



**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**  
FINANCIAL STATEMENTS AND DIRECTOR'S REPORT FOR  
FINANCIAL YEAR 2020 TOGETHER WITH AUDIT REPORT ON THE  
FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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## **MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

Annual accounts corresponding to the financial year 2020  
along with the Audit Report on the Annual Accounts

### **AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS**

#### **ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2020:**

- Balance Sheet at 31 December 2020 and 2019
- Profit Loss Account for the financial year 2020 and 2019
- Statement of Changes in Net Equity for the financial year 2020 and 2019
- Cash Flow Statement for the years 2020 and 2019
- Annual report for the financial year 2020

#### **REPORT MANAGEMENT FOR THE YEAR 2020**



**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**AUDITOR'S REPORT ON ANNUAL ACCOUNTS**



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## **Audit report on the financial statements issued by an independent auditor**

To Shareholders of **MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

### *Opinion*

We have audited the the annual accounts of **MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.** (the Company), which comprise the balance sheet at 31 December 2020, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report for the financial year ended on that date.

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the Company's equity and financial position as at 31 December 2020, as well as its results and cash flows for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information (identified in note 2 a) of the report) and, in particular, with the accounting principles and criteria contained therein.

### *Basis for opinion*

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

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

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

### *Key audit matters*

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

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**.Key Audit matters****Audit response***Income recognition*

As indicated in note 1 of the attached report, the Company's main activity is the rental of real estate properties of own.

The recognition of income is a significant and susceptible area for inaccuracies, especially with regard to the integrity, accuracy and adequate temporary allocation, for this reason we have considered this issue as a key audit matter.

We have performed, amongst others, the following audit procedures:

- Obtain an understanding of the internal controls established by the Company's Management to assurance the integrity and accuracy of the income figure.
- Analysis of the reasonableness of the income recorded through analytical reviews of the different income concepts, comparing these with previous years.
- Review a sample of transactions to ensure that the recording of income is made based on the accrual principle.
- Analysis of the main lease contracts in force and check that the recorded turnover corresponds with the conditions set out in the mentioned contracts.
- Verification that the information included in the financial statements is timely and sufficient.

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**.Key Audit matters****Audit response***Tax regime applicable to SOCIMI*

As indicated in notes 1 and 2 c) of the attached report, the Company is governed, among other regulations, by Law 11/2009, of 26 October as amended by Law 16/2012, of 27 December, regulating Publicly Listed Investment Companies in the real estate market ("SOCIMIS law"). One of the main characteristics of this type of company is that the tax rate for Corporation Tax is set at 0%.

The SOCIMIS Law requires the Company to comply with certain requirements in making investments, the nature of the income obtained, the permanence of real estate assets in the portfolio, as well as the distribution of dividends, under the terms and deadlines set.

The correct application of the regulations applicable to SOCIMIS is a significant risk, since tax exemption has a significant impact on the financial statements, so we have considered this issue as key Audit matter.

We have performed, amongst others, the following audit procedures:

- Understanding of the requirements established in Law 11/2009, of 26 October, on Publicly Listed Investment Companies in the real estate market.
- Verification of the compliance requirements of minimum share capital required by SOCIMIS law.
- Verification that the Company joined the "EURONEXT ACCESS PARIS" Market as a SOCIMI for the trading of ordinary shares issued by the Company in the Multilateral Facility of "Euronext Access" operated by Euronext Access Paris S.A.
- Verification of the investment requirements established by SOCIMIS law.
- Verification of the requirements for the distribution of results established in the SOCIMIS law.
- Verification that the information included in the financial statements is timely and sufficient, especially as established by the tax regulations that regulate the special SOCIMI regime.

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*Other information: Management report*

The other information comprises exclusively the management report for financial year 2020, the formulation of which is the responsibility of the Company's management and does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility over the management report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the management report with the financial statements, based on the knowledge of the Entity obtained in performing the audit of the aforementioned accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report that 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 this.

Based on the work performed, as described in the previous paragraph, the information contained in the management report agrees with that in the financial statements for financial year 2020 and its content and presentation is in accordance with the applicable regulations.

*The responsibility of the management in respect of the financial statements*

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

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

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

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with the regulations governing the audit activity in force in Spain will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management.
- We conclude whether the use, by management, of the accounting principle of the company as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to events or conditions that can generate significant doubts about the ability of the Company to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.

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

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

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

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

BDO Auditores, S.L.P.

26 May 2021

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MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.  
FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2020

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 1*

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**BALANCE SHEETS AT 31 DECEMBER 2020 AND 2019**

(Stated in euros)

ASSETS	Notes to the Report	2020	2019
<b>NON-CURRENT ASSETS</b>		<b>6,545,102.23</b>	<b>6,560,382.08</b>
<b>Property, plant and equipment</b>	Note 5	201,999.12	168,060.01
Technical installations and other property, plant and equipment		201,999.12	168,060.01
<b>Real estate investments</b>	Note 5	6,151,215.45	6,201,973.81
Investments in land and natural resources		4,640,435.02	4,640,435.02
Investments in buildings		1,510,780.43	1,561,538.79
<b>Long-term financial investments</b>	Note 8	191,887.66	190,348.26
Other financial assets		191,887.66	190,348.26
<b>CURRENT ASSETS</b>		<b>1,103,787.48</b>	<b>801,138.99</b>
<b>Stock</b>	Note 8	-	10,000.00
<b>Trade and other receivables</b>		35,974.62	88,070.68
Clients for sales and provision of services	Note 8	21,993.41	28,186.17
Current tax assets	Note 11	13,981.21	59,884.51
<b>Short-term financial investments</b>	Note 8	3,194.10	3,054.42
Other financial assets		3,194.10	3,054.42
<b>Cash and cash equivalents</b>	Note 8	1,064,618.76	700,013.89
<b>TOTAL ASSETS</b>		<b>7,648,889.71</b>	<b>7,361,521.07</b>

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 2*

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**BALANCE SHEETS AT 31 DECEMBER 2020 AND 2019**

(Stated in euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes to the Report</b>	<b>2020</b>	<b>2019</b>
<b>EQUITY</b>		<b>6,904,459.89</b>	<b>6,531,073.80</b>
<b>Shareholders' funds</b>		<b>6,904,459.89</b>	<b>6,531,073.80</b>
<b>Share capital</b>	<b>Note 9</b>	<b>5,810,369.00</b>	<b>5,810,369.00</b>
<b>Reserves</b>	<b>Note 9</b>	<b>273,898.73</b>	<b>195,052.95</b>
Legal and statutory reserve	<b>Note 9</b>	184.643,65	132.080,46
Other reserves	<b>Note 9</b>	89.255,08	62.972,49
<b>Results for the year</b>	<b>Note 3</b>	<b>820,192.16</b>	<b>525,651.85</b>
<b>NON-CURRENT LIABILITIES</b>		<b>615,659.06</b>	<b>612,214.93</b>
<b>Long-term debt</b>	<b>Note 10</b>	<b>262,325.72</b>	<b>221,548.26</b>
Creditors for financial leases		40,738.06	-
Other financial liabilities		221,587.66	221,548.26
<b>Long-term accruals</b>	<b>Note 4 h</b>	<b>353,333.34</b>	<b>390,666.67</b>
<b>CURRENT LIABILITIES</b>		<b>128,770.76</b>	<b>218,232.34</b>
<b>Current debt</b>	<b>Note 10</b>	<b>11,239.50</b>	<b>3,405.15</b>
Creditors for financial leases		11,239.50	3,405.15
<b>Trade creditors and other accounts payable</b>		<b>80,197.93</b>	<b>177,493.86</b>
Sundry creditors	<b>Note 10</b>	394.41	107,310.56
Current tax liabilities	<b>Note 11</b>	4,293.34	-
Other debt with the Public Administrations	<b>Note 11</b>	75,510.18	70,183.30
<b>Current accruals</b>	<b>Note 4 h</b>	<b>37,333,33</b>	<b>37,333,33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,648,889.71</b>	<b>7,361,521.07</b>

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 3*

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**PROFIT AND LOSS ACCOUNTS FOR FINANCIAL YEARS ENDED**  
**31 DECEMBER 2020 AND 2019**

(Stated in euros)

