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

(Together with the abridged annual financial statements of Healthcare Activos Yield Socimi, S.A. corresponding to fiscal year ended 31/12/2020)

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

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Audit Report of Abridged Annual Financial Statements issued by an Independent Auditor

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

Opinion

We have audited the abridged annual financial statements of Healthcare Activos Yield Socimi, S.A. (the Company), which comprise the abridged balance sheet as of 31 December 2020, the abridged profit and loss account and the abridged annual report for fiscal year ended on that date.

In our opinion, the accompanying abridged annual financial statements express, in all significant aspects, a fair representation of the equity and the financial position of the Company at 31 December 2020, as well as its results for the period ended on that date, in accordance with the applicable regulatory financial reporting framework (identified in note 2 of the abridged 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 abridged 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 abridged 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 abridged annual financial statements for the current period. These risks have been addressed in the context of our audit of the abridged 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.

Valuation of investments in group companies (see note 6)

As of 31 December 2020, the Company maintains investments in group companies for an amount of 207,448,000 euros (which represent 94% of the total assets as at that date). The process of recording and valuing investments in companies of the group has been considered a relevant aspect of auditing, to the extent that such investments represent a very significant percentage of total assets, as well as the fact that the Company's analysis of their valuation often requires the exercise of judgment by the managers and the use of assumptions and estimates.

Our audit procedures have included, among others, the evaluation, analysis and discussion with the Management of the Company about the registration process, including the substantive analysis of the supporting documentation and the established internal control, 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 abridged annual financial statements complies with the requirements of the financial reporting regulatory framework applicable to the Company.

Responsibility of the directors in relation to the abridged annual financial statements

The directors are responsible for drawing up the accompanying abridged annual financial statements, in such a way that they express a fair representation of the equity, the financial position and the results of the Company, in accordance with the financial reporting regulatory framework applicable to the entity in Spain, and the internal control that they consider necessary to allow for the preparation of the abridged annual financial statements free of material misstatement, whether due to fraud or error.

In the preparation of the abridged 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 managers 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 abridged annual financial statements

Our objectives are to obtain reasonable assurance that the abridged 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 abridged 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 abridged 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, forgery, deliberate omissions, intentionally erroneous manifestations or the illusion of internal control.

- We obtain knowledge of internal control relevant to the audit in order to design audit procedures that are appropriate depending on the circumstances, and not in order to express an opinion on the effectiveness of the entity's internal control.

- 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 directors' use of the accounting principle of a going concern is appropriate 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 in operation as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the abridged annual financial statements or, if such disclosures are not appropriate, to 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 give cause for the Company to cease operating as a going concern.

- We evaluate the overall presentation, structure and content of the abridged annual financial statements, including the information disclosed, and whether the abridged 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 abridged 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.

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[Original in Spanish signed by]
Alejandro Núñez Pérez
Registered with R.O.A.C. No. 15732

6 March 2021

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.

Annual Report of the Abridged Annual Financial Statements for the year

31 December 2020

Abridged Balance Sheet
31 December 2020
(Expressed in euros)

Assets	Note	2020	2019
NON-CURRENT ASSETS		**207,448,189**	**181,404,762**
Non-current investments in group companies and associates	6	**207,448,189**	**181,404,762**
CURRENT ASSETS		**12,337,401**	**4,525,200**
Trade and other receivables		**441,582**	**55,698**
Trade receivables, group and associated companies	10	290,000	23,748
Other receivables		-	4,150
Public entities, other	8	151,582	27,800
Current investments in group companies and associates	10	**3,542,185**	**205,187**
Short-term accruals		**3,981**	**-**
Cash and cash equivalents		**8,349,653**	**4,264,315**
TOTAL ASSETS		**219,785,590**	**185,929,962**

Abridged Balance Sheet
31 December 2020
(Expressed in euros)

Equity and liabilities	Note	2020	2019
EQUITY		**190,418,555**	**151,662,552**
Shareholders' equity	7	**190,418,555**	**151,662,552**
Capital		**118,713,600**	**114,309,600**
Share premium		**37,297,635**	**38,935,970**
Other equity holders' contributions		**34,518,855**	**19,661**
Reserves		**(645,376)**	**(213,045)**
Profit/(loss) from previous years		**(1,389,634)**	**3,522**
Profit/(Loss) for the period		**3,870,668**	**(1,393,156)**
Interim dividend		**(1,947,193)**	**-**
NON-CURRENT LIABILITIES		**25,622,985**	**33,595,872**
Group companies and associates, non-current	10	**25,622,985**	**33,595,872**
CURRENT LIABILITIES		**3,744,050**	**671,538**
Current payables	10	**497**	**90,022**
Group companies and associate, current	10 and 14	**3,113,545**	**-**
Trade and other payables		**630,008**	**581,516**
Trade payables, group and associated companies	10	608	-
Other payables		275,777	529,691
Public entities, other	8	353,623	51,825
TOTAL NET EQUITY AND LIABILITIES		**219,785,590**	**185,929,962**

