros, 1,532,418 euros, 1,607,418 euros and 419,577 euros, respectively, all of which were completely not subject to the special 19% tax rate. Additionally, on 6 April 2020, 802 euros were distributed, charged to other equity holders' contributions. - On 30 June 2021 the company distributed an ordinary dividend charged to the share premium in the amount of 1,947,194 euros, being completely not subject to the special 19% tax rate. 																				
e) Date of the dividend distribution agreement referred to in points c) and d) above.	The dates of the distribution of dividends mentioned in c) and d) are indicated in their respective sections.																				

f) Date of acquisition of the properties intended for the lease and of the equity units in the capital of entities referred to in paragraph 1 of article 2 of this Law.	The Company does not have properties directly, if through its subsidiaries, their acquisition dates are indicated as follows:				
	Acquisition date	Company	Address	Municipality	Asset classification
	August 1, 2019	Healthcare Activos Financing, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda	Madrid	Direct stake
	August 1, 2019	Healthcare Activos Inmobiliarios 13, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda	Madrid	Direct stake
	August 1, 2019	Healthcare Activos Yield Growth, S.L.U.	Paseo de la Castellana, 45, sexto piso, puerta izquierda	Madrid	Direct stake
g) Identification of the asset that is computed within 80% referred to in paragraph 1 of article 3 of this Law.	The assets that count within 80%, as referred to in section 1 of article 3 of the Law, are those related to urban buildings devoted to leasing activity, owned by the subsidiaries listed in section f).				
h) Reserves from financial years in which the special tax regime established in this Law has been applicable, which have been arranged in the tax period, that is not for its distribution or to offset losses, identifying financial year from which such reserves originate.	There are no reserves from financial years prior to the application of the tax regime established by the Law that are not used for its distribution or to offset losses.				

Barcelona, February 23, 2022

Directors' report

Economic evolution of the business

Healthcare Activos Yield Socimi, S.A. is the head company of group making up leading platform specialising in real estate assets in the healthcare and dependence sector in Iberia, with a portfolio of leased assets carefully selected under long-term contracts with first-class operators.

During financial year 2019, the Company acquired 100% of the equity units of Healthcare Activos Yield, S.L.U., and Healthcare Activos Inmobiliarios 13, S.L., resulting in the creation of an investment vehicle valued at more than 367 million euros, a leader in the management of real estate assets in the healthcare sector, a market in an early stage of development in Europe and with a great growth potential. During the 2021 and 2020 financial years, the Company and its subsidiary companies have continued to expand its initial portfolio with the acquisition of additional strategic assets, distributed throughout Spain in excellent locations and leased to highly reputable operators.

On 23 December 2021, the Company signed an agreement with a consortium of global institutional investors to invest in the platform and support its future long-term growth, as described in note 10 c of the annual report. The new investors will commit additional capital to support long-term European expansion, maintaining the investment fundamentals that have facilitated the growth that the Group has had in recent years.

During the 2021 financial year, the Company reached the turnover amount of 5,757,628 euros, with the turnover in financial year 2020 amounting to 5,770,699 euros.

At the end of financial years 2021 and 2020, the Group, of which the Company is the head, has a total of 33 assets (33 assets at the end of financial year 2020) with a capacity of more than 4,250 beds, carefully selected in locations with fundamental supply-demand solids. All assets are leased to reputable operators under long-term contracts.

On 1 October 2020, the shares of the Company were listed in the "Euronext Access" stock market in Paris.

The COVID-19 crisis has caused serious consequences in the economy and in global securities markets. Under this situation, the healthcare and dependency sector has proven to be an essential infrastructure despite the significant threats that this pandemic entails. This crisis is testing the Group's business fundamentals, which remain solid: Excellent carefully selected locations, leases to first-class operators with high rent coverage and triple net long-term rental contracts guaranteed by the Parent Company, with fixed income and indexed to the CPI. Thanks to this, the Group's results and treasury projections have not been affected.

The company has long-term commitments to support European healthcare operators in their expansion plans, cooperating with them through real estate infrastructure.

The Company collaborates closely with the different operators of the healthcare sector contributing to the development of projects, measures and sector regulatory framework to achieve the best treatment and care of people, thus generating sustainable and long-term value for all interest groups, although during financial years 2021 and 2020 the Group has not been explicitly capitalised.

Investments

At year-end 2021 the subsidiary companies of the Company had invested 376,990,987 euros in assets, and plans to increase their investments in the short-term with the aim of expanding its portfolio in the health care sector in the upcoming 2022 financial year.

During the 2021 financial year, the Company has not made investments in purchasing new stakes in group companies, although it has made the necessary contributions to subsidiaries to carry out the expansion of assets under management. During the 2020 financial year, the Company acquired through its subsidiaries 100% of the equity units of Maquavit Inmuebles, S.L.U., as well as the direct acquisition of 100% of the company Healthcare Activos Inmobiliarios 22, S.L. and 50% of the Company Provitae Centros Asistenciales, S.L.

Research and development activities

The Company has not carried out research and development activities during financial years 2021 and 2020.

Acquisitions of own shares

As already planned since the formation of the Group on 1 August 2019, on 3 April 2020 and 28 November 2019, the Company acquired own shares from one of its shareholders for the amount of 12,481,794 euros and 11,513,045 euros, respectively. Subsequently, on 19 August 2020 and 23 December 2019, a capital reduction was carried out for amortisation of this own shares, reducing the capital and the premium for amounts of 9,000,000 euros and 3,049,460 euros, respectively, in financial year 2020 and 6,780,000 euros and 4,733,045 euros, respectively, in financial year 2019.

Consequently, at the end of financial years 2021 and 2020, the Company has no own shares.

Financial risk factors

The Company's activities do not present significant concentrations of financial risks.

Derivative financial instruments

During financial years 2021 and 2020, the Company has not contracted derivative financial instruments in order to hedge the interest rate risk.

Average payment period

The Company's average payment period during financial years 2021 and 2020 has been 30 days.

Events following closure of accounts

On 23 December 2021, the shareholders of the Company signed an agreement for the addition of new global institutional investors to make long-term investments in the platform and support the European expansion of Healthcare Activos in key markets such as Germany, Italy and Portugal, maintaining the fundamentals of investment at all times.

The transition is expected to be closed in the first half of 2022, following the relevant European regulatory approvals.

Once it is carried out, Healthcare Activos Yield Socimi, S.A. will be the head of a new investment vehicle that will consolidate all of the investments of the current vehicle with those of Healthcare Activos Investment, S.A., investment vehicle managed by the same management team and focused on social/health care projects that require structural tasks of construction, refurbishing and start-up. This way, Healthcare Activos Yield Socimi, S.A., will be the parent company over all of its of activities.

Additionally, an agreement has been signed to refinance the entire capital structure with a new long-term financing agreement arranged by BNP Paribas and Credit Agricole CIB, in which they lead a group of 11 national and international institutions, including banks, insurance companies and investment managers.

The events described have not altered the financial statements at the end of the 2021 financial year.