	Notes to the Report	2020	2019
<b>Net turnover</b>		<b>1,375,088.63</b>	<b>1,333,333.24</b>
Provision of services	Note 13	1,375,088.63	1,333,333.24
<b>Other operating income</b>		<b>1,821.60</b>	<b>-</b>
Ancillary and other operating income		1,821.60	-
<b>Personnel expenses</b>	Note 13	<b>(111,345.68)</b>	<b>(202,735.19)</b>
Salaries, wages and others		(85,276.82)	(163,968.49)
Social charges		(26,068.86)	(38,766.70)
<b>Other operating expenses</b>		<b>(219,733.79)</b>	<b>(460,820.11)</b>
External services		(161,747.61)	(421,019.17)
Taxes		(57,986.18)	(31,446.93)
Losses, impairment and variation of provisions for commercial operations		-	(8,354.01)
<b>Depreciation and amortisation and of property, plant and equipment</b>	Note 5	<b>(87,511.00)</b>	<b>(71,057.16)</b>
<b>Impairment and earnings for fixed-asset disposals</b>		<b>12,658.87</b>	<b>-</b>
Earnings for disposals and other	Note 5	12,658.87	-
<b>Extraordinary results</b>	Note 13	<b>(138,994.82)</b>	<b>(611.42)</b>
<b>OPERATING RESULT</b>		<b>831,983.81</b>	<b>598,109.36</b>
<b>Financial expenses</b>		<b>(2,458.31)</b>	<b>(80.98)</b>
<b>Variation in the fair value of financial instruments</b>		<b>-</b>	<b>(63,043.20)</b>
<b>FINANCIAL RESULT</b>		<b>(2,458.31)</b>	<b>(63,124.18)</b>
<b>RESULT BEFORE TAX</b>		<b>829,525.50</b>	<b>534,985.18</b>
<b>Corporate income tax</b>	Note 11	<b>(9,333.34)</b>	<b>(9,333.33)</b>
<b>RESULT FOR THE YEAR</b>		<b>820,192.16</b>	<b>525,651.85</b>

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Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 4

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**STATEMENT OF CHANGES IN EQUITY**

(Stated in euros)

**B) STATEMENT OF TOTAL CHANGES IN EQUITY IN THE FINANCIAL YEARS ENDED AT 31 DECEMBER 2020 AND 2019**

	Subscribed Share capital	Reserves	Result for the year	Total
<b>OPENING BALANCE FOR FINANCIAL YEAR-ENDED 31 DECEMBER 2019</b>	2,010,369.00	734,202.33	618,642.64	3,363,213.97
Total recognized income and expenses	-	-	525,651.85	525,651.85
Operations with partners or owners <i>Capital increases (note 9 a)</i>	3,800,000.00	-	-	3,800,000.00
Other changes in equity <i>Distribution of dividends (note 9 c)</i>	-	(631,945.78)	-	(631,945.78)
<i>Distribution of prior year's result (note 9c)</i>	-	92,796.40	(618,642.64)	(525,846.24)
<b>CLOSING BALANCE FOR FINANCIAL YEAR-ENDED 31 DECEMBER 2019</b>	5,810,369.00	195,052.95	525,651.85	6,531,073.80
<b>OPENING BALANCE FOR FINANCIAL YEAR-ENDED 31 DECEMBER 2020</b>	5,810,369.00	195,052.95	525,651.85	6,531,073.80
Total recognized income and expenses	-	-	820,192.16	820,192.16
Other changes in equity <i>Distribution of dividends (note 9 c)</i>	-	-	(446,804.07)	(446,804.07)
<i>Distribution of prior year's result (note 9c)</i>	-	78,845.78	(78,847.78)	(2.00)
<b>CLOSING BALANCE FOR FINANCIAL YEAR-ENDED 31 DECEMBER 2020</b>	5,810,369.00	273,898.73	820,192.16	6,904,459.89

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 5*

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**CASH FLOW STATEMENT FOR THE FINANCIAL YEARS 2020 AND 2019**

(Stated in euros)

	Notes to the Report	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Result before taxes		829,525.50	534,985.18
<b>Adjustments to the result</b>		39,977.11	97,739.66
Depreciation and amortisation of property, plant and equipment	Note 5	87,511.00	71,057.16
Result from disposals of fixed assets		(12,658.87)	891.65
Financial expenses		2,458.31	80.98
Variation in the fair value of financial instruments		-	63,043.20
Other income and expenses		(37,333.33)	(37,333.33)
<b>Changes in current capital</b>		(85,536.19)	97,310.60
Stock		10,000.00	(10,000.00)
Debtors and other receivables		6,192.76	(18,788.64)
Other current assets		(139.68)	(3,054.42)
Creditors and other accounts payable		(101,589.27)	129,154.66
<b>Other cash flows from operating activities</b>		38,402.99	(24,736.85)
Payment of interest		(2,458.31)	(80.98)
Collection (payment) of corporation tax		40,861.30	(24,655.87)
<b>Cash flows from operating activities</b>		<b>822,369.41</b>	<b>705,299.59</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments for investments</b>		(3,310.85)	(3,830,102.68)
Property, plant and equipment	Note 5	(1,771.45)	(8,447.41)
Real estate investments	Note 5	-	(3,821,655.26)
Other financial assets		(1,539.40)	-
<b>Collections from disinvestments</b>		29,752.07	119,282.92
Property, plant and equipment	Note 5	29,752.07	-
Other financial assets		-	119,282.92
<b>Cash flows from investing activities</b>		<b>26,441.22</b>	<b>(3,710,819.76)</b>

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 6*

**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**CASH FLOW STATEMENT FOR THE FINANCIAL YEARS 2020 AND 2019**

(Stated in euros)

	Notes to the Report	2020	2019
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Collections and payments for equity instruments		-	3,800,000.00
Issuance of equity instruments	Note 9	-	3,800,000.00
Collections and payments for liabilities instruments		(37,401.69)	37,987.08
Issue of other debt		39.40	47,734.40
Repayment and amortization of amounts owed to credit institutions		(37,441.09)	(9,747.32)
Dividend payments and remuneration of other equity instruments		(446,804.07)	(517,404.31)
Dividends	Note 9	(446,804.07)	(517,404.31)
Cash flows from financing activities		(484,205.76)	3,320,582.77
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>364,604.87</b>	<b>315,062.60</b>
Cash and cash equivalents at beginning of the period		700,013.89	384,951.29
Cash and cash equivalents at end of the period		1,064,618.76	700,013.89

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 7*

## **MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

### **ANNUAL REPORT FOR FINANCIAL YEAR 2020**

#### **NOTE 1. INCORPORATION, BUSINESS ACTIVITY AND THE LEGAL REGIME OF THE COMPANY**

##### **a) Nature and principle business activities**

MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. (hereinafter MAQAU or the Company) was incorporated as a limited liability company on 31 March 2014. On 27 September 2018 the agreements on the change from a limited company into a SOCIMI, (SOCIMI, *Real Estate Investment Trust*), LIMITED COMPANY are raised to public.

Its corporate purpose and business activity consist in, a) the acquisition and promotion of urban real estate for lease (CNAE 6820, *National Classification of Economic Activities*). The marketing activity includes the refurbishment of buildings under the terms established in Law 37/1992, of 28 December of the Value Added Tax or regulation that may replace it in the future, b) The holding of shares in the capital of other SOCIMIs or those of other entities resident or not in Spanish territory that have the same corporate purpose and that are subject to a regime similar to that established for the SOCIMIs in terms of mandatory, legal or statutory, profit distribution policy. (CNAE 6420), c) The holding of shares in the capital of other entities, resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and that are subject to a regime similar to that established for the SOCIMIs in terms of mandatory, legal or statutory, profit distribution policy and meet the investment requirements referred to in article 3 of the SOCIMIs Law. (CNAE 6420), d) The ownership of shares or holdings of Real Estate Investment Trusts regulated by Law 35/2003, of 4 November on Collective Investment Trusts, or the regulations that may replace it in the future. (CNAE 6420).

Its main business activity is the rental of real estate on its own account.

The accounting financial year is from 1 January to 31 December of the same year.

It has its registered office in Malaga, calle Marqués de Larios, N°5, PC 29015.