Abridged Profit and Loss Account
31 December 2020
(Expressed in euros)

Profits and Losses	Note	2020	2019
Turnover	10	5,770,699	-
Other operating income	9	2,370,622	676,651
Other operating expenses	9	(3,186,681)	(1,581,780)
Other gains/(losses)		28	1,096
Results from operating activities		4,954,668	(904,033)
Financial income	10	92	-
Financial expenses	10	(1,084,092)	(488,835)
Net financial income/(expense)		(1,084,000)	(488,835)
Profit/(loss) before income tax		3,870,668	(1,392,868)
Income tax expense	8	-	(288)
Profit/(loss) for the period		3,870,668	(1,393,156)

Annual Report of the Abridged Annual Financial Statements
31 December 2020

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 provided for in Law 11/2009, of 26 October, which regulates Public Limited Investment Companies Listed on 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 Public Limited Investment Companies Listed on the Real Estate Market (SOCIMI).

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

1. SOCIMIs 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 2020 and as of 31 December 2019.

2. Likewise, at least 80% of the income of the tax period corresponding to each fiscal 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 individuals 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 prepare 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 2020 and as of 31 December 2019.

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 2020 fiscal year is linked to contracts 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 units 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 SOCIMIs 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 an effective exchange of tax information, uninterrupted throughout the tax period. On 1 October 2020, the Company's shares were admitted to be listed on the "Euronext Access" stock market, a non-regulated European market, thus complying with said requirement. In the fiscal year 2019, this requirement remained pending compliance, being nevertheless within the term provided for compliance.

2. SOCIMIs 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 incorporation or increase of capital carried out by way of 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 incorporation 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 Public Limited Investment Companies Listed on the Real Estate Market, SOCIMIs 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 fiscal year, its distribution must be agreed upon within six months following the conclusion of each fiscal 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 7, the Company has proceeded to distribute an interim dividend on account of the profit/(loss) for the fiscal year 2020 during the current fiscal year, while the rest of the profits obtained during fiscal year will be distributed during the first half of fiscal year 2021.

The Company obtained losses during the 2019 fiscal year, so it has not distributed ordinary dividends.

As established in the First Transitory Provision of Law 11/2009, of 26 October, which regulates Public Limited Investment Companies Listed on the Real Estate Market, a choice can be made 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 2020 of the requirements established by Law 11/2009, of 26 October, which regulates Public Limited Investment Companies Listed on the Market, the Company complies with all the conditions mentioned therein. As of 31 December 2019, the Company did not meet the condition of being listed on a regulated market or on a multilateral trading system, a breach that has been corrected during fiscal year 2020.

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

2. Basis for presentation of annual financial statements

a) Fair representation

The abridged 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 fiscal year.

The Company's abridged annual financial statements for fiscal year 2020 have been formulated by the Company's Board of Directors on 3 March 2021, and will be submitted for approval by the General Meeting of Shareholders, it being estimated that they will be approved without any modification.

b) Functional currency

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

c) Critical aspects of the assessment and estimation of uncertainty

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

d) Comparison of information

The abridged 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 2020 financial year, those corresponding to the previous financial year, which were part of the abridged annual financial statements of the 2019 financial year that were approved by the General Meeting of Shareholders on 15 July 2020.

3. Application of results

a) Proposal to apply results for fiscal year

The Board of Directors of the Company will propose to the General Meeting of Shareholders the application of the results of fiscal year 2020 detailed below:

	Basis of application	Application
Basis of distribution:		
Profit/(loss) for the fiscal year 2020	3,870,668	
Application to:		
Legal reserve		387,067
Distribution of dividends		3,483,601
TOTAL	**3,870,668**	**3,870,668**

On 10 December 2020, the Board of Directors of the Company agrees to distribute to the shareholders of the Company an interim dividend on account of the results of fiscal year 2020, for the amount of 1,947,193 euros.

