



Auditor's
Report on
Meridia RE IV,
SOCIMI, S.A.
(Sociedad Unipersonal)
and subsidiaries

**(Together with the consolidated annual accounts
and consolidated directors' report of Meridia RE
IV, SOCIMI, S.A.U. and subsidiaries for the year
ended 31 December 2023)**

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



KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Independent Auditor's Report on the Consolidated Annual Accounts

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

To the sole shareholder of Meridia RE IV, SOCIMI, S.A. (Sociedad Unipersonal)

Opinion

We have audited the consolidated annual accounts of Meridia RE IV, SOCIMI, S.A.U. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2023, and the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the consolidated annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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



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Most Relevant Aspects of the Audit

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

Valuation of investment property (see notes 2 d), 4 and 5 to the consolidated annual accounts)

The Group holds a significant amount of its assets in investment property corresponding to buildings earmarked for lease to obtain revenues. The Group assesses investment property quarterly for indications of impairment, for the purpose of determining whether the carrying amount exceeds the recoverable amount. The recoverable amount of real estate property is determined by an appraisal performed by an independent expert. In this regard, this amount is calculated by applying valuation techniques which often require the exercise of judgement by the independent expert and the Directors, as well as the use of assumptions and estimates. Due to the high level of judgement, the uncertainty associated with these estimates and the significance of the carrying amount of the investment property, this has been considered a relevant aspect of our audit.

Our audit procedures included understanding the process for measuring investment property, as well as assessing the methodology and assumptions applied in the preparation of the appraisal used in this process, for which purpose we involved our valuation specialists. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2023 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility for the consolidated directors' report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts, and assessing and reporting on whether the content and presentation of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2023 and the content and presentation of the report are in accordance with applicable legislation.



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Directors' Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.



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- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

From the significant risks communicated to the Directors of Meridia RE IV, SOCIMI, S.A.U., we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the most significant risks.

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

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

David Relats Barragán
On the Spanish Official Register of Auditors ("ROAC") with No. 20680

27 June 2024

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Consolidated Annual Accounts and Consolidated Directors' Report

31 December 2023

(With Auditor's Report thereon)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Consolidated Balance Sheet

31 December 2023

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

<i>Assets</i>	<i>Note</i>	31.12.2023	31.12.2022
Investment property	Note 5	164,824,055.71	127,455,616.41
Land		62,901,635.78	39,803,512.91
Buildings		100,674,537.13	72,721,025.99
Investments in adaptation and advances		1,247,882.80	14,931,077.51
Non-current investments	Notes 8 & 9	2,107,936.03	2,422,022.40
Derivatives	Note 10	1,049,715.19	1,624,429.29
Other financial assets		1,058,220.84	797,593.11
Total non-current assets		166,931,991.74	129,877,638.81
Trade and other receivables		4,475,634.29	3,395,519.71
Trade receivables – current	Notes 8 & 9	2,396,444.37	828,351.01
Other receivables	Notes 8 & 9	108,171.48	885,616.25
Current tax assets	Notes 9 & 15	45,552.27	18,831.21
Public entities, other	Notes 9 & 15	1,925,466.17	1,662,721.24
Current investments	Notes 8 & 9	6,289,634.27	3,704,185.84
Loans to third parties		2,767,809.67	-
Derivatives	Note 10	135,160.56	163,428.20
Other financial assets		3,386,664.04	3,540,757.64
Prepayments for current assets		88,933.33	11,675.74
Cash and cash equivalents		2,392,923.32	21,040,544.99
Cash		2,392,923.32	21,040,544.99
Total current assets		13,247,125.21	28,151,926.28
Total assets		180,179,116.95	158,029,565.09

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV SOCIMI, S.A. AND SUBSIDIARIES

Consolidated Balance Sheet

31 December 2023

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

<i>Equity and Liabilities</i>	<i>Note</i>	31.12.2023	31.12.2022
Capital and reserves	Note 11	101,759,129.03	77,804,406.83
Capital			
Registered capital		5,000,000.00	5,000,000.00
Other shareholder contributions		111,605,000.00	83,370,000.00
Reserves			
Other reserves		1,001,800.00	-
Prior years' losses		(11,567,393.17)	(9,162,731.56)
Profit/(loss) for the year attributable to the Parent		(4,280,277.80)	14,597,138.39
(Interim dividend)	Note 3	-	(16,000,000.00)
Total equity		101,759,129.03	77,804,406.83
Non-current payables	Notes 12 & 13	68,213,107.41	49,929,246.61
Loans and borrowings		66,796,857.42	48,789,905.04
Other financial liabilities		1,416,249.99	1,139,341.57
Deferred tax liabilities	Note 15	4,257,072.85	3,855,322.40
Total non-current liabilities		72,470,180.26	53,784,569.01
Current payables	Notes 12 & 13	4,444,359.95	22,935,804.33
Loans and borrowings		3,803,107.81	2,419,163.44
Other financial liabilities		641,252.14	20,516,640.89
Trade and other payables		1,505,447.71	3,504,784.92
Payables, related parties	Notes 12 & 13	686,844.04	1,265,371.23
Other payables	Notes 12 & 13	664,279.58	2,092,611.79
Public entities, other	Notes 13 & 15	154,324.09	146,801.90
Total current liabilities		5,949,807.66	26,440,589.25
Total equity and liabilities		180,179,116.95	158,029,565.09

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Consolidated Income Statement

for the year ended

31 December 2023

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	<i>Note</i>	2023	2022
Revenue	Notes 5 & 18	5,479,171.02	4,239,285.37
Services rendered		5,479,171.02	4,239,285.37
Other operating income	Note 18	1,590,170.14	1,058,185.99
Non-trading and other operating income (other than rentals)		1,590,170.14	1,058,185.99
Personnel expenses		(50,109.31)	(177,723.28)
Salaries, wages and similar		(37,500.08)	(141,922.77)
Employee benefits expense	Note 18	(12,609.23)	(35,800.51)
Other operating expenses	Note 5	(7,036,567.59)	(7,813,235.05)
External services		(6,084,198.45)	(6,441,228.03)
Taxes		(950,673.87)	(1,331,718.18)
Losses, impairment and changes in trade provisions		(307.20)	(33,304.72)
Other operating expenses		(1,388.07)	(6,984.12)
Amortisation and depreciation	Note 5	(2,719,424.51)	(2,659,272.47)
Impairment and gains on disposal of fixed assets		756,601.22	4,881,776.02
Impairment and losses	Note 5	993,412.96	(992,998.19)
Gains/(losses) on disposal and other	Note 5	(236,811.74)	5,874,774.21
Gains on disposal of consolidated investees	Note 4	273,668.15	13,802,829.80
Other gains/(losses)		850,227.29	(345,638.87)
Results from operating activities		(856,263.59)	12,986,207.51
Finance income		1,326,224.47	61,497.41
Other		1,326,224.47	61,497.41
Finance costs		(3,498,586.65)	(2,048,926.33)
Other		(3,498,586.65)	(2,048,926.33)
Change in fair value of financial instruments		(701,341.28)	3,350,634.26
Trading portfolio and other	Note 10	(701,341.28)	3,350,634.26
Net finance cost/income		(2,873,703.46)	1,363,205.34
Consolidated profit/(loss) before income tax		(3,729,967.05)	14,349,412.85
Income tax	Note 15	(550,310.75)	247,725.54
Consolidated profit/(loss) for the year		(4,280,277.80)	14,597,138.39
Profit/(loss) attributable to the Parent		(4,280,277.80)	14,597,138.39