It is governed by its Statutes, the Capital Companies Act, and especially the application of Royal Decree 1514/2007 as amended by Royal Decree 1159/2010, which approves the General Accounting Plan, and complementary provisions of commercial legislation. The Company is also governed by Law 11/2009, of 26 October on Publicly Listed Investment Companies in the real estate market ("SOCIMI's Act")

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Since 3 October 2019, the entity was included in the Euronext Listing Board to trading of the ordinary shares issued by the Company on the Multilateral Facility of “Euronext Access” operated by Euronext Access Paris S.A

Given the business activity in which the Company is engaged, there are no responsibilities, expenses, assets, nor provisions and contingencies of an environmental nature that could be significant in relation to equity, financial situation and results. For this reason, no specific breakdowns are included in this annual report on the financial statements regarding information on environmental matters.

#### **b) Regime of SOCIMI**

The Company is regulated by Law 11/2009, of October 26, modified by Law 16/2012, of December 27, which regulates Listed Public Investment Companies in the Real Estate Market (“I.SOCIMI”). These companies have a special tax regime, having to comply, among others, with the following obligations:

1. **Obligation of the corporate purpose:** The company must have as main corporate purpose ownership of investment property of an urban nature for its lease, holding interests in other companies with a similar corporate purpose and with the same distribution of dividends, as well as Collective Investment Institutions.
2. **Investment Obligation:**
  - The company must invest 80% of the assets in investment property allocated to the lease, in land for the promotion of real estate that is destined for this purpose, provided that the promotion begins within three years after its acquisition and in participations in the capital of other entities with a corporate purpose similar to that of the SOCIMI.
  - This is the case of calculating the balance in the case of the dominant company of a group according to the criteria established in article 42 of the Commercial Code, with the independence of the residence and the obligation of Consolidated Annual Forms. This group will be automatically integrated by the company and the rest of the entities that refer to section 1 of article 2 of Law 11/2009.
  - There is the option of substituting the book value of the assets for their market value. Or treasury / credit rights derived from the transfer of said assets will be computed as long as the established reinvestment maximum periods are exceeded.

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- Likewise, 80% of their income must come from the income corresponding to (i) leasing of investment propose; and (ii) of the dividends from the participations. This percentage will be calculated on the balance sheet in the event that the Company is dominant in a group according to the criteria established in article 42 of the Commercial Code, regardless of the residence and the obligation to prepare Consolidated Annual Accounts. This group will be integrated exclusively by the SOCIMI and the other entities referred to in section 1 of article 2 of Law 11/2009.
  - The investment property must remain leased for at least three years (for the calculation, you can add up to one year of the period that has been offered in lease). The participations must remain in the asset for at least three years.
3. Obligation of negotiations in the regulated market. SOCIMIs must be admitted to a negotiation in a regulated Spanish market or in any other country where there is an exchange of tax information. The shares must be nominative.
  4. Obligation to distribute results. The companies distributed as dividends, once the mercantile requirements have been met:
    - 100% of the profits from dividends or profit sharing distributed by the entities referred to in section 1 of article 2 of Law 11/2009.
    - At least 50% of the profits derived from the transfer of real estate and shares or participations referred to in section 1 of article 2 of Law 11/2009, made once the minimum holding periods have elapsed, subject to the fulfillment of its main corporate purpose. The rest of these benefits must be reinvested in other properties or participations affected by said object, within three years after the date of transmission.
    - At least 80% of the rest of the benefits obtained. When the distribution of dividends is made with a charge to reserves derived from profits of an exercise in which the special fiscal regime has been applied, its distribution shall be obligatorily adopted in the manner described above.
  5. Information Obligation (see note 16): The SOCIMIs must include in the notes of their Annual Accounts the information required by the tax regulations that regulate the special regime of the SOCIMIs.
  6. Minimum capital: The minimum share capital is set at 5 million euros.

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The application of the special fiscal regime may be chosen in the terms established in Article 8 of the Law, even if the requirements stipulated in it are not met, provided that such requirements are met within two years following the date of the option to apply said regime.

Failure to comply with any of the above conditions will mean that MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. would pass to be taxed by the general regime of Corporation Tax as of the tax period itself in which said non-compliance is manifested unless it is remedied in the following financial year. In addition, MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A., will be required to pay, together with the quota of said tax period, the difference between the quota for said tax results from applying the general regime and the quota paid that resulted from applying the special tax regime in the previous tax periods, without prejudice to late payment interest, surcharges and penalties, where appropriate, that are applicable.

The tax rate of SOCIMIs in Corporate Tax is set at 0%. However, when the dividends that the SOCIMI distributes to its shareholders with a percentage holding greater than 5%, these are exempt or taxed at a rate lower than 10%, the SOCIMI will be subject to a special tax of 19%, which will have the consideration of share tax of Corporation Tax, on the amount of the dividend distributed to the shareholders. If applicable, this special tax must be paid by the SOCIMI within two months from the date of distribution of the dividend.

## **NOTE 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

### **a) True and Fair View and Regulatory framework**

These financial statements have been prepared by the Directors in accordance with the regulatory framework for financial information applicable to the Company, which is established in:

- Commercial Code and the remaining commercial legislation.
- The General Accounting Plan approved by Royal Decree 1514/2007, which was modified by Royal Decree 1159/2010, of 17 September and by Royal Decree 602/2016, of 2 December as well as with the rest of current commercial legislation.
- The mandatory standards approved by the Institute of Accounting and Account Audits developed in the General Accounting Plan and its complementary standards.
- The remainder of the Spanish accounting regulations that are applicable.

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**b) True image**

The accompanying financial statements have been obtained from the accounting records of the Company and are presented in accordance with the regulatory framework of financial information that is applicable to it and in particular, the accounting principles and criteria contained therein, so that they show a true image of equity, of the financial situation, and of the company's results during the corresponding financial year. These financial statements, which have been prepared by the Company's Directors, will be submitted for approval by the General Shareholders' Meeting, it being considered that they will be approved without modification.

**c) Critical aspects of valuation and estimation of uncertainty**

In the preparation of the attached financial statements, estimates made by the Company's Directors have been used to value some of the assets, liabilities, income, expenses and commitments that are recorded therein. Basically, these estimates refer:

- The evaluation of possible impairment losses of certain assets (note 4).
- The useful life of property, plant and equipment, intangible assets and real estate investments (note 4).
- Assessment of the situation caused by COVID pandemic.
- Risks related to the adoption of the SOCIMI regime

In relation to the valuation of assets due to the situation of the COVID pandemic, the activity of the real estate sector is being affected like many sectors, however, the available valuations of the Company's assets show significant capital gains that do not indicate signs of impairment of assets, likewise, the revenue figure has not suffered in 2020.

In relation to the risks related to the adoption of the SOCIMI regime, the Company is under the regime established in Law 11/2009, of 26 October which regulates the Publicly Listed Investment Companies in the real estate market (SOCIMI) that in practise requires the fulfilment of certain requirements for the company to be subject to a tax rate of 0% in relation to Corporation Tax. The Company's Directors performs a monitoring of compliance with the requirements established in the legislation in order to maintain the tax advantages established therein. In this regard, the Directors considers that these requirements will be met in the terms and deadlines set, and it is not necessary to record any type of result derived from the Corporation Tax.

Although these estimates have been made on the basis of the best information available at financial year-end 2020 it is possible that events may take place in the future that may require them to be modified (upwards or downwards) in the coming years, that would be carried out, where appropriate, prospectively.

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**d) Comparative of information**

The information contained in these financial statements referring to financial year 2019 is presented, for comparative purposes, with the information for financial year 2020.

**e) Grouping of items**

Certain items of the balance sheet, the profit and loss account, the statement of changes in equity and the cash flows statement are presented in a grouped form to facilitate their understanding, although, to the extent that it is significant, have included the disaggregated information in the corresponding notes of the report.

**f) Errors**

In the preparation of the annual accounts for the financial year 2020, no significant error has been detected that has led to the restatement of the amounts included in the annual accounts for the financial year 2019.

**NOTE 3. DISTRIBUTION OF RESULTS**

The Directors will submit the following distribution of 2020 results for the approval of the General Shareholders' Meeting:

	2020	2019
<b>Basis of distribution:</b>		
Profit in the year	820,192.16	525,651.85
<b>Total</b>	<b>820,192.16</b>	<b>525,651.85</b>
<b>Distribution to:</b>		
Reserves	82,019.22	52,565.18
Dividends	738,172.94	446,804.07
Voluntary Reserves	-	26,282.60
<b>Total</b>	<b>820,192.16</b>	<b>525,651.85</b>

The General Meeting will decide on the distribution of result in accordance with the approved balance sheet, distributing dividends to the shareholders in proportion to the capital that they have disbursed, in accordance with the provisions of article 6 of the SOCIMI Law charged to profits or reserves freely available, once the legal reserve is covered and provided that the equity value is not or does not result, as a result of the distribution, less than the share capital.