The application of the Company's losses for fiscal year ended 31 December 2019, approved by the General Meeting of Shareholders, was as follows:

	Basis of application	Application
Basis of distribution:		
Profit/(loss) for the fiscal year 2019	(1,393,156)	
Application to:		
Prior periods' losses		(1,393,156)
Total	**(1,393,156)**	**(1,393,156)**

4. Registration and valuation standards

The valuation standards used by the Company in the preparation of its abridged annual financial statements for the fiscal year ended 31 December 2020, in accordance with those established by the General Accounting Plan, have been the following:

a) Financial instruments: Assets

Initial recognition

Financial assets are recognised in the balance sheet when they are acquired and are initially recorded at their fair value, including the general costs of the transaction.

The financial assets held by the Company are classified as:

Financial assets held for trading

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

Loans and receivables

These correspond to loans (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 clients covered by an insurance entity, to the extent that clients' 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

This heading of the accompanying balance sheet includes the cash on hand and at bank, demand deposits and other highly liquid short-term investments that are quickly cash realisable and that 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 transferred, it being necessary for the risks and benefits inherent in its ownership to have been substantially transferred.

The derecognition 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 criterion 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 insolvency of the debtor.

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 and other payables, 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 recorded for the amount received, net of direct issuance 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.

Derecognition and modification of financial liabilities

The Company derecognises a financial liability or a part 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 cash equivalents include cash on hand and bank deposits on demand at credit institutions. Other highly liquid short-term investments are also included under this concept, provided they are easily convertible into certain cash amounts and are subject to a negligible risk of changes in value. For that purpose, investments maturing in less than three months from the date of acquisition are included. For the purposes of the statement of cash flows, bank overdrafts that are payable on demand and that form part of the Company's treasury management are included as cash and cash equivalents. Bank overdrafts are recognised in the consolidated balance sheet as financial liabilities for debts with credit institutions.

d) Tax on profits

The expense or income for the tax on profits includes both current tax and deferred tax.

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 fiscal 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 Investment Companies Listed on the Real Estate Market]) regime regulated by Law 11/2009, of 26 October, regulating Public Limited Investment Companies Listed on 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 fiscal year in that sense.

Deferred tax assets

In accordance with 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 for 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 subsidiaries of the Company, in accordance with current accounting standards, 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 fiscal 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 fiscal 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 accounts for the profits made at the closing date of fiscal year, while the 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 fiscal 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. Business combinations

As mentioned in note 1, dated 1 August 2019 and effective from the same date, the project of merger by absorption was approved by the Company (Roldania Investments, S.A.), of the company Healthcare Activos Yield, S.A., the first adopting the company name of the second, which later became Healthcare Activos Yield Socimi, S.A.

Consequently, the dissolution occurred without liquidation and en bloc transfer of the assets and liabilities and universal transfer of ownership of all the rights and obligations of the absorbed company to the absorbing company.

The merger fell within the context of a process of concentration and simplification of the commercial management of the participating companies, concentrating in the same company the efforts of all the companies involved, taking advantage of all the resources and synergies in a coordinated manner with a view to improving the management and optimisation of resources.

The merger project formalised on 1 August 2019, included, among others, the following conditions:

- The merger operation was carried out in accordance with the Structural Modifications Law (SML)
- The merger was carried out on the basis of the balance sheets closed at 1 August 2019.
- The absorbed company was fully owned by the absorbing Company.
- The date 1 August 2019 was determined as the date for accounting purposes of the merger following the provisions of the Registration and Valuation Standard 21.2.1.
- The merger was subjected to the tax neutrality regime resulting from applying the Tax Regimen of Mergers in accordance with the provisions of article 89 of Law 27/2014, of 27 November, on Corporate Tax.
- The merger project was prepared and signed by the General Meeting of Shareholders of the absorbing company and the Sole Shareholder of the absorbed company on 9 September 2019. The merger agreement was approved on 1 August 2019 and was validly registered in the Commercial Registry of Barcelona on 14 October 2019.

The merger was an operation between companies of the same group. Consequently, it was accounted for in accordance with standard 21 of the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November and the amendments incorporated thereto by Royal Decree 1159/2010, of 17 September.