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

**Consolidated Statement of Changes in Equity
for the year ended
31 December 2023**

**A) Consolidated Statement of Recognised Income and Expense
for the year ended
31 December 2023**

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2023	2022
Consolidated profit/(loss) for the year	(4,280,277.80)	14,597,138.39
Total recognised income and expense	(4,280,277.80)	14,597,138.39
Total income and expense attributable to the Parent	(4,280,277.80)	14,597,138.39

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

**Consolidated Statement of Changes in Equity
for the year ended
31 December 2023**

**B) Consolidated Statement of Total Changes in Equity for the year ended
31 December 2023**

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Registered capital	Other shareholder contributions	Reserves	Prior years' profit and loss	Profit/(loss) attributable to the Parent	Interim dividend	Total
Balance at 1 January 2023	5,000,000.00	83,370,000.00	-	(9,162,731.56)	14,597,138.39	(16,000,000.00)	77,804,406.83
Total consolidated recognised income and expense	-	-	-	-	(4,280,277.80)	-	(4,280,277.80)
Transactions with shareholders or owners							
Other shareholder contributions	-	33,770,000.00	-	-	-	-	33,770,000.00
Shareholder contribution reimbursements	-	(5,535,000.00)	-	-	-	-	(5,535,000.00)
Application of prior years' losses	-	-	1,001,800.00	(2,404,661.61)	(14,597,138.39)	16,000,000.00	-
Balance at 31 December 2023	5,000,000.00	111,605,000.00	1,001,800.00	(11,567,393.17)	(4,280,277.80)	-	101,759,129.03
	Registered capital	Other shareholder contributions	Reserves	Prior years' profit and loss	Profit/(loss) attributable to the Parent	Interim dividend	Total
Balance at 1 January 2022	5,000,000.00	120,370,000.00	-	(6,704,814.75)	(2,510,545.52)	-	116,154,639.73
Total consolidated recognised income and expense	-	-	-	-	14,597,138.39	-	14,597,138.39
Transactions with shareholders or owners							
Other shareholder contributions	-	12,000,000.00	-	-	-	-	12,000,000.00
Shareholder contribution reimbursements	-	(49,000,000.00)	-	-	-	-	(49,000,000.00)
Dividends	-	-	-	-	-	(16,000,000.00)	(16,000,000.00)
Application of prior years' losses	-	-	-	(2,510,545.52)	2,510,545.52	-	-
Other movements	-	-	-	52,628.71	-	-	52,628.71
Balance at 31 December 2022	5,000,000.00	83,370,000.00	-	(9,162,731.56)	14,597,138.39	(16,000,000.00)	77,804,406.83

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV SOCIMI, S.A.U. AND SUBSIDIARIES

Statement of Cash Flows

31 December 2023

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2023	2022
Consolidated cash flows from operating activities		
Consolidated profit/(loss) before tax	(3,729,967.05)	14,349,412.85
Consolidated adjustments for:		
Amortisation and depreciation	2,719,424.51	2,655,784.39
Impairment	(993,105.76)	1,026,302.84
Proceeds from disposals and sale of fixed assets	236,811.74	(5,874,774.21)
Gains on disposal of consolidated investees	(273,668.15)	(13,802,829.80)
Finance income	(1,326,224.47)	(61,497.41)
Finance costs	3,498,586.65	2,048,926.33
Change in fair value of financial instruments	701,341.28	(3,350,634.26)
Other income and expenses	(77,564.79)	86,466.43
Changes in consolidated operating assets and liabilities		
Trade and other receivables	(1,053,393.52)	(1,471,143.36)
Trade and other payables	(1,999,337.21)	2,930,062.88
Other consolidated cash flows from operating activities		
Income tax received/(paid)	(175,281.36)	76,535.26
Interest received	1,278,414.80	61,497.41
Interest paid	(2,979,253.61)	(487,977.46)
Consolidated cash flows used in operating activities	(4,173,216.94)	(1,813,868.11)
Consolidated cash flows from investing activities		
Payments for investments		
Investment property	(39,094,450.85)	(19,592,624.82)
Other financial assets	(2,826,534.13)	(2,521,440.92)
Proceeds from sale of investments		
Investment property	36,856.41	63,265,731.98
Other financial assets	-	-
Consolidated cash flows from/used in investing activities	(41,884,128.57)	41,151,666.24
Consolidated cash flows from financing activities		
Proceeds from and payments for equity instruments		
Issue of equity instruments	33,770,000.00	12,000,000.00
Sale of equity instruments	(10,035,000.00)	(44,500,000.00)
Proceeds from and payments for financial liability instruments		
Issue		
Loans and borrowings	20,860,070.65	25,821,408.62
Other payables	901,519.67	-
Redemption and repayment of		
Loans and borrowings	(2,086,866.48)	(14,266,600.68)
Other payables	(16,000,000.00)	(2,827,322.16)
Consolidated cash flows from/used in financing activities	27,409,723.84	(23,772,514.22)
Net increase/(decrease) in cash and cash equivalents	(18,647,621.67)	15,565,283.91
Cash and cash equivalents at beginning of year	21,040,544.99	5,475,261.08
Cash and cash equivalents at year end	2,392,923.32	21,040,544.99

The accompanying notes form an integral part of the consolidated annual accounts.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) General Information

Meridia RE IV, SOCIMI, S.A.U., Sociedad Unipersonal (hereinafter "the Company" or "the Parent"), is a Spanish company with tax identification number A67476168, incorporated by deed granted before a notary of Barcelona on 12 July 2019, protocol number 2,463; recorded in the Barcelona Mercantile Registry in Volume 47004, Sheet 8, Page 537859, Inscription 1.

The Company's registered office is located at Avenida Diagonal, 640, Barcelona.

Meridia RE IV, SOCIMI, S.A.U. is the Parent of a Group formed of subsidiaries ("the Group").