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Thus, once the attentions provided by the Law and Law 11/2009 are covered, the distribution of dividends charged to the profit of the year, or to freely available reserves, will be carried out in accordance with the following rules:

- a) The General Meeting must necessarily agree on the distribution of one hundred percent (100%) of the profit derived from dividends or holdings distributed by the entities referred to in article 2 of the Statutes.
- b) Likewise, it must agree on the distribution of at least fifty percent (50%) of the profit derived from the transfer of real estate and shares or holdings referred to in article 2 of these Statutes, made after the deadlines referred to in section 3 of article 3 of Law 11/2009, regarding the fulfilment of its main corporate purpose. The remainder of the profit must be reinvested in other properties or shares subject to compliance with said object, within three (3) years after the date of transmission. Failing that, said profit must be distributed in its entirety together with the profit, if any, that comes from the year in which the reinvestment period ends. If the elements subject to reinvestment are transmitted before the previous maintenance period, the profit must be fully distributed together with the profit, if any, that come from the year in which they were transmitted.
- c) The General Meeting will distribute among all shareholders a minimum annual dividend of eighty percent (80%) of the Company's remaining distributable profit, once the provisions of sections a) and b) above have been fulfilled. The General Meeting will decide on the distribution of the financial year's result and the distribution of the profit in accordance with the provisions of the preceding paragraphs, within the first six (6) months of each financial year. Dividends will be distributed among the shareholders in the proportion corresponding to the capital they have disbursed; the payment being made on the date determined by the General Meeting itself within a maximum period of one (1) month from the date of the distribution agreement.

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#### **NOTE 4. RECORDING AND VALUATION STANDARDS**

The main valuation standards used by the Company to prepare the Interim Financial Statements for financial year 2020, in accordance with the standards set forth in the General Accounting Plan, are as follows:

##### **a) Intangible assets**

As a general rule, intangible assets are initially valued at acquisition cost or production cost. It is subsequently valued at its cost reduced by the corresponding accumulated depreciation and, if applicable, by the impairment losses that it has experienced. These assets are depreciated over their useful lives.

Licenses for computer software purchased from third parties are capitalized on the basis of the costs incurred in acquiring them. Computer applications are depreciated on a straight-line basis over their useful life, within a maximum of 5 years.

##### **Value impairment of intangible assets and property, plant and equipment**

At each financial year-end (in the case of goodwill) or whenever there are indications of loss of value, the Company proceeds to estimate by means of the so-called “impairment test” the possible existence of value losses that reduce the recoverable value of these assets to an amount less than their carrying value.

The recoverable amount is determined as the highest amount between fair value less the costs to sell and value in use.

##### **b) Property, plant and equipment**

The value of property, plant and equipment is the purchase price net of accumulated depreciation and any accumulated adjustments due to recognised impairment, if any, according to the criteria mentioned in note 4 a).

Upkeep and maintenance expenses incurred in the financial year are charged to the Profit and Loss Account. The costs of renovating, expanding or improving property, plant and equipment are capitalised as an increase in the value of the pertinent asset if they represent an increase in the asset’s capacity or productivity or a lengthening of its useful life, and the carrying amount of the items replaced is derecognised.

For those fixed assets that need a period of time greater than one year to be in conditions of use, the capitalized costs include the financial expenses that have accrued before the asset was put into operation conditions and that have been transferred by the supplier or correspond to loans or other type of external financing, specific or generic, directly attributable to the acquisition or manufacture of the same.

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Property, plant and equipment, net of residual value, are depreciated by distributing the cost of the assets in question in a straight line over the years of estimated useful life during which the Company expects the assets to be in use, according to the following table:

	Years of useful life
Buildings and other constructions	33-50
Machinery	8.33
Furnishings	10
Transport elements	6
Other property, plant and equipment	5

**c) Real estate investments**

Lands which the Company has earmarked for generating income by leasing or which it holds for the purpose of obtaining capital gains through their future alienation, outside the ordinary course of its operations, are classified under the heading of Property Investments. The same standards apply to these assets as those set out in the previous section 4 b).

**d) Leases**

Leases are classified as financial leases provided that from their conditions can be deducted that the risks and rewards inherent to ownership of the asset subject to the contract are substantially transferred to the lessee. Other leases are classified as operating leases.

- Operating leases

When the Company acts as lessor

Income and expenses derived from operating lease agreements are charged to the profit and loss account in the year in which they are accrued.

Likewise, the acquisition cost of the leased asset is presented in the balance sheet according to its nature, increased by the amount of directly attributable contract costs, which are recognized as an expense in the term of the contract, applying the same criteria used for the contract. recognition of lease income.

Any collection or payment that could be made when contracting an operating lease will be treated as a prepayment or payment that will be charged to income over the period of the lease, as the benefits of the leased asset are ceded or received.

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#### When the Company acts as a lessee

Expenses derived from operating lease agreements are charged to the profit and loss account in the year in which they are accrued.

Any collection or payment that could be made when contracting an operating lease, will be treated as a collection or advance payment that will be charged to income over the period of the lease, as the benefits of the leased asset are ceded or received.

- Financial lease

#### When the Company acts as lessor

In financial leasing transactions in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet according to the nature of the asset object of the contract and, simultaneously, a liability for the same amount. Said amount shall be the lower of the fair value of the leased asset and the present value at the beginning of the lease of the agreed minimum amounts, including the purchase option, when there are no reasonable doubts about its exercise. Quotas of a contingent nature, the cost of the services and taxes applicable to the lessor will not be included in its calculation. The total financial burden of the contract is charged to the profit and loss account for the year in which it is accrued, applying the effective interest rate method. Quotas of a contingent nature are recognized as an expense in the year in which they are incurred.

Assets recorded for this type of operation are amortized using criteria similar to those applied to all tangible assets, according to their nature.

#### **e) Financial instruments**

- Financial assets

The Company decides how to classify its financial assets at initial recognition, and it re-evaluates the initial classification at the close of each balance sheet when re-evaluation is permitted and appropriate.

The financial instruments used by the Company are classified for valuation purposes into one of the following categories:

- Loans and receivables: financial assets originated in the sale of goods or in the provision of services for traffic operations of the company, or those not having a trade origin, are not equity instruments or derivatives and whose collections are of fixed or determinable amount and are not traded in an active market.

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### *Initial valuation*

Financial assets and liabilities included in this category are valued initially at their fair value, which is the transaction price; this is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

### *Subsequent valuation*

Loans, receivables and investments held until maturity are valued at their depreciated cost.

Financial assets held for trading, in subsequent valuations, are valued at their fair value, without deducting the transaction costs that may be incurred in their disposal. Changes that occur in fair value are charged to the Profit and Loss Account for the year.

At least at financial year-end, the Company performs an impairment test for financial assets that are not recorded at fair value. It is considered that there is objective evidence of impairment if the recoverable value of the financial asset is lower than its carrying amount. When this occurs, the record of this impairment is recorded in the profit and loss account.

In particular, and regarding the valuation corrections related to trade debtors and other accounts receivable, the criterion used by the Company to calculate the corresponding valuation corrections, if any, is to provide those provisions for impairment that allow to cover the balances of certain seniority or in which circumstances that reasonably allow its qualification as doubtful collection.

The Company derecognizes financial assets when they expire or the rights to the cash flows of the corresponding financial asset have been transferred and the risks and benefits inherent to their ownership have been substantially transferred, such as in firm sales of assets, transfers of assets, commercial credits in factoring operations in which the company does not retain any credit or interest risk, the sale of financial assets with a repurchase agreement at fair value or the securitization of financial assets in which the transferor company does not retain subordinated financing nor does it grant any type of guarantee or assume any other type of risk.

On the contrary, the Company does not derecognize financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which the risks and benefits inherent to their ownership are substantially retained, such as discounting of effects, "recourse factoring", sales of financial assets with repurchase agreements at a fixed price or at the sale price plus interest and financial asset securitizations in which the transferor company retains subordinated financing or other types of guarantees that substantially absorb all expected losses.