The amounts recognised as of the merger date, 1 August 2019, of the assets and liabilities for their previous accounting values are detailed below:

ASSETS		EQUITY AND LIABILITIES	
NON-CURRENT ASSETS	**164,804,762**	**SHAREHOLDERS' EQUITY**	**131,698,201**
Non-current investments in group companies	**164,804,762**	**Capital**	**3,000**
Equity instruments	164,804,762	**Other equity holders' contributions**	**131,697,726**
		Prior periods' profit/losses	**(1,641)**
		Profit/loss for the year	**(883)**
CURRENT ASSETS	**819**	**NON-CURRENT LIABILITIES**	**33,107,036**
Trade and other receivables	**843**	**Group companies and associates, non-current**	**33,107,036**
Cash and cash equivalents	**(24)**		
		CURRENT LIABILITIES	**344**
		Trade and other payables	**344**
TOTAL ASSETS	**164,805,581**	**TOTAL EQUITY AND LIABILITIES**	**164,805,581**

6. Long-term investments in group and associated companies

The value of long-term investments in group and associated companies as of 31 December 2020 and 2019 is as follows:

	31/12/2020	31/12/2019
Healthcare Activos Financing, S.L.U.	144,544,726	148,294,726
Healthcare Activos Yield Growth, S.L.U.	27,898,562	3,000
Healthcare Activos Inmobiliarios 13, S.L.U.	32,967,735	33,107,036
Healthcare Activos Inmobiliarios 22, S.L.U.	6,000	-
Provitae Centros Asistenciales, S.L.	2,031,166	-
Total	**207,448,189**	**181,404,762**

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 (see note 5), the dividend corresponding to the result generated after taking control, which amounted to 150,699 euros, has been recorded in the income statement of fiscal 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 fiscal 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.

On 1 August 2019, the Company (previously called Roldania Investments, S.A.) acquired from Healthcare Activos Investment, S.A. for an amount of 85,109,751 euros, 100% of the equity units of Healthcare Activos Yield, S.L.U. On the same date, the Company made a monetary contribution to the shareholders' equity of the company Healthcare Activos Financing, S.L.U. for the amount of 46,584,948 euros.

As described in note 5, effective as of 1 August 2019, the Company absorbed Healthcare Activos Yield, S.L.U. (subsequently called Healthcare Activos Yield Socimi, S.A.). The absorbed company held 100% of the equity units of the following companies at the merger date:

- Healthcare Activos Financing, S.L.U. for a value of 131,694,726 euros.
- Healthcare Activos Yield Growth, S.L.U. for a value of 3,000 euros.

On the same date, Healthcare Activos Inmobiliarios 6, S.L.U., a subsidiary fully owned by the company Healthcare Activos Financing S.L.U., sold its stake in Healthcare Activos Inmobiliarios 13, S.L.U. to the Company for an amount of 33,107,036 euros.

On 19 December 2019, the Company made a contribution of funds to the company Healthcare Activos Financing, S.L.U. for a value of 16,600,000 euros.

The information relating to the investment in companies of the group for the fiscal 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, sixth floor, left door, 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, sixth floor, left door, 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, sixth floor, left door, 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, , sixth floor, left door, 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, fourth floor, 28046, Madrid	-	50%	6,314,100	-	394,233	(46,884)	(1,506,652)	-	5,154,797	2,031,166

The information relating to the investment in companies of the group for the fiscal year 2019 is the following:

Name	Address	Auditor	% of equity holding	Capital	Equity holders' contributions	Reserves	2019 Profit/loss	Prior periods' profits/losses	Total Shareholders' equity	Net book value
Healthcare Activos Financing, S.L.U.	Paseo de la Castellana, 45, sixth floor, left door, 28046 Madrid	KPMG Auditores, S.L.	100%	3,000	148,294,725	-	(125,031)	(2,031)	148,170,663	148,294,726
Healthcare Activos 13, S.L.U.	Paseo de la Castellana, 45, sixth floor, left door, 28046 Madrid	KPMG Auditores, S.L.	100%	3,430,846	9,185,811	45,299	373,051	(1,098,643)	11,936,364	33,107,036
Healthcare Activos Yield Growth, S.L.U.	Paseo de la Castellana, 45, sixth floor, left door, 28046 Madrid	-	100%	3,000	-	-	(4,553)	(286)	(1,839)	3,000

7. Net equity and shareholders' equity

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 the amount of 9,150,000 euros with a share premium of 3,539,247 euros, having issued 9,150,000 shares of 1 euro par value. This extension was disbursed on 2 April 2020. In order to equalise the capital after said increase, a refund of the share premium for the amount of 6,626 euros was made.