The statutory activity of Meridia RE IV, SOCIMI, S.A.U. is:

- (a) The acquisition and development of urban real estate for lease (Economic Activity Code (CNAE) 6820), including the refurbishment of buildings under the terms set out in Law 37/1992 of 28 December 1992 on value added tax.
- (b) The holding of investments in the capital of other SOCIMI (Spanish real estate investment trusts) or in that of other entities not resident in Spain that have an identical principal statutory activity and are subject to a regime similar to that applicable to SOCIMI with regard to the obligatory, legal or statutory policy for distribution of profits.
- (c) The holding of investments in the capital of other resident or non-resident entities in Spain, the principal statutory activity of which is the acquisition of urban real estate for lease. These entities must be subject to the same regime established for SOCIMI with regard to the obligatory, legal or statutory policy for distribution of profits and must meet the investment requirements stipulated in article 3 of Law 11/2009 of 26 October 2009 governing SOCIMI (Law 11/2009).
- (d) The holding of shares or investments in real estate collective investment undertakings governed by Law 35/2003 of 4 November 2003 on collective investment undertakings, or legislation replacing that law in the future.

In addition to the activities referred to in a) and d) above, the Company may carry out other complementary activities. These are understood to be activities that do not amount to more than twenty percent (20%) of the Company's revenues in each tax period, or those activities that can be considered complementary pursuant to prevailing legislation. All activities with special legal requirements which cannot be met by the Company are excluded from this activity.

If any law were to require a professional qualification, administrative authorisation, inscription in a public registry or, in general, any other requirements, for performing all or some of the aforementioned activities, these activities would only be permitted to be started if all the administrative requirements had been met and, where applicable, they should be carried out by an individual or individuals with the required qualifications.

The Company may fully or partially carry out the activities integral to the statutory activity, specified in the above paragraphs, indirectly or through the ownership of shares and/or investments in companies with an identical or similar statutory activity.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

SOCIMI (Spanish REIT), Law 11/2009

On 6 September 2019 the Company made a request to the Spanish taxation authorities that it be included in the special tax regime for SOCIMI (Spanish real estate investment trusts - REIT), regulated by Law 11/2009 of 26 October 2009 governing SOCIMI. The request to be included in this tax regime was approved by the Company's sole shareholder on 2 September 2019.

The Company's statutory activities fall within the statutory activities required of SOCIMI in article 2 of Law 11/2009 of 26 October 2009 governing SOCIMI. The Company also holds interests in:

- Meridia RE IV Proyecto 1, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 2, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 3, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 4, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 7, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 25 February 2020.
- Meridia RE IV Proyecto 8, S.L.U., acquired on 28 February 2020, opted to apply the special tax regime set out in the aforementioned Law on 17 September 2020.
- Meridia RE IV Proyecto 10, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 11, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 13, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 14, S.L.U., incorporated on 24 March 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 15, S.L.U., incorporated on 24 March 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 19, S.L.U., incorporated on 20 September 2022, opted to apply the special tax regime set out in the aforementioned Law on 24 November 2022.
- Meridia RE IV Proyecto 21, S.L.U., acquired on 29 October 2021, opted to apply the special tax regime set out in the aforementioned Law on 31 March 2022.
- Meridia RE IV Proyecto 22, S.L.U., acquired on 29 October 2021, opted to apply the special tax regime set out in the aforementioned Law on 31 March 2022.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- Meridia RE IV Proyecto 31, S.L.U., incorporated on 29 November 2023, opted to apply the special tax regime set out in the aforementioned Law on 29 November 2023.
- Meridia RE IV Proyecto 32, S.L.U., incorporated on 29 November 2023, opted to apply the special tax regime set out in the aforementioned Law on 29 November 2023.

The principal statutory activities of these wholly-owned investees of the Company are the acquisition of urban real estate for its lease and the investees are subject to the same regime established for SOCIMI with regard to the mandatory statutory policy for distribution of profit.

Article 3 of Law 11/2009 also lays down the following investment requirements:

1. SOCIMI must have invested at least 80% of the value of their assets in urban real estate earmarked for lease, in land for real estate development earmarked for that purpose, provided that development begins within three years following its acquisition, and in capital or equity investments in other companies that also acquire and develop urban real estate for lease.

This percentage must be calculated on the basis of the consolidated balance sheet if the company is the parent of a group, in accordance with the criteria set forth in article 42 of the Spanish Code of Commerce, regardless of its place of residence and of the obligation to prepare consolidated annual accounts. Such a group must be composed exclusively of SOCIMI and the other entities referred to in article 2.1 of this Law (companies the principal statutory activities of which are the acquisition and development of urban real estate for lease).

2. Furthermore, at least 80% of the rental income from the tax period corresponding to each year, excluding the rental income deriving from the transfer of the interests and conveyance of the real estate earmarked by the company to achieve its principal statutory activity, once the holding period referred to below has elapsed, should be obtained:
 - (a) from the lease of real estate earmarked for the purpose of complying with the principal statutory activity to persons or entities with which none of the circumstances set forth in article 42 of the Spanish Code of Commerce arise, irrespective of their place of residence; and/or
 - (b) from dividends or shares in profit from investments held to comply with the principal statutory activity.

This percentage must be calculated on the basis of the consolidated profit or loss if the company is the parent of a group, in accordance with the criteria set forth in article 42 of the Spanish Code of Commerce, regardless of its place of residence and of the obligation to prepare consolidated annual accounts. Such a group must be composed exclusively of SOCIMI and the other entities referred to in article 2.1 of this Law.

3. The real estate included in the company's assets should remain leased for at least three years. The period of time during which the real estate has been available for lease, up to a maximum of one year, shall be included for calculation purposes.

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The period shall be calculated as follows:

- (a) For real estate included in the company's assets before the company applies the regime, from the beginning of the first tax period in which the special tax regime stipulated in this law applies, provided that at that date, the asset is leased or made available for lease. Otherwise the following shall apply.
- (b) For real estate developed or acquired subsequently by the company, from the date on which they were leased or put up for lease for the first time.

In the case of shares or capital interests in the entities referred to in article 2.1 of this Law, they should be retained under assets on the company's balance sheet for at least three years following their acquisition or, as appropriate, from the beginning of the first tax period in which the special tax regime set forth in this law applies.

Articles 4 and 5 of Law 11/2009 also set out the following requirements:

1. Throughout the entire tax period, SOCIMI shares must be continuously admitted to trading on a regulated market or on a multilateral trading facility in Spain, any other European Union Member State or the European Economic Area, or on a regulated market in any country or territory with which there is an effective exchange of tax information.

SOCIMI shares must be registered shares.

All of the shares of MERIDIA RE IV, SOCIMI, S.A.U. were admitted to trading on 1 July 2022 on Euronext Paris and therefore this requirement is met.

2. SOCIMI must have minimum share capital of Euros 5 million, which the Company has exceeded; this requirement has therefore been met.