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– Financial liabilities

Financial liabilities are those debits and payables that the Company has and that have originated in the purchase of goods and services by the traffic operations of the company, or those that without having a trade origin, cannot be considered as financial instruments derivatives.

The debits and payables are initially valued at the fair value of the consideration received, adjusted for the directly attributable transaction costs. Subsequently, these liabilities are valued according to their depreciated cost.

The Company derecognizes financial liabilities when the obligations that generated them are extinguished.

**f) Corporate income tax**

The expense or income from income tax includes the part related to the expense or income from the current tax and the part corresponding to the expense or income from deferred tax.

The current tax is the amount that the Company satisfies as a result of the tax payments of the income tax relating to a financial year. Deductions and other tax benefits in the tax base, excluding withholdings and payments on account, as well as the compensable tax losses of prior financial years and effectively applied in it, give rise to a lower amount of the current tax.

Deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include timing differences that are identified as those amounts that are expected to be payable or recoverable derived from the differences between the carrying amounts of assets and liabilities and their tax value, as well as the negative tax bases pending compensation and the credits for tax deductions not applied. These amounts are recorded by applying to the timing difference or credit that corresponds to the type of tax that is expected to be recovered or settled.

Deferred tax liabilities are recognized for all taxable timing differences, except those derived from the initial recognition of goodwill or other assets and liabilities in an operation that does not affect either the tax result or the accounting result and is not a business combination.

Furthermore, deferred tax assets are only recognized to the extent that it is considered probable that the Company will have future taxable profits against which they can be made effective.

Deferred tax assets and liabilities, arising from operations with direct charges or payments in equity accounts, are also accounted for in equity.

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At each accounting close, the recorded deferred tax assets are reconsidered, making the appropriate corrections to them whilst there are doubts about their future recovery. Likewise, at each close, deferred tax assets not recorded in the balance sheet are evaluated and they are subject to recognition to the extent that their recovery with future tax benefits becomes probable.

### Regime of SOCIMI

By virtue of Law 11/2009, of 26 October, which regulates the Public Limited Companies of investment in the real estate market, the entities that opt for the application of the special fiscal regime foreseen in said Law will be taxed at a rate of 0% tax on Company Tax. In the case of generating negative tax bases, article 25 of the Consolidated Text of the Corporate Tax Law, approved by Royal Legislative Decree 4/2004, of 5 March, will not be applicable. Likewise, the system of deductions and bonuses established in Chapters II, III and IV of said norm will not be applicable. In everything else not foreseen in Law 11/2009, the provisions of the Consolidated Text of the Corporate Income Tax Law will be applicable.

The entity will be subject to a special tax of 19% on the total amount of the dividends or profit sharing distributed to shareholders whose shareholding in the company's capital is equal to or greater than 5%, when such dividends, at the headquarters of its partners, are exempt or taxed at a rate of less than 10%. Mentioned tax will be considered as a Tax on Companies contribution.

The application of the SOCIMI regime described above will be carried out during the year 2018, notwithstanding the fact that, during the year, the Company does not comply with all the requirements demanded by the standard for its application, since, by virtue of the Transitory Provision First of Law 11/2009 of the SOCIMI regime, the Company has a period of two years from the date of the option for the application of the regime to comply with all the requirements demanded by the standard.

That said, it is worth mentioning that on 25 September 2018, the Company adopted the decision to benefit from the regime regulated by law 11/2009, of October 26, which regulates the Listed Companies of Investment in the Market. Real estate ("SOCIMI") with effect from January 1, 2018. This placement was communicated to the State Agency of the Tax Administration in writing dated 28 September 2018.

### **g) Income and expenses**

Income and expenses are allocated based on the accrual criterion, that is, when the actual flow of goods and services that they represent occurs, regardless of the moment in which the monetary or financial flow derived from them occurs. The income is valued at the fair value of the consideration received, less discounts and taxes.

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The recognition of sales income occurs at the moment when the significant risks and rewards inherent to the ownership of the goods sold have been transferred to the buyer, not maintaining current management of said goods, or retaining effective control over it.

Rental income is recognized linearly in the estimated period of the contract duration.

For income from the provision of services, this is recognized considering the degree of completion of the provision at the balance sheet date, as long as the result of the transaction can be estimated reliably.

Interest received from financial assets is recognized using the effective interest rate method and dividends, when the shareholder's right to receive them is declared. In all cases, interest and dividends of financial assets accrued after the time of acquisition are recognized as income in the profit and loss account

**h) Accruals**

The company registers in this balance sheet item, the anticipated income derived from the billing for rentals to customers.

**i) Severance payments**

In accordance with current legislation, the Company is obliged to pay compensation to those employees with whom, under certain conditions, it terminates their labour relations. Therefore, severance payments that are subject to reasonable quantification are recorded as an expense in the year in which the dismissal decision is taken. In the attached financial statements, no provision has been recorded for this concept, since situations of this nature are not foreseen.

**j) Transactions between related parties**

In general, items subject to a related party transaction are initially accounted for at fair value. The subsequent evaluation is carried out in accordance with the provisions of the corresponding standards.

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## **NOTE 5. PROPERTY PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS**

The movement during financial years ended 31 December 2020 and 2019 in the different accounts of property, plant and equipment and their corresponding accumulated depreciation have been the following (in euros):

31 December 2020

	Balance at 1/01/2020	Additions	Retirements	Balance at 31/12/2020
<b>At cost</b>				
Technical installations and other property, plant and equipment	285,045.24	87,784.95	(69,725.30)	303,104.89
	<b>285,045.24</b>	<b>87,784.95</b>	<b>(69,725.30)</b>	<b>303,104.89</b>
<b>Accumulated depreciation</b>				
Technical installations and other property, plant and equipment	(116,985.23)	(36,75.64)	52,632.10	(101,105.77)
	<b>(116,985.23)</b>	<b>(36,752.64)</b>	<b>52,632.10</b>	<b>(101,105.77)</b>
	<b>168,060.01</b>	<b>51,032.31</b>	<b>(17,093.20)</b>	<b>201,999.12</b>

31 December 2019

	Balance at 1/01/2019	Additions	Balance at 31/12/2019
<b>At cost</b>			
Technical installations and other property, plant and equipment	276,597.83	8,447.41	285,045.24
	<b>276,597.83</b>	<b>8,447.41</b>	<b>285,045.24</b>
<b>Accumulated depreciation</b>			
Technical installations and other property, plant and equipment	(83,719.31)	(33,265.92)	(116,985.23)
	<b>(83,719.31)</b>	<b>(33,265.92)</b>	<b>(116,985.23)</b>
	<b>192,878.52</b>	<b>(24,818.51)</b>	<b>168,060.01</b>

The main addition in 2020 is due to the purchase of a vehicle and the retirement is due to the sale of a vehicle, for an amount of 29,752.07 euro, that was under leasing at the end of 2019.

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The movement during financial years ended 31 December 2020 and 2019 in the different Real Estate Investment accounts and their corresponding accumulated depreciation has been the following (in euros):

31 December 2020

	Balance at 01/01/2020	Additions	Balance at 31/12/2020
<b>At cost</b>			
Land and buildings	6,317,431.42	-	6,317,431.42
	<b>6,317,431.42</b>	<b>-</b>	<b>6,317,431.42</b>
<b>Accumulated depreciation</b>			
Land and buildings	(115,457.61)	(50,758.36)	(166,215.97)
	<b>(115,457.61)</b>	<b>(50,758.36)</b>	<b>(166,215.97)</b>
	<b>6,201,973.81</b>	<b>(50,758.36)</b>	<b>6,151,215.45</b>

31 December 2019

	Balance at 01/01/2019	Additions	Balance at 31/12/2019
<b>At cost</b>			
Land and buildings	2,495,776.42	3,821,655.00	6,317,431.42
	<b>2,495,776.42</b>	<b>3,821,655.00</b>	<b>6,317,431.42</b>
<b>Accumulated depreciation</b>			
Land and buildings	(77,666.37)	(37,791.24)	(115,457.61)
	<b>(77,666.37)</b>	<b>(37,791.24)</b>	<b>(115,457.61)</b>
	<b>2,418,110.05</b>	<b>3,783,863.76</b>	<b>6,201,973.81</b>

Under the heading "Real estate investments" at 31 December 2020, 3 real states properties for rent are included (see note 6).