As foreseen since the organisation of the Group on 1 August 2019, on 3 April 2020, the Company acquired 9,000,000 shares of treasury stock with a nominal value of 1 euro from one of its shareholders (Nortia Capital Investment Holding, S.L.), representing 7.873% of the Company's share capital, amounting to 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 treasury stock, 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 645,377 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 increase was disbursed on 13 November 2020.

Additionally, during fiscal year 2020 the Company has made the following dividend distributions:

- On 25 March 2020, the distribution of an extraordinary dividend in favour of the Company's shareholders was carried out through the return of the share premium amounting to 1,531,615 euros and the return of other contributions from equity holders in the amount of 803 euros. This dividend was disbursed on 6 April 2020.

- On 15 July 2020, the distribution of an extraordinary dividend in favour of the shareholders of the Company was carried out by return of the share premium for the amount of 1,532,418 euros. Said dividend was disbursed on 16 July 2020.

- On 30 September 2020, the distribution of an extraordinary dividend in favour of the shareholders of the Company was carried out by return of the share premium for the amount of 1,607,418 euros. This 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. This dividend was disbursed on 24 November 2020.

- On 10 December 2020, the distribution of an extraordinary dividend in favour of the shareholders of the Company was carried out through the distribution of an interim dividend on account of the profit/(loss) for the fiscal year 2020 for the amount of 1,947,193 euros. This dividend was disbursed on 29 December 2020.

During fiscal year 2019, the following milestones were carried out:

- On 31 July 2019, pending passive dividends amounting to 45,000 euros were disbursed by the sole shareholder at that time, so that the capital was fully paid up at 60,000 euros. Additionally, the sole shareholder made a contribution to the Company's shareholders' equity for the amount of 40,000 euros.

- On 31 July 2019, new shareholders entered the Company's capital due to the Company's acquisition of 100% of the shares of Healthcare Activos Yield, S.L.U. This entry occurred through a capital increase for the amount of 75,960,000 euros with a share premium of 50,640,000 euros. Additionally, on 18 September 2019, there was a capital increase at the Company for the amount of 3,000,000 euros with a share premium of 2,011,590 euros. On 23 November 2019, there was a capital increase in the Company for the amount of 19,584,600 euros with a share premium of 13,585,982 euros. On this same date, the share premium was returned to shareholders for equalisation, for an amount of 316,275 euros.

- As already planned since the formation of the Group on 1 August 2019, on 28 November 2019, the Company acquired from one of its shareholders (Nortia Capital Investment Holding, S.L.) 6,780,000 shares of treasury stock with a par value of 1 euro, representing 8.58% of the Company's capital, for an amount of 11,513,044 euros, of which 6,780,000 euros corresponded to capital and 4,733,045 euros to share premium. Subsequently, on 23 December 2019, the capital reduction by amortisation of this treasury stock was agreed, reducing the capital and the share premium for the amounts of 6,780,000 euros and 4,520,000 euros, respectively, generating a reserve for amortised capital at the end of fiscal year for the amount of 213,045 euros. Additionally, on 28 November 2019, there was a return of contributions to one of the Company's shareholders for an amount of 263 euros.

- On 23 December 2019, the Extraordinary and Universal General Meeting of Shareholders of the Company agreed to a capital increase for the amount of 22,485,000 euros and a share premium of 8,239,127 euros. On the same date, the distribution of an extraordinary dividend in favour of the shareholders of the Company was carried out by return of the share premium, for an amount of 30,704,052 euros and the return of contributions to one of the shareholders of the Parent Company for an amount of 20,076 euros.

Consequently, and after the movements that have taken place during fiscal year 2020 and 2019 described, at the end of fiscal year 2020, the company's share capital amounts to 118,713,600 euros, represented by 118,713,600 registered equity units of 1 euro of par value (114,309,600 euros at the end of fiscal year

2019, represented by 114,309,600 registered equity units of 1 euro of par value) that are fully subscribed and paid up.

Additionally, as of 31 December 2020, the share premium amounts to 37,297,635 euros (38,935,970 euros as of 31 December 2019) as a result of the described transactions.