Non-monetary contributions for capital formation or increase in the form of real estate must be appraised when they are contributed in accordance with article 38 of the revised Spanish Companies Act and, to this end, the independent appraiser appointed by the Mercantile Registrar must be one of the appraisal companies set forth in mortgage market legislation. Non-monetary contributions made in real estate for capital formation or increase in the entities indicated in article 2.1 c) of this Law must be appraised by one of the aforementioned appraisal companies.

There must only be one class of shares. The Company has met this requirement, as indicated in note 11.

If the company chooses to apply the special tax regime set forth in this law, its company name must include the words "Sociedad Cotizada de Inversión en el Mercado Inmobiliario, Sociedad Anónima" or the abbreviation thereof, "SOCIMI, S.A.".

This requirement must be and is met by the sole shareholder, MERIDIA RE IV, SOCIMI, S.A.U.

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3. Also, as described in article 6 of Law 11/2009 of 26 October 2009 governing SOCIMI, SOCIMI and the entities resident in Spain in which they hold investments that have opted to apply the special tax regime set out by this Law shall be required to distribute the profit for the year to shareholders in the form of dividends, once the related mercantile obligations have been met. The distribution of dividends must be approved within six months of each year end as follows:
- 100% of the profit arising from dividends or shares of profits distributed by the entities subject to this regime.
 - 50% of the profit arising from the conveyance of real estate and transfer of shares or investments performed once the time periods stipulated in the investment requirements have elapsed must be distributed in full. The remaining profit must be reinvested within three years from the conveyance/transfer date. If the reinvestment does not take place, the remaining 50% will be distributed.
 - At least 80% of the remaining profit generated.

Meridia RE IV Proyecto 1, S.L.U. and Meridia RE IV Proyecto 8, S.L.U. generated profits during 2023 and it was therefore obligatory for dividends to be distributed to the Parent once the mercantile obligations relating thereto had been met. The remaining Group companies incurred losses during the year ended 31 December 2023.

Meridia RE IV Proyecto 1, S.L.U., Meridia RE IV Proyecto 2, S.L.U., Meridia RE IV Proyecto 3, S.L.U. and Meridia RE IV Proyecto 8, S.L.U. generated profits during 2022 and it was therefore obligatory for dividends to be distributed to the Company once the mercantile obligations relating thereto had been met. The remaining Group companies, as well as the Parent, incurred losses during the year ended 31 December 2022.

As stipulated in Transitional Provision One of Law 11/2009 of 26 October 2009 governing SOCIMI, the Company may opt to apply the special tax regime under the terms set out in article 8 of this Law, even if it does not meet the requirements set out therein, provided that such requirements are met within two years of the date on which it opts to apply the aforementioned regime.

At 31 December 2023 all the requirements set out by Law 11/2009 of 26 October 2009 governing SOCIMI were met.

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

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(2) Basis of Presentation**(a) True and fair view**

The consolidated annual accounts have been prepared on the basis of the accounting records of Meridia RE IV, SOCIMI, S.A.U. and subsidiaries. The consolidated annual accounts for 2023 have been prepared in accordance with prevailing legislation, the Spanish General Chart of Accounts, approved by Royal Decree 1514/2007 of 16 November 2007, which has undergone various amendments since its publication, the last of which was by Royal Decree 1/2021 of 12 January 2021 and its implementing regulations, and with the standards for the preparation of consolidated annual accounts, to give a true and fair view of the consolidated equity and consolidated financial position at 31 December 2023 and the consolidated results of operations, changes in consolidated equity, and consolidated cash flows for the year then ended.

The Parent's directors consider that the consolidated annual accounts for 2023, authorised for issue on 28 March 2024, will be approved with no changes by the sole shareholder.

(b) Comparative information

The consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated statement of cash flows and the consolidated notes thereto for 2023 include comparative figures for 2022, which formed part of the consolidated annual accounts approved by sole shareholder on 30 June 2023.

(c) Functional currency and presentation currency

The figures disclosed in the consolidated annual accounts are expressed in Euros, the Group's functional and presentation currency, to two decimals.

(d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare these consolidated annual accounts. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the consolidated annual accounts, is as follows:

- Estimating the useful life of investment property requires a high degree of judgement by management, based on historical experience and on the analysis carried out by the Group's technical personnel (note 4.e).
- The recoverable amount of investment property based on appraisals made by independent experts (note 4.e).
- Estimates of valuation adjustments applied to receivables for late payment or insolvency (note 4.f).

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2023, future events may require changes to these estimates in subsequent years. Any effect of adjustments to be made in subsequent years would be recognised prospectively.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(3) Distribution of Profit/Application of Losses**

The distribution of the Parent's profit for 2022 approved by the sole shareholder on 30 June 2023, was as follows:

	<u>Euros</u>
<u>Basis of allocation</u>	
Profit for the year	<u>17,000,000.00</u>
<u>Distribution</u>	
Legal reserve	1,000,000.00
Interim dividend	<u>16,000,000.00</u>

The proposed application of the Parent's losses for 2023 to be submitted to the sole shareholder is as follows:

	<u>Euros</u>
<u>Basis of allocation</u>	
Loss for the year	<u>(69,824.35)</u>
<u>Application</u>	
Prior years' profit and loss	<u>(69,824.35)</u>

The Parent is subject to the following limitations regarding distribution of dividends as a result of it adopting the tax regime for SOCIMI:

- 100% of the profit arising from dividends or shares of profits distributed by the entities subject to this regime.
- 50% of the profit arising from the conveyance of real estate and transfer of shares or investments performed once the time periods stipulated in the investment requirements have elapsed must be distributed in full. The remaining profit must be reinvested within three years from the conveyance/transfer date. If the reinvestment does not take place, the remaining 50% will be distributed.
- At least 80% of the remaining profit generated.

Dividends must be paid in the month following the distribution agreement date.

On 30 December 2022 the Parent's sole shareholder agreed to distribute an interim cash dividend for 2022 of Euros 16,000,000.00 to the sole shareholder.

This amount to be distributed did not exceed the profits reported by the Parent since the end of the previous reporting period, after deducting the estimated income tax payable on these profits, as required by article 277 of the Revised Spanish Companies Act.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

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The provisional accounting statements prepared in accordance with statutory requirements demonstrating that sufficient cash was available for distribution of the aforementioned dividend are as follows:

Interim dividend for 2022 approved on 30 December 2022

	Euros
Forecast distributable profit for 2022:	
Projected profit after income tax to 31 December 2022	16,000,000.00
Less, provision required for legal reserve	(1,000,000.00)
Estimated distributable profit for 2022	<u>16,000,000.00</u>
Interim dividend for 2022 distributed	<u>16,000,000.00</u>
Forecast cash flow for the period from 30 December 2022 to 29 December 2023	
Cash balances at 30 December 2022	17,233,204.28
Projected collections	60,999,000.00
Projected payments, including interim dividend for 2022 approved on 30 December 2022	<u>(77,605,000.00)</u>
Projected cash balances at 29 December 2023	<u>627,204.28</u>

(4) Significant Accounting Policies**(a) Subsidiaries**

Subsidiaries are entities, including special purpose entities (SPE), over which the Company, either directly or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce. Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Group or other entities that are exercisable or convertible at the end of each reporting period are considered.