The breakdown between land and buildings is shown below:

Financial year 2020

	At cost 31/12/2020	Accumulated depreciation 31/12/2020	Net accounting value 31/12/2020
Land	4,640,435.02	-	4,640,435.02
Buildings	1,676,996.40	(166,215.97)	1,510,780.43
	<b>6,317,431.42</b>	<b>(166,215.97)</b>	<b>6,151,215.45</b>

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Financial year 2019

	At cost 31/12/2019	Accumulated depreciation 31/12/2019	Net accounting value 31/12/2019
Land	4,640,435.02	-	4,640,435.02
Buildings	1,676,996.66	(115,457.61)	1,561,538.79
	6,317,431.42	(115,457.61)	6,201,973.81

In 2020 there have been no additions to real estate investments.

The additions to the investment property in 2019 correspond to the acquisition of the building located in the Alameda Principal on 4 June 2019, by an amount of 3,806,250 euros.

There has been no circumstance that has led to a significant impact that affects the current or future financial years that affect the estimates of the costs of dismantling, retirement or rehabilitation, useful lives and depreciation methods.

No financial expenses have been capitalized in financial years 2020 and 2019.

No valuation correction of property, plant and equipment has been made.

At 31 December 2020 and 2019 the fully depreciated items amount to 2,242.33 euros.

The Company's policy is to formalize insurance policies to cover the possible risks to which the various elements of its property, plant and equipment are subject. Management reviews annually, or when circumstance makes it necessary, the risks and the cover insured and the amounts to be insured for the following year are agreed.

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## **NOTE 6. LEASES AND OTHER OPERATIONS OF A SIMILAR NATURE**

### **6.1) Operating Leases (the Company as lessor)**

The income of the Company as a lessee amounted to 1,375,088.63 euros (1,333,333.24 euros in financial year 2019) (see note 13).

The amount of minimum future collections corresponding to the most significant non-cancellable operating leases is broken down below:

	2020	2019
Up to 1 year	1,420,670.49	1,474,360.64
Between 1 and 5 years	5,067,198.97	5,314,151.15
More than 5 years	5,890,211.37	7,011,013.75
<b>Total</b>	<b>12,378,080.83</b>	<b>13,799,525.54</b>

In its position as lessor, the most significant operating lease contracts that the Company has are those corresponding to the assets indicated in note 5 above.

## **NOTE 7. INFORMATION ON THE NATURE AND LEVEL OF RISK OF FINANCIAL INSTRUMENTS**

The management of the Company's financial risks is centralized in the Director General, who has established the necessary mechanisms to control the exposure to variations in interest rates and exchange rates, as well as credit and liquidity risks. The following are the main financial risks that impact the Company:

– Credit risk:

In general, the Company maintains its cash and banks and equivalent liquid assets in financial institutions with a high credit level. Additionally, it should be noted that there is no significant concentration of credit risk with third parties.

– Liquidity risk:

In order to ensure liquidity and be able to meet all payment commitments arising from its activity, the Company has the cash and banks and financial investments that show its balance sheet.

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- Market risk (including interest rate and other price risks):

Both cash and banks and the Company's financial debt are exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. Variations in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate as well as future flows of assets and liabilities referenced at a variable interest rate. The objective of interest rate risk management is to achieve a balance in the debt structure that minimizes the cost of debt in the multiannual horizon with reduced volatility in the Profit and Loss Account. Depending on the estimates of the Company and the objectives of the debt structure, hedging operations can be carried out by contracting derivatives that mitigate these risks.

- Tax risk:

The Company has adopted the decision to benefit from the regime of Public Limited Companies of investments in the real estate market (SOCIMI). According to article 6 of Law 11/2009 of October 26, 2019, as amended by Law 16/2012, of December 27, the companies that have opted for this regime are obliged to comply with the legal obligations described in Note 2, including those to distribute in the form of dividends to its shareholders, once the corresponding commercial obligations have been fulfilled, the profit obtained in the year, and its distribution must be agreed within the following six months of the conclusion of each exercise and be paid within the following month of the date of the distribution agreement.

## **NOTE 8. FINANCIAL ASSETS**

### **Long-term financial assets**

The detail of the Long-term Financial Assets at financial years ended 31 December 2020 and 2019 is as follows (in euros):

Class Category	Loans derivatives and others		Total	
	2020	2019	2020	2019
Guarantees given	191,887.66	190,348.26	191,887.66	190,348.26
	<b>191,887.66</b>	<b>190,348.26</b>	<b>191,887.66</b>	<b>190,348.26</b>

These amounts correspond to the bonds of the rental agreements deposited with the Junta de Andalucía.

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### **Short-term financial assets**

The detail of the short-term financial assets at financial year-end close 31 December

Clase Categoría	Créditos, derivados y otros		Total	
	2020	2019	2020	2019
<b>Stocks</b>				
Payments in advanced	-	10,000.00	-	10,000.00
<b>Loans and receivables</b>				
Debtors and other accounts receivable	21,993.41	28,186.17	21,993.41	28,186.17
<b>Short-term financial investments</b>				
Other financial assets (Note 12)	3,194.10	3,054.42	3,194.10	3,054.42
<b>Assets at fair value with changes in profit and loss</b>				
Cash and other liquid assets	1,064,618.76	700,013.89	1,064,618.76	700,013.89
		-		
	<b>1,089,806.27</b>	<b>741,254.48</b>	<b>1,089,806.27</b>	<b>741,254.48</b>

### **NOTE 9. EQUITY AND SHAREHOLDERS' FUNDS**

#### **a) Share capital**

In 2019, it was unanimously agreed to increase the capital in the amount of THREE MILLION EIGHT HUNDRED THOUSAND EUROS (€ 3,800,000). It is divided into 3,800.00 registered shares, each with a nominal value of one euro (€ 1), each numbered consecutively from 2,010,370 to 5,810,369, both included, belonging to a single class and series. So, the share capital at December 31, 2019 is FIVE MILLION EIGHT HUNDRED TEN THOUSAND THREE HUNDRED SIXTY-NINE EUROS (5,810,369.00 euros). It is divided into 5,810,369.00 registered shares of ONE EURO (1.00 euro) of nominal value, each numbered sequentially from 1 to 5,810,369, both included, belonging to a single class and series. All the shares are fully subscribed and paid up and grant their holders the same rights.

In 2020 the share capital is FIVE MILLION EIGHT HUNDRED TEN THOUSAND THREE HUNDRED SIXTY-NINE EUROS (5,810,369,00 euros). It was divided into 3,800,00 registered shares of ONE EURO (1 euro) of nominal value each numbered consecutively from 2,010,370 to 5,810,369, both included, belonging to a single class and series. All shares were fully subscribed and paid-up and grant their owners the same rights.

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## **Reserves**

According to the provisions of article 274 of the Capital Companies Act, a figure equal to 10% of the profit for the year will be allocated to the legal reserve until it reaches at least 20% of the share capital. Whilst it does not exceed the indicated limit, it may only be used for compensation of losses in the event that there are no other sufficiently available reserves for this purpose. The legal reserve amounts to 184,643.65 euros at 31 December 2020 (132,080.46 euros at 31 December 2019).

The legal reserve can only be used to cover losses and would only be distributable in the event of liquidation of the Company.

Voluntary Reserves are freely available.

### **b) Dividends**

Once the attentions foreseen by the Law and Law 11/2009 have been covered, the distribution of dividends charged to the profit for the year, or to reserves of free disposal, will be made in accordance with the following rules:

1. The General Meeting must necessarily agree on the distribution of one hundred percent (100%) of the profits derived from dividends or profit sharing distributed by the entities referred to in article 2 of the Bylaws.
2. Likewise, it must agree on the distribution of at least fifty percent (50%) of the benefits derived from the transfer of real estate and shares or participations referred to in article 2 of these Bylaws, made once the terms have expired, referred to in section 3 of article 3 of Law 11/2009, subject to compliance with its main corporate purpose. The rest of these benefits must be reinvested in other properties or participations affected by the fulfillment of said object, within three (3) years after the date of transmission. Failing that, these benefits must be distributed in full along with the benefits, if any, that come from the year in which the reinvestment term ends.

If the elements subject to reinvestment are transferred before the previous maintenance period, those benefits must be distributed in full together with the benefits, if any, that come from the year in which they were transferred.