As of 31 December 2020 and 2019, the Company's shareholding is composed of 106 and 100 shareholders respectively, with the following holdings having a shareholding percentage greater than 5%:

	% of shareholding of total share capital	
	31/12/2020	**31/12/2019**
Nortia Capital Investment Holding, S.L.	15.16%	23.62%
Inmomutua Madrileña, S.L.U.	6.07%	6.30%
Altamar HA Yield Fondo de Inversión Privado (Chile)	6.07%	-
Espai D'Inversions 2005, S.L.	5.18%	-
Inversiones Odisea	-	5.25%
Other investors	67.52%	64.83%

At the end of fiscal year 2020 Inversiones Odisea held a shareholding percentage lower than 5%.

b) Reserves

The composition of the Company's reserves as of 31 December 2020 and 2019 is as follows:

	31/12/2020	**31/12/2019**
Reserves and previous periods' profits/(losses)	(1,389,634)	3,522
Amortised capital reserve	(645,376)	(213,045)
Total	**(2,035,010)**	**(209,523)**

As described in Note 7a, on 19 August 2020 and 23 December 2019, the Company carried out a capital reduction due to the amortisation of its treasury stock and, consequently, the amortised capital reserve has increased.

The Board of Directors of the Company will propose to the General Meeting of Shareholders scheduled during the first half of fiscal year 2021 to allocate 1,389,634 euros from the account Other equity holders' contributions to offset the negative results of previous fiscal years accumulated as of 31 December 2020.

8. Public Entities and tax situation

a) Current Balances with Public Entities

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

Item	**31/12/2020**		**31/12/2019**	
	Debtor	**Creditor**	**Debtor**	**Creditor**
Tax authorities, receivables: VAT recoverable	151,582	-	27,800	-
Tax authorities, payables: withholdings tax	-	353,623	-	51,825
Total	**151,582**	**353,623**	**27,800**	**51,825**

On 17 December 2019, the Board of Directors of the Company agreed to the acceptance from 1 January 2020 of the group of companies 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 fiscal year, which do not reverse in subsequent periods, excluding the offset losses.
- Temporary differences, existing between the tax base of Corporate Tax and the pre-tax accounting result of the fiscal 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 fiscal 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 2020 and 2019. The impact collected on account 630 (Tax on Profits) in fiscal year 2019 is a result of the recording of the deferred tax asset disposal that the company absorbed during that fiscal year maintained on the balance sheet.

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 fiscal 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 defendable, 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.

9. 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:

	2020	2019
Independent professional services	3,173,766	1,574,645
Insurance premiums	11,942	-
Banking and similar services	571	6,376
Other services	402	760
Total	**3,186,681**	**1,581,780**

The heading Services from independent professionals includes advisors' fees related to the capital operations described in Note 7 a. In fiscal year 2019, this heading also included advisor costs related to the operation described in note 1. It also includes management fees invoiced by the managing companies of the Group for a total amount of 2,323,765 euros (725,707,000 euros in fiscal year 2019), of which 2,138,098 euros (676,651 euros in fiscal year 2019) 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.

10. Transactions and balances with related parties

a) Transactions with group, associated and related companies

The breakdown of the transactions during fiscal year 2020 is the following:

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.U.	Financial Interest	Financial Expense	(1,792)	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Dividends	Net amount of turnover	5,100,000	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Dividends	Net amount of 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 breakdown of the transactions during fiscal year 2019 is the following:

Company	Type of Transaction	Income/Expense	Transaction Amount	Valuation Method
Healthcare Activos Financing, S.L.U.	Financial Interest	Financial Expense	(488,835)	Comparable Uncontrolled Price
Healthcare Activos Financing, S.L.U.	Services provided	Other operating income	537,026	Comparable Uncontrolled Price
Healthcare Activos Inmobiliarios 13, S.L.U.	Services provided	Other operating income	139,625	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 fiscal year 2020 and 2019, with the exception of Provitae Centros Asistenciales, S.L., which owns 50% of the equity units at the end of fiscal year 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 subsidiary companies (see note 9 b).

b) Balances with group, associated and related companies

Long-term balances

The breakdown of balances with group companies as of 31 December 2020 are 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

The breakdown of balances with group companies as of 31 December 2019 are as follows:

Company	CIF	Type of relationship	% of equity holding	Long term	
				Debtor Balance	Creditor Balance
Healthcare Activos Financing, S.L.U.	B88108170	Group Company	100%	-	33,595,872

On 1 August, 2019, Healthcare Activos Inmobiliarios 6, S.L.U. (currently called Healthcare Activos Financing S.L.U. after the merger by absorption mentioned in note 6 on 1 August 2019), sold its stake in Healthcare Activos Inmobiliarios 13, S.L.U. to Healthcare Activos Yield, S.L.U., before it was absorbed by Roldania Investments, S.A. 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 and 2019. The loan agreement accrues market interest, expires on 1 August 2022 and establishes a single payment upon maturity. Despite the maturity set on this date, during fiscal year 2020 the Company has made payments relating to this loan for an amount of 9,055,187 euros. The interest pending payment at the end of fiscal year 2020 amounts to 1,571,136 euros (488,836 euros at the end of fiscal year 2019).