For presentation and disclosure purposes only, Group companies are considered to be those controlled by one or more individuals or entities acting jointly or under the same management through statutory clauses or agreements.

Subsidiaries are fully consolidated.

Information on the subsidiaries included in the consolidated Group is presented in Appendix I.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date of acquisition, which is when the Group obtains control thereof. Subsidiaries are excluded from the consolidated Group from the date on which control is lost.

(Continued)

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Transactions and balances with subsidiaries and unrealised gains or losses have been eliminated upon consolidation. Nevertheless, unrealised losses have been considered as an indicator of impairment of the assets transferred.

The subsidiaries' accounting policies follow Group accounting policies, for like transactions and other events in similar circumstances.

The financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Company.

Likewise, the following companies have been incorporated or acquired in 2023 and the financial year of these companies is therefore less than one year, from their incorporation date to 31 December 2023:

- Meridia RE IV Proyecto 31, S.L.U., incorporated on 29 November 2023.
- Meridia RE IV Proyecto 32, S.L.U., incorporated on 29 November 2023.

On 9 February 2023 the Parent signed a private agreement to transfer to MRE IV HOLDCO, S.L., managed by MERIDIA CAPITAL PARTNERS, S.G.E.I.C., S.A., the shares held by the Parent, which represented 100% of the share capital of its subsidiaries Meridia RE IV Proyecto 17, S.L.U., Meridia RE IV Proyecto Xamenes, S.L.U., Meridia RE IV Proyecto 24, S.L.U., Meridia RE IV Proyecto 25, S.L.U. and Meridia RE IV Proyecto 26, S.L.U. The total transaction price was Euros 1,135,000.00.

In 2023, Meridia RE IV Proyecto 17, S.L.U., Meridia RE IV Proyecto Xamenes, S.L.U., Meridia RE IV Proyecto 24, S.L.U., Meridia RE IV Proyecto 25, S.L.U. and Meridia RE IV Proyecto 26, S.L.U. Were sold and left the consolidated group.

The following companies have been incorporated or acquired in 2022 and the financial year of these companies was therefore less than one year, from their incorporation date to 31 December 2022:

- Meridia RE IV Proyecto 19, S.L.U., incorporated on 20 September 2022.
- Meridia RE IV Proyecto 24, S.L.U., incorporated on 20 September 2022.
- Meridia RE IV Proyecto 25, S.L.U., incorporated on 20 September 2022.
- Meridia RE IV Proyecto 26, S.L.U., incorporated on 20 September 2022.

During the year ended 31 December 2022, Meridia RE IV Proyecto 5, S.L.U., Meridia RE IV Proyecto 6, S.L.U., Meridia RE IV Proyecto 9, S.L.U., Meridia RE IV Proyecto 12, S.L.U., Meridia RE IV Proyecto 16, S.L.U., Meridia RE IV Proyecto 18, S.A.U. and Meridia RE IV Proyecto 20, S.L.U. ceased to belong to the consolidated group.

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On 29 March 2022, the Parent signed various private agreements subject to certain conditions precedent to transfer to MERIDIA GLAMPING PROGRAM A, F.C.R. and MERIDIA GLAMPING PROGRAM B, S.C.R., S.A., both vehicles managed by MERIDIA CAPITAL PARTNERS, S.G.E.I.C., S.A.; (i) the shares representing 100% of the share capital of its subsidiaries Meridia RE Proyecto 5, S.L.U., Meridia RE IV Proyecto 9, S.L.U., Meridia RE IV Proyecto 12, S.L.U., Meridia RE IV Proyecto 16, S.L.U., Meridia RE IV Proyecto 18, S.A.U. and Meridia RE IV Proyecto 20, S.L.U. (together the "Subsidiaries"); (ii) the shares representing 24.97% of the share capital of WeCamp Future, S.L.; (iii) the intercompany loans granted by the Parent to the subsidiaries; (iv) the profit participating loan extended by the Parent to WeCamp Future, S.L.; and (v) the Parent's contractual position as the potential acquirer of the shares representing 100% of the share capital of Instalaciones Turísticas de Cadaqués, S.A. pursuant to a private sale and purchase agreement subject to certain conditions precedent.

On 20 April 2022 the conditions precedent were met and the aforementioned private agreements were executed. The total transaction price was Euros 36,565,271.97, consisting of a fixed price of Euros 35,906,271.97 and a contingent price of Euros 659,000.00. The sale generated profit before tax of Euros 7,996,750.63, recognised under Gains on disposal of consolidated investees and profit before tax of Euros 2,511,000.00 recognised under Impairment and gains on disposal of fixed assets, for the portion of the profit from the contractual position with Instalaciones Turísticas de Cadaqués, S.A.

Details of the assets and liabilities sold at the transaction date are as follows:

	Euros
Intangible assets	21,234.90
Property, plant and equipment	428,998.49
Investment property	23,687,882.67
Non-current investments	2,351,525.71
Inventories	176,615.14
Trade and other receivables	2,559,301.10
Current investments	268,334.86
Prepayments for current assets	11,107.46
Cash and cash equivalents	66,800.75
Total assets	<u>29,571,801.08</u>
Non-current payables	
- Other financial liabilities	3,238,807.33
Current payables	
- Other financial liabilities	12,939,547.30
Trade and other payables	2,627,586.02
Total liabilities	<u>18,805,940.65</u>
Total net assets	<u>10,765,860.43</u>

(Continued)

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On 29 December 2022 the Parent sold the shares representing 100% of the share capital of its subsidiary Meridia RE IV Proyecto 6, S.L.U. which included a logistics building located at Camí de Can Valls 46, Gélida, Barcelona, for an amount of Euros 11,632,492.42. The sale generated a profit before tax of Euros 5,806,079.17, recognised under Gains on disposal of consolidated investees.

Details of the assets and liabilities sold at the transaction date are as follows:

	Euros
Investment property	19,517,830.18
Non-current investments	686,500.44
Trade and other receivables	582,450.27
Prepayments for current assets	58.33
Cash and cash equivalents	254,826.36
Total assets	<u>21,041,665.58</u>
Non-current payables	
- Loans and borrowings	15,024,574.88
- Other financial liabilities	113,000.44
Trade and other payables	259,080.59
Total liabilities	<u>15,396,655.91</u>
Total net assets	<u>5,645,009.67</u>

(b) Business combinations

The Group applies the acquisition method in business combinations. The acquisition date is the date on which the Company obtains control of the acquiree.