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3. The General Meeting will distribute among all the shareholders a minimum annual dividend of eighty percent (80%) of the remaining distributable profits of the Company, once the provisions of sections a) and b) above have been fulfilled. The General Meeting will resolve on the application of the result of the exercise and the distribution of the benefit in accordance with the provisions of the preceding paragraphs, within the first six (6) months of each year. Dividends will be distributed among the shareholders in the proportion corresponding to the capital they have disbursed, with payment being made on the date determined by the General Meeting itself within a maximum period of one (1) month from the date of the distribution agreement

On 24 June 2020, the General Shareholders' Meeting has agreed to distribute 446,804.07 euros of dividends for the distribution of the result for the 2020 financial year. On 30 June 2019, the General Shareholders' Meeting has agreed to distribute euros 525,846.24 of dividends for the distribution of the result for the 2018 financial year.

On 31 May 2019, the General Shareholders' Meeting has agreed to distribute 631,945.78 euros of dividends charged to reserves.

Of these dividends amounting to 640,387.71 euros, they have been offset with a balance existing on the date of distribution with the shareholders (note 12).

#### **NOTE 10. LONG AND SHORT-TERM FINANCIAL LIABILITIES**

The detail of long and short-term financial liabilities, at 31 December 2019 and 2018 is as follows:

Financial year 2020

	Deudas con entidades de crédito y arrendamiento financiero		Derivados y otros		Total	
	Largo plazo	Corto plazo	Largo plazo	Corto plazo	Largo plazo	Corto plazo
<b>Debits and accounts payable</b>						
Creditors for financial leases	40,738.06	11,239.50	-	-	40,738.06	11,239.50
Sureties and deposits received	221,587.66	-	-	-	221,587.66	-
Trade creditors and other accounts payable	-	-	-	394.41	-	394.41
	<b>262,325,72</b>	<b>11,239,50</b>	<b>-</b>	<b>394,41</b>	<b>262,325,72</b>	<b>11,633,91</b>

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Financial year 2019

	Deudas con entidades de crédito y arrendamiento financiero		Derivados y otros		Total	
	Largo plazo	Corto plazo	Largo plazo	Corto plazo	Largo plazo	Corto plazo
	<b>Debits and accounts payable</b>					
Creditors for financial leases	-	3,405.15	-	-	-	3,405.15
Sureties and deposits received	221,548.26	-	-	-	221,548.26	-
Trade creditors and other accounts payable	-	-	-	107,310.56	-	107,310.56
	<b>221,548.26</b>	<b>3,405.15</b>	<b>-</b>	<b>107,310.56</b>	<b>221,548.26</b>	<b>110,715.71</b>

The amount of deposits corresponds to the rental agreements indicated in note 6.

***Information on deferred payments to suppliers. Third additional provision. “Duty of information” of Law 15/2010, of 5 July-***

Law 15/2010, of 5 July amending Law 3/2004, of 29 December that establishes measures to combat late payments in trade operations, states: “Companies must publish in a clear manner information on payment periods to its suppliers in the Annual Report on the Financial Statements”. In this regard, the Resolution of 29 January 2016, of the Institute of Accounting and Account Audits, on the information to be incorporated in the report on the financial statements in relation to the average period of payment to suppliers in trade operations, dictates the information to be included in the report in order to comply with the aforementioned Law.

Concept	2020 Days	2019 Days
Average payment period to suppliers	30	30
Ratio of paid transactions	30	30
Ratio of transactions pending payment	30	30

  

	Amount (euros)	Amount (euros)
Total payments made	511,643.30	4,218,040.38
Total payments pending	394.41	107,310.56

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## **NOTE 11. PUBLIC ADMINISTRATIONS AND TAX POSITION**

### **Current balances with the Public Administrations**

The breakdown of the balances with "Public Administrations" at 31 December 2020 and 2019 is as follows:

#### Financial year 2020

	Debtor balances	Creditor balances
Tax Authority for VAT	178.50	68,363.43
Tax Authority for IRPF ( <i>personal income tax</i> )	-	2,698.83
Social Security bodies	-	4,447.92
Current tax assets	13,802.71	-
Current tax liabilities	-	4,293.34
	<b>13,981.21</b>	<b>79,803.52</b>

#### Financial year 2019

	Debtor balances	Creditor balances
Tax Authority for VAT	-	49,877.22
Tax Authority for IRPF ( <i>personal income tax</i> )	-	14,799.07
Social Security bodies	-	5,507.01
Current tax assets	59,884.51	-
	<b>59,884.51</b>	<b>70,183.30</b>

### **Reconciliation of accounting result and the taxable base**

The Corporation Tax is calculated based on the economic or accounting result, obtained by the application of generally accepted accounting principles, which does not necessarily coincide with the tax result, understood as the taxable base.

Having opted for the tax regime of the SOCIMI, the applicable rate would be 0%. However, in accordance with the provisions of article 12 of Law 11/2009, tax adjustments are taxed at the general rate pending integration into the tax base before the application of the SOCIMI regime. Therefore, in financial year 2020 the tax base amounts 37.333,34 euro, and income current tax amounts 9,333.34 euros (9,333.33 euros in 2019)

	2020	2019
Accounting result for the year (after taxes)	820,192.16	525,651.85
Permanent differences Corporation tax	9,333.34	9,333.33
<b>Tax Base</b>	<b>829,525.50</b>	<b>534,985.18</b>

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### **Financial years pending verification and inspection actions**

As established by current legislation, taxes cannot be considered definitively settled until the declarations submitted have been inspected by the tax authorities or the statute of limitations of four years has elapsed. At financial year-end 2019, the Company has the last four financial years open for inspection by the tax authorities in relation to the main taxes that apply to it. The Company's Directors considers that the settlement of the aforementioned taxes has been adequately practiced, so, even in case of discrepancies in the current legal interpretation for the tax treatment granted to the operations, the possible resulting liabilities, if materialized, would not significantly affect the attached financial statements.

As indicated in note 1, on 27 September 2018 agreements on the transformation from a limited company into SOCIMI, SOCIEDAD ANÓNIMA are raised to public. The General Meeting of Shareholders approved on 25 September 2018 that the Company avails itself of the tax regime a publicly listed investment company in the real estate market (SOCIMI) in accordance with the provisions of art. 8 and following of Law 11/2009, of 26 October regulator of the Publicly Listed Investment Companies in the Real Estate Market (SOCIMI). The information required regarding the "Information Requirements arising from the status of SOCIMI, Law 11/2009, is detailed in note 16 of these attached financial statements.

### **NOTE 12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

#### **Balances with related parties**

The detail of debit balances with related parties as at 31 December 2020 and 2019 are as follows:

	2020	2019
Shareholders	3,194.10	3,054.42
	3,194.10	3,054.42

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### **Transactions with related parties**

The main transactions carried out with group companies and other related parties during financial years ended 31 December 2020 and 2019 were the following:

	Expenses 2020	Expenses 2019
Other related parties	51,543.69	107,328.90
	51,543.69	107,328.90

The previous balances have their origin in remunerations that in the opinion of the Directors are carried out under normal market conditions.

### **Retributions to the Directors and senior management**

According with the statutes of the Company, the position of director in his capacity as such is free, without prejudice to the payment of the fees that are accredited by reason of the provision of professional services or employment, as the case may be, with origin in a contractual relationship other than that derived from the position of administrator.

The Directors have not accrued any compensation for their position as administrator during the years ended 31 December 2020 and 2019. Directors' fees for their employment relationship with the Company are indicated in the previous point

The Company has granted advances or loans to the Directors for 3,194.10 euros as at 31 December 2020 (3.054,42 euros at 31 December 2019).

In financial year 2020 and 2019 the Company does not have a Civil Liability Policy for Directors and Managers.

### **Other information regarding the Company's Directors:**

No conflict situations have been revealed, directly or indirectly, in the interest of the Company, in accordance with the applicable regulations (currently, in accordance with the provisions of article 229 of the Capital Companies Act), all of this without prejudice to the information on related transactions reflected in the report.

Likewise, and in accordance with the Capital Companies Act, mentioned above, it is reported that the Directors and persons related to her, have not carried out any activity, personally or for another party, with the Company that may be considered outside the ordinary traffic that has not been done under normal market conditions.

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### **NOTE 13. INCOME AND EXPENSES**

#### **Turnover**

The net turnover corresponding to the ordinary activity of the Company during the financial year amounted to 1,375,088.63 euros (1,333,333,24 euros in 2019), corresponding to the lease income indicated in note 6 above.