Short-term balances

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

Company	CIF	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.U.	B86006905	Group Company	100%	-	3,113,546

The breakdown of balances with group companies as of 31 December 2019 are as follows:

Company	CIF	Type of relationship	% of equity holding	Short term	
				Debtor Balance	Creditor Balance
Healthcare Activos Financing, S.L.U.	B88108170	Group Company	100%	226,246	-
Healthcare Activos Inmobiliarios 13, S.L.U.	B43757780	Group Company	100%	2,689	-

As of 31 December 2020, 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 5,100,000 euros, of which 2,600,000 euros will be collected during fiscal year 2021. This balance is reduced by 147,138 euros to be paid to Healthcare Activos Financing as VAT to be collected as of 31 December 2020, since the Company is the Group's head (see note 8 a). Additionally, there are the balances maintained with the rest of the subsidiaries of the Company which are part of the value added tax group.

As mentioned in note 6, on 18 December 2020, the Company acquired 50% of the equity units of Provitae Centros Asistenciales, S.L. to Maquavit Inmuebles, S.L.U., subsidiary fully owned by the company Healthcare Activos Yield Growth, S.L.U. 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 6, and interest accrued up to 31 December 2020 of the aforementioned debt for the amount of 1,792 euros.

Additionally, on the same date, the Company was subrogated to the position that Maquavit Inmuebles, S.L.U. had of balances to be collected from the acquired company (Provitae Centros Asistenciales, S.L.) for the amount of 1,080,588 euros. Therefore, this amount as of 31 December 2020 is reflected to be collected from Provitae Centros Asistenciales, S.L., and to be paid to Maquavit Inmuebles, S.L.U.

The balances maintained as of 31 December 2020 and 2019 included in the heading of Trade and other receivables correspond to balances maintained with companies of the group under the management fee agreement formalised between these companies and the Company (see note 9 b).

As of 31 December 2019, the short-term debtor balances maintained mainly corresponded to term credit policies signed between the group companies, with a limit of 5 million euros, to satisfy the needs and manage the cash surpluses of the group companies. These current accounts pay a market interest rate.

c) Short-term debts

As a result of the capital increase dated 23 December 2019 described in Note 7, the Company as of 31 December 2019 maintained current balances with two of the Company's shareholders for the amount of 90,022 euros, which were paid on 14 January 2020.

d) Remuneration to Directors and Senior Management

During fiscal year 2020 and 2019 the Directors and Senior Management of the Company have not accrued remuneration. No severance pay or payments based on equity instruments have been accrued during fiscal year 2020 and 2019.

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 Managers' and Directors' liability insurance.

e) Information regarding conflict of interest situations for the directors

At the end of fiscal year 2020 and 2019 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 and the persons related to them, who hold positions or functions in companies with the same, similar or complementary type of activity, have incurred in situations of conflict of interest that have had to be reported in accordance with the provisions of Art. 229 of the TRLSC. For these purposes, at the end of fiscal year 2020 and 2019, the members of the Board of Directors Jorge Guarner Muñoz and Alberto Fernández Sabater hold the position of Joint and Several Delegate Directors 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 fiscal year 2020 and 2019, the Managers of the Company have not carried out with it or with other companies of the group transactions outside of ordinary traffic or in conditions other than market conditions.

11. Other information

a) Audit fees

During fiscal year 2020, the fees related to account audit services (KPMG Auditores, S.L.) of the individual annual financial statements have amounted to 5,000 euros (4,540 euros during fiscal year 2019). The fees related to audit services of the consolidated and individual annual financial statements of the companies included in the Group have amounted to 66,714 euros (81,830 euros during fiscal year 2019). 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 fiscal year ended 31 December 2020, for professional service fees for the amount of 785,759 euros (15,000 euros during fiscal year 2019).