The consideration transferred in a business combination is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred or assumed, the equity instruments issued and any payment contingent on future events or compliance with certain conditions in exchange for control of the acquiree.

The consideration transferred excludes any payment that does not form part of the exchange for the acquired business. Acquisition costs are recognised as an expense when incurred.

The Group recognises the assets acquired and liabilities assumed at fair value at the acquisition date. Non-controlling interests in the acquiree are recognised at the proportionate interest in the fair value of the net assets acquired. These criteria are only applicable for non-controlling interests which grant present access to economic benefits and entitlement to the proportionate share of the acquiree's net assets in the event of liquidation.

With the exception of lease and insurance contracts, the assets acquired and liabilities assumed are classified and designated for subsequent measurement based on contractual agreements, economic terms, accounting and operating policies and any other conditions that exist at the acquisition date.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

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The difference (excess) between the consideration paid, plus the value assigned to non-controlling interests, and the value of net assets acquired and liabilities assumed, is recognised as goodwill. Any difference is recognised in consolidated profit and loss, after assessing the consideration paid, the value assigned to non-controlling interests, and the identification and measurement of net assets acquired.

Any shortfall, following assessment of the cost of the business combination and the identification and valuation of the net assets acquired, requires a reduction in the value of those intangible assets identified that cannot be measured by reference to an active market and of any contingent consideration asset, and any residual amount is recognised in negative goodwill on business combinations in the consolidated income statement.

When the equity items are not a business, the acquisition must be recognised in accordance with the applicable accounting standard. In general, the cost of acquisition, including transaction costs, is distributed between the relative fair value of the assets acquired and, where applicable, the liabilities assumed, and no goodwill or negative difference, deferred tax or contingent liabilities arise.

(c) Foreign currency transactions, balances and cash flows

Foreign currency transactions are accounted for in Euros at the rates of exchange prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. Exchange gains and losses arising from this process, as well as those arising from the write off of balances from foreign currency transactions, are recognised in the income statement as income or expense, where applicable, when they arise.

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the spot exchange rate at the dates the cash flows occur.

The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the consolidated statement of cash flows as effect of exchange rate fluctuations.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Property, plant and equipment

(i) Initial recognition

Property, plant and equipment are measured at cost of acquisition or production, using the same criteria as for determining the cost of production of inventories.

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(ii) Depreciation

Property, plant and equipment are depreciated by allocating the depreciable amount of an asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Group determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation method	Estimated years of useful life
Technical installations and other items	Straight-line	10

The Group reviews residual values, useful lives and depreciation methods at each reporting date. Changes to initially established criteria are accounted for as a change in accounting estimates.

(iii) Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

Replacements of property, plant and equipment that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated separately and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

(iv) Impairment

The Group measures and determines impairment, as well as reversals of impairment recognised in prior years based on the criteria in section 4 (e) Impairment of non-financial assets subject to amortisation or depreciation.

(e) Investment property

Investment property comprises land and buildings, including that which is under construction or being developed, which is earmarked totally or partially to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, for administrative purposes or for sale in the ordinary course of business.

Land and buildings that are being constructed or developed for future use as investment property are classified as Investment property - Investments in adaptation and advances, until they are completed. Nevertheless, redevelopment work to extend or improve property is classified as investment property.

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Investment property is initially measured at cost or cost of production. The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, such as interest incorporated into the nominal amount, plus any additional costs incurred to bring the goods to a saleable condition and other costs directly attributable to the acquisition. After initial recognition assets are depreciated and, where applicable, subject to impairment.

Advances on account of investment property are initially measured at cost. In subsequent years, advances accrue interest at the supplier's incremental borrowing rate when the period between payment and the receipt of the asset exceeds one year.

The acquisition cost of assets fully or partially acquired in exchange for contingent consideration includes the best estimate of the present value of the aforementioned consideration. Changes to the estimates of the contingent consideration are recognised as an adjustment to the value of the assets. Changes related to variables such as interest rates or the Consumer Price Index are treated as an adjustment to the effective interest rate.

Property, plant and equipment are depreciated by allocating the depreciable amount of an asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Group determines the depreciation expense separately for each component, which has a significant cost in relation to the total cost of the item and a useful life different to the rest of the item. In this regard, items which due to their characteristics are depreciated between 5 and 10 years are recorded under Buildings, in addition to those items which are purely buildings which are indicated in the following point.

Investment property is depreciated applying the following policies:

	Depreciation method	Estimated years of useful life
Buildings	Straight-line	50

(f) Impairment of non-financial assets subject to amortisation or depreciation

The Group evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. This analysis is performed for investment property based on appraisals and valuations made by independent experts in January 2024. The methodology used is the discounted cash flow method, and the key assumptions used are the period used in the discounted cash flows, outflow return, seller commission, discount rate applied and growth in returns and future inflation.

Impairment losses, where applicable, are recognised in the consolidated income statement.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. Impairment losses are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

(Continued)

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A reversal of an impairment loss is recognised in the consolidated income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

(g) Leases

(i) *Lessor accounting*

The Group has conveyed the right to use the buildings indicated in note 6 through lease contracts. Leases which, upon inception, transfer to third parties substantially all the risks and rewards incidental to ownership of the assets are classified as finance leases, otherwise they are classified as operating leases.

Given the nature of the lease contracts the Group has signed for the buildings, these contracts are classified as operating leases.

Operating leases

Assets leased to third parties under operating lease contracts are presented according to their nature, applying the accounting policies set out in section 4 (d) (Investment property).

Operating lease income, net of incentives granted, is recognised in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits deriving from the leased asset are diminished.

Initial direct costs are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Contingent rents are recognised as income when it is probable that they will be obtained, which is generally when the conditions agreed in the contract arise.

Nevertheless, the Group recognises the rent reductions negotiated in the context of the COVID-19 health crisis as contingent rents when incurred, irrespective of whether or not the contract includes a force majeure clause. Consequently, reductions in lease income and expenses are recognised in the income statement when incurred.

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(h) Financial instruments

(i) Recognition and classification of financial instruments

The Group classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Group recognises a financial instrument when it becomes party to the contract or legal transaction, in accordance with the terms set out therein, either as the issuer or as the holder or acquirer thereof.

The Group classifies financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, showing separately those designated as such upon initial recognition from those that are held for trading and those mandatorily measured at fair value through profit or loss, financial assets and financial liabilities measured at amortised cost, financial assets measured at fair value through equity, showing separately equity instruments designated as such from other financial assets and financial assets measured at cost. The Group classifies financial assets at amortised cost and at fair value through equity, except for equity instruments designated as such, based on the contractual cash flow characteristics and the business model. The Group classifies financial liabilities as measured at amortised cost, except those designated as at fair value through profit or loss and those held for trading.