The Company carries out its activity in the Andalusian Autonomous Community.

#### **Personnel expenses**

The breakdown of personnel expenses for financial years 2020 and 2019 is as follows:

	2020	2019
Wages and salaries	85,276.82	163,968.49
Social Security	26,068.86	38,766.70
<b>TOTAL</b>	<b>111,345.68</b>	<b>202,735.19</b>

#### **Extraordinary results**

Mainly correspond to the compensation to be paid by the company due to an early termination of a lease.

### **NOTE 14. OTHER INFORMATION**

The detail of the average staff by categories and gender during financial years 2020 and 2019 is as follows:

Category	31/12/2020			31/12/2019		
	Man	Women	Total	Man	Women	Total
Management	1	-	1	1	-	1
Administrative staff	-	1	1	-	1	1
Cleaning/concierge	1	1	2	1	2	3
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>5</b>

The detail of the staff at 31 December 2020 and 2019 is as follows:

Category	31/12/2020			31/12/2019		
	Man	Women	Total	Man	Women	Total
Management	1	-	1	1	-	1
Administrative staff	-	1	1	-	1	1
Cleaning/concierge	1	1	2	1	1	2
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>4</b>

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*Financial Statements of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020 34*

In the normal course of its activity, the Company has provided guarantees for trade operations amounting to 16,860.46 euros granted by financial entities.

The fees accrued in the year for the services provided by the auditor have amounted to 9,000.00 euros (7,500 euros in year 2019).

The fees corresponding to other services billed by the auditor during 2019 amounted to 600.00 euros (4,000.00 euros in year 2019).

#### **NOTE 15. POST BALANCE SHEET EVENTS**

On January 30, 2021, Royal Decree 1/2021, of January 12, was published, modifying the General Accounting Plan approved by Royal Decree 1514/2007, of November 16, the General Accounting Plan of Small and Medium Enterprises approved by Royal Decree 1515/2007, of November 16; the Rules for the Formulation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, of September 17; and the rules for Adaptation of the General Accounting Plan to non-profit entities approved by Royal Decree 1491/2011, of October 24. Likewise, on February 13, 2021, the Resolution of February 10, 2021, of the Accounting and Auditing Institute of, was published, which establishes rules for the registration, valuation and preparation of the annual accounts for the recognition of income. for the delivery of goods and the provision of services.

The Company is currently evaluating the impact of these new accounting standards and amendments on the Company, which are mainly used for the income recognition criteria, although at the date of preparation of these annual accounts it does not have sufficient information to conclude this analysis.

There are not other relevant events that affect the Company's Annual Accounts as of 31 December 2020.

#### **NOTE 16. INFORMATION REQUIREMENTS DERIVED FROM THE CONDITION OF SOCIMI, LAW 11/2009"**

According with the Law 11/2009 of SOCIMIS, the following information is detailed below:

1. The amount of Reserves from years prior to the application of the fiscal regime established by the SOCIMI Law amount to 102,256.55 euros at 31 December 2020 (102,256.55 euros at 31 December 2019).
2. At 31 December 2020 there reserves from tax years in which the tax regime established in this Law has been applied are 171,642.18 euros (92,796,40 euros at 31 December 2019).
3. Dividends distributed with a charge to profits for each year in which the tax regime established in this law has been applicable, differentiating the part that comes from income subject to the tax rate of 0% or 19%, with respect to those that, if applicable, have been taxed at the general tax rate:

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Year from which the results come	Amount	Distribution date	Dividend rate
2018	631,945.78	31/05/2019	General rate
2019	525,846.24	30/06/2019	Special rate
2020	446,804.07	24/06/2020	Special rate

In year 2020 no dividends were paid out of reserves from years prior to 2019. In year 2019 dividends were paid out of reserves from years prior to 2018 in the amount of 631,945.78 euros.

4. The properties for rental indicated in note 5 were acquired on March 31, 2014 and June 5, 2019. The 3 properties count within the 80 percent referred to in section 1 of article 3 of the Law on SOCIMIS.
5. At 31 December 2020 and 2019, no reserves have been made dispose from years in which the special tax regime established in this Law has been applicable, other than to offset losses or for distribution.

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*Directors Report of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020* \_\_\_\_\_ 1

## **MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

### **DIRECTOR'S REPORT 2020**

#### **1. INTRODUCTION**

The Director's Report for financial year 2020 is prepared in accordance with the Capital Companies Act.

MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. (hereinafter MAQAU or the Company) was incorporated as a limited liability company on 31 March 2014. On 27 September 2018 the agreements on the change from a limited company into a SOCIMI, SOCIEDAD ANÓNIMA (*publicly listed investment company in the real estate market*) are raised to public.

Its corporate purpose and business activity consist in, a) the acquisition and promotion of urban real estate for lease (CNAE 6820). The marketing activity includes the refurbishment of buildings under the terms established in Law 37/1992, of 28 December of the Value Added Tax or regulation that may replace it in the future, b) The holding of shares in the capital of other SOCIMIs or those of other entities resident or not in Spanish territory that have the same corporate purpose and that are subject to a regime similar to that established for the SOCIMIs in terms of mandatory, legal or statutory, profit distribution policy. (CNAE 6420), c) The holding of shares in the capital of other entities, resident or not in Spanish territory, whose main corporate purpose is the acquisition of urban real estate for lease and that are subject to a regime similar to that established for the SOCIMIs in terms of mandatory, legal or statutory, profit distribution policy and meet the investment requirements referred to in article 3 of the SOCIMIs Law. (CNAE 6420), d) The ownership of shares or holdings of Real Estate Investment Trusts regulated in Law 35/2003, of 4 November on Collective Investment Trusts, or the regulations that may replace it in the future. (CNAE 6420).

Since 3<sup>rd</sup> of October 2019, the entity was included in the Euronext Listing Board to trading of the ordinary shares issued by the Company on the Multilateral Facility of "Euronext Access" operated by Euronext Access Paris S.A.

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*Directors Report of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020* 2

## 2. EVOLUTION OF THE BUSINESS

The evolution of the main figures of the balance sheet and the income statement has been as follows:

	2020	2019
Current Assets	1,103,787.48	801,138.99
Current Liabilities	128,770.76	218,232.34
Circulating	975,016.72	582,906.65
Variation	392,110.07	(595,489.66)
%	(67%)	(51%)

	Financial year 2020	Financial year 2019
Turnover	1,375,088.63	1,333,333.24
Change from previous year	41,755.39	164,995.23
Change from previous year %	3%	14%

## 3. POST BALANCE SHEET EVENTS

There are no other relevant events that affect the Company's Annual Accounts as of 31 December 2020.

## 4. INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES

The Company has not recorded any amount for research and development expenses in the assets of the balance sheet for financial year 2020, because it has not developed any activity in this area during said year.

## 5. QUALITY AND ENVIRONMENTAL MANAGEMENT

During financial year 2020, the Company has not incurred expenses derived from environmental activities, nor did it have environmental assets recorded in the balance sheet at 31 December 2020.

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*Directors Report of MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A. – Financial year 2020* 3

## **6. INFORMATION REGARDING THE ACQUISITION OF OWN SHARES**

The Company does not currently have in its portfolio any package of its own shares nor did it have during financial year 2020 and has not accepted its own shares in pledge, nor in any kind of trade operation or legal business.

## **7. INFORMATION ON THE AVERAGE PAYMENT PERIOD TO SUPPLIERS**

At financial year-end 2020 the Company presents an Average Payment Period to suppliers of 30 days (30 days in 2019). This complies with the provisions of Law 15/2010, of 5 July that establishes measures to combat late payments in trade operations.

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**MAQ ADMINISTRACIÓN URBANAS, SOCIMI, S.A.**

**SIGNATURE DILIGENCE**

The Financial Statements above that comprise the Balance Sheet, the Profit and Loss Account, the Statement of changes in equity, the Cash Flow Statement and the Annual Report, as well as the Director's Report, corresponding to the Financial year ended on 31 December 2020, were prepared by the Directors of the Company on 31 March 2021.

To comply with the provisions of article 253 of the Capital Companies Act, the Directors signs them below:

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D<sup>o</sup> José Torres Quesada  
Secretary- Director

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D<sup>a</sup> María Antonia Quesada  
Contreras  
Director

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D<sup>o</sup> Pablo Torres Qucsada  
Director

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