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 of the financial statements regarding information on environmental issues.

c) Other relevant post-closing information

The following were published on 30 January 2021: Royal Decree 1/2021, of 12 January, which modifies the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November; the General Accounting Plan for Small and Medium-sized Companies approved by Royal Decree 1515/2007, of 16 November; the Standards for the Formulation of Consolidated Annual Financial Statements approved by

Royal Decree 1159/2010, of 17 September; and the rules of Adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, of 24 October. Likewise, on 13 February 2021, the Resolution of 10 February 2021, of the Institute of Accounting and Auditing of Accounts was published, which issues rules for the registration, valuation and preparation of annual financial statements for the recognition of income for the delivery of goods and the provision of services.

The changes in the standards are applicable to fiscal years beginning on or after 1 January 2021 and focus on the criteria for recognition, valuation and breakdown of income from the delivery of goods and services, financial instruments, hedge accounting, valuation of the stock of raw materials quoted by the intermediaries that market them and the definition of fair value.

In this regard, the annual financial statements for the first fiscal year beginning on or after 1 January 2021 will be presented including comparative information, although there is no obligation to express the information from the previous fiscal year again. Comparative information will only be shown again in the event that all criteria approved by the Royal Decree can be applied without incurring a retrospective bias, without prejudice to the exceptions established in the transitional provisions.

The application of standards is generally retroactive, although with alternative practical solutions. However, the application of hedge accounting is prospective, the criteria for classification of financial instruments can be applied prospectively and the criteria for income from sales and services can be applied prospectively to contracts initiated as from 1 January 2021.

The Company's Directors are carrying out an evaluation of the applicable transition options and the accounting impacts that these modifications will entail, although at the date of formulation of these individual annual financial statements they still do not have enough information to conclude on the results of this analysis.

12. Regulatory requirements arising from the status of SOCIMI, Law 11/2009

In compliance with the Reporting Obligations 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 fiscal year 2020
a) Reserves arising from periods prior to application of the tax regime established in this Law.	There are no reserves from fiscal years prior to the application of the tax regime established by the Law
b) Reserves from fiscal 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.	There are no reserves from fiscal years in which the tax regime established in this Law has been applied from income, given that the Company does not have properties directly, if through its subsidiaries. Although the Company has received dividends during the fiscal year 2020 from its companies held for the amount of 5,770,699 euros, which must be taken into account in consideration of income received in compliance with its corporate purpose.
c) Dividends distributed from profits for each fiscal 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.	The Company has distributed the profits charged to the share premium, for an amount of 5,091,831 euros, being completely not subject to the special 19% tax rate.
d) In the case of distribution of dividends charged to reserves, designation of the fiscal year from which the applied reserve is applicable and whether they have been taxed at the 0%, 19% or general rate tax rate.	The Company has not made any distribution of results charged to reserves, and therefore the required information is not necessary in terms of dividend distribution, required by Article 11 of said Law.
e) Date of the dividend distribution agreement referred to in points c) and d) above.	The distribution of dividends mentioned in letter c) was agreed on 10 December 2020.

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, the properties of which were acquired on 1 August, 20 December 2019, 9 September 2020 and 27 October 2020.
g) Identification of the asset that is computed within 80% referred to in paragraph 1 of article 3 of this Law.	At the end of the 2020 financial year, the assets that count within 80%, as referred to in section 1 of article 3 of the Law, are those that are linked to properties of an urban nature intended for the lease. The net book value for which these assets are registered at the end of fiscal year 2019 of their subsidiaries, amounts to 358,416,871 euros
h) Reserves from fiscal 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 fiscal year from which such reserves originate.	There are no reserves from fiscal years prior to the application of the tax regime established by the Law

Barcelona, 3 March 2021

HEALTHCARE ACTIVOS YIELD SOCIMI, S.A.

The directors of Healthcare Activos Yield Socimi, S.A., at their meeting held on 3 March 2021, and in compliance with the provisions established in article 253.2 of the Consolidated Text of the Capital Companies Act, and in article 37 of the Spanish Code of Commerce, have drawn up the abridged annual financial statements for the fiscal year between 1 January 2020 and 31 December 2020. The abridged annual financial statements comprise the abridged balance sheet, the abridged profit and loss account and the abridged annual report.

Signatories:

_____	_____
Mr Jorge Guarner Muñoz	Mr Alberto Fernández Sabater
_____	_____
Mr Fernando Olaso Echevarría	Mr Miguel Zurita Goñi
_____	_____
Ms Ana Forner Beltrán	Mr Ignacio Manzano García