The Group classifies a financial asset or liability as held for trading if:

- It originates, is acquired, issued or assumed principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- It is a derivative, except for a financial guarantee contract or a designated hedging instrument; or
- It is an obligation held by the Group in a short position, to return the financial assets that it has borrowed.

The Group classifies a financial asset at amortised cost, even when it is traded, if it is held within a business model whose objective is to hold the investment in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group classifies a financial asset as at fair value through equity when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(ii) Own equity instruments

As described in note 1 to the annual accounts, pursuant to article 6 of Law 11/2009 of 26 October 2009 governing SOCIMI, the SOCIMI and the entities resident in Spain in which they hold interests that have opted to apply the special tax regime set out by this Law shall be required to distribute the profit for the year to shareholders in the form of dividends, once the related mercantile obligations have been met. The distribution of dividends must be approved within six months of each year end.

The aforementioned obligation to distribute profits is understood to derive from a legal and non-contractual obligation and from opting voluntarily to apply a special tax regime. This is a self-imposed legal obligation and therefore the definition of financial liability is not met and the equity instruments issued by the Company are classified as equity instruments. Likewise, the distribution of profits is recognised as a reduction in equity when legally enforceable.

Capital increases are recognised in consolidated capital and reserves, providing they have been filed at the Spanish Mercantile Registry before the consolidated annual accounts are authorised for issue or, otherwise, are shown under current payables in the consolidated balance sheet.

Equity instruments of the Company acquired by the Group are shown separately at cost of acquisition as a reduction in consolidated capital and reserves in the consolidated balance sheet. Any gains or losses on transactions with own equity instruments are not recognised in consolidated profit or loss.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a deduction from reserves, net of any tax effect.

Dividends relating to equity instruments are recognised as a reduction in consolidated equity when approved by the sole shareholder.

(iii) Offsetting principles

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Financial assets and financial liabilities at fair value through profit or loss

The Group initially recognises financial assets and financial liabilities at fair value through profit or loss, at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

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The fair value of a financial instrument at initial recognition is normally the transaction price, unless this price includes items other than the instrument, in which case the Group determines the fair value of the latter. If the Group determines that the fair value of an instrument differs from the transaction price, it recognises the difference through profit or loss, to the extent that the value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. In all other cases, the Group recognises the difference as a gain or a loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the asset or liability.

After initial recognition, they are recognised at fair value through profit or loss. Changes in fair value include the component of interest and dividends. Fair value is not reduced by transaction costs incurred on sale or disposal.

(v) Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are initially recognised at fair value, plus or minus transaction costs, and are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of a financial instrument to the carrying amount of that financial instrument based on the contractual terms of the instrument, and for financial assets, not considering expected credit losses, except for purchased or originated credit-impaired financial assets, for which the credit-adjusted effective interest rate is used, i.e. considering the credit losses incurred when purchased or originated.

(vi) Derecognition of financial assets

The Group applies the criteria for derecognition of financial assets to part of a financial asset or part of a group of similar financial assets or to a financial asset or group of similar financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Where the Group retains the contractual rights to receive cash flows, it only derecognises financial assets when it has assumed a contractual obligation to pay the cash flows to one or more recipients and if the following requirements are met:

- Payment of the cash flows is conditional on their prior collection;
- The Group is unable to sell or pledge the financial asset; and
- The cash flows collected on behalf of the eventual recipients are remitted without material delay and the Group is not entitled to reinvest the cash flows. This criterion is not applicable to investments in cash or cash equivalents made by the Group during the settlement period from the collection date to the date of required remittance to the eventual recipients, provided that interest earned on such investments is passed on to the eventual recipients.

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If, as a result of a transfer, the Group derecognises a financial asset in its entirety, the new financial asset, financial liability or servicing liability is recognised at fair value.

(vii) Impairment of financial assets

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

The Group recognises impairment on financial assets at amortised cost when estimated future cash flows are reduced or delayed due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value.

- Impairment of financial assets carried at amortised cost

The amount of the impairment loss of financial assets carried at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. For variable income financial assets, the effective interest rate corresponding to the measurement date under the contractual conditions is used. Nevertheless, the Group uses the market value, providing this is sufficiently reliable to be considered representative of the recoverable amount.

The impairment loss is recognised in profit and loss and may be reversed in subsequent periods if the decrease can be objectively related to an event occurring after the impairment has been recognised. The loss can only be reversed up to the limit of the amortised cost of the assets had the impairment loss not been recognised.

The Group directly reduces the carrying amount of a financial asset when it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(viii) Derecognition and modifications of financial liabilities

The Group derecognises all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

(ix) Interest and dividends

The Company recognises interest and dividends accrued on financial assets after their acquisition as income.

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The Company accounts for interest on financial assets carried at amortised cost using the effective interest method and recognises dividends when the Company's right to receive payment is established.

Upon initial measurement of financial assets, the Company recognises accrued explicit interest receivable at the measurement date separately, based on maturity. Dividends declared by the pertinent body at the acquisition date are also accounted for separately. Accordingly, these amounts are not recognised as income.

If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investee itself or by any investee thereof since acquisition have been distributed, the carrying amount of the investment is reduced. This criterion applies irrespective of the measurement criterion used to measure equity instruments. Therefore, in the case of equity instruments at fair value, the value of the investment is also reduced, and any subsequent increase in value is recognised in the income statement or in equity, depending on the instruments' classification.

(i) Hedge accounting

The Group recognises as consolidated losses or gains for the year, those losses or gains arising from the measurement of derivatives at fair value, rather than those arising from the application of hedge accounting.

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal, contractual, constructive or tacit) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If it is no longer probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The effect of provisions is recognised as a finance cost in the consolidated income statement.

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(l) Revenue from the sale of goods and rendering of services

Revenue is recognised at the fair value of the consideration receivable and reflects the amounts to be collected for goods handed over in the ordinary course of the Company's activities, less returns, rebates, discounts and value added tax.

The Company recognises revenues when the amount can be measured reliably, it is probable that the future economic benefits will flow to the Company and the specific terms are met for each of its activities. A reliable calculation of the amount of revenue is not deemed possible until all sale-related contingencies have been resolved. The Company's estimates are based on historical results, taking into account customer type, transaction type and specific contractual terms.

A five-step model should be used to determine the timing and amounts of revenue recognition:

1. Identify the contract(s) with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the different performance obligations.
5. Recognise revenue as each performance obligation is satisfied.

Operating lease income is recognised in income on a straight-line basis over the lease term and the initial direct costs incurred in arranging these operating leases are charged to the income statement on a straight-line basis over the minimum term of the lease contract.

The minimum term of a contract is the period from the inception date of the contract until the first option of renewal.

(m) Income tax

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or from a business combination.

Government assistance provided in the form of deductions and other tax relief applicable to income tax payable is recognised as a reduction in the income tax expense for the year in which it is accrued.

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As described in note 1, the Parent and its 100% investees adhere to the tax regime for SOCIMI regulated by Law 11/2009 of 26 October 2009 governing SOCIMI. In compliance with certain requirements set out by this Law, the companies forming part of the Group are subject to an income tax rate of 0%. The requirements to be met are set out in the section "SOCIMI (Spanish REIT), Law 11/2009" of note 1. Article 10 of this Law also regulates the special tax regime for shareholders and especially dividends on account of profits or reserves to which the special tax regime set forth in this Law has been applied, as well as the income obtained from the transfer or reimbursement of the investment in capital of the companies which have opted to apply this regime.

The Parent's board of directors monitors compliance with the requirements stipulated in this Law, for the purpose of maintaining the tax advantages thereof. It estimates that these requirements will be met in the terms and conditions stipulated and income tax for the year will be recognised.

(i) Taxable temporary differences

Taxable temporary differences are recognised in all cases except where:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.
- They reflect differences associated with investments in subsidiaries, associates, jointly controlled entities and joint ventures over which the Group is able to control the timing of the reversal of the temporary difference and it is not probable that the difference will reverse in the foreseeable future.

(ii) Recognition of deductible temporary differences

Deductible temporary differences are recognised provided that:

- It is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.
- They are associated with investments in subsidiaries and interests in joint ventures, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable income will be available against which the temporary differences can be offset.

(iii) Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted. The tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

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(n) Classification of assets and liabilities as current and non-current

The Group classifies assets and liabilities in the consolidated balance sheet as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within 12 months after the reporting date or are cash or a cash equivalent, unless the assets may not be exchanged or used to settle a liability for at least 12 months after the reporting date.
- Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within 12 months after the reporting date or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Financial liabilities are classified as current when they are due to be settled within 12 months after the reporting date, even if the original term was for a period longer than 12 months, and an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting date and before the consolidated annual accounts are authorised for issue.

(o) Environmental issues

The Group takes measures to prevent, reduce or repair the damage caused to the environment by its activities.

Expenses derived from environmental activities are recognised as other operating expenses in the period in which they are incurred.

(p) Transactions between non-consolidated Group companies

Transactions between non-consolidated Group companies are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

(q) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

The Group recognises non-current assets or disposal groups as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. Non-current assets or disposal groups are classified as held for sale, provided that they are available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets and that the disposal is highly probable.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell and are not depreciated.

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Impairment losses on initial classification and subsequent remeasurement of assets classified as held-for-sale are recognised under profit or loss from continuing operations in the consolidated income statement, except in the case of discontinued operations. Impairment losses on a cash-generating unit (CGU) are allocated first to reduce the carrying amount of goodwill and then to reduce pro rata the carrying amounts of other assets in the unit. Impairment of goodwill recognised may not be reversed.

Gains due to increases in the fair value less costs to sell are recognised in the income statement to the extent of the cumulative impairment previously recognised due to measurement at fair value less costs to sell or to impairment recognised before classification of the asset.

The Group measures a non-current asset that ceases to be classified as held-for-sale or to form part of a disposal group at the lower of the carrying amount before the asset was classified as held-for-sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held-for-sale, and its recoverable amount at the date of reclassification. Any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held-for-sale is included in profit or loss from continuing operations.

(5) Investment Property

Details of investment property and movement during the year are as follows:

Description	Euros			Total
	31.12.2023			
	Land	Buildings	Investment in adaptation and advances	
Cost at 1 January 2023	41,354,594.30	79,788,064.82	14,931,077.51	136,073,736.63
Additions	22,693,205.31	13,342,843.15	3,058,402.39	39,094,450.85
Transfers	-	16,741,597.10	(16,741,597.10)	-
Cost at 31 December 2023	64,047,799.61	109,872,505.07	1,247,882.80	175,168,187.48
Accumulated depreciation at 1 January 2023	-	(3,949,719.01)	-	(3,949,719.01)
Depreciation	-	(2,719,424.51)	-	(2,719,424.51)
Accumulated depreciation at 31 December 2023	-	(6,669,143.52)	-	(6,669,143.52)
Accumulated impairment at 1 January 2023	(1,551,081.39)	(3,117,319.82)	-	(4,668,401.21)
Reversal of impairment losses	404,917.56	588,495.40	-	993,412.96
Accumulated impairment at 31 December 2023	(1,146,163.83)	(2,528,824.42)	-	(3,674,988.25)
Carrying amount at 31 December 2023	62,901,635.78	100,674,537.13	1,247,882.80	164,824,055.71

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

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Description	Euros			Total
	Land	Buildings	Investment in adaptation and advances	
	31.12.2022			
Cost at 1 January 2022	49,869,446.18	102,452,943.68	2,347,581.52	154,669,971.38
Additions	-	6,135,005.10	13,457,619.72	19,592,624.82
Disposals	(5,913,069.67)	(12,201,504.05)	(18,119.73)	(18,132,693.45)
Departures from the consolidated group (note 4 a)	(2,601,782.21)	(16,598,379.91)	(856,004.00)	(20,056,166.12)
Cost at 31 December 2022	41,354,594.30	79,788,064.82	14,931,077.51	136,073,736.63
Accumulated depreciation at 1 January 2022	-	(2,543,526.46)	-	(2,543,526.46)
Depreciation	-	(2,659,272.47)	-	(2,659,272.47)
Disposals	-	714,743.50	-	714,743.50
Departures from the consolidated group (note 4 a)	-	538,336.42	-	538,336.42
Accumulated depreciation at 31 December 2022	-	(3,949,719.01)	-	(3,949,719.01)
Accumulated impairment at 1 January 2022	(1,228,943.17)	(2,446,459.85)	-	(3,675,403.02)
Impairment losses	(322,138.22)	(670,859.97)	-	(992,998.19)
Accumulated impairment at 31 December 2022	(1,551,081.39)	(3,117,319.82)	-	(4,668,401.21)
Carrying amount at 31 December 2022	39,803,512.91	72,721,025.99	14,931,077.51	127,455,616.41

Additions to investment property in 2023 mainly consist of the acquisition of the following properties, together with the additional costs relating to these acquisitions:

- Meridia RE IV Proyecto 21, S.L.U.'s acquisition of an office building in Barcelona (Pere IV Building) on 12 January 2023 for a total of Euros 9,200,000.00.
- The acquisition by Meridia RE IV Proyecto 14, S.L.U. and Meridia RE IV Proyecto 15, S.L.U. of two adjacent office buildings in Barcelona (Milanesado 21-23 Building and Milanesado 25-27 Building) on 9 May 2023 for a total of Euros 19,027,385.81.
- Meridia RE IV Proyecto 22, S.L.U.'s acquisition of a residential building on calle Bac de Roda in Barcelona on 4 August 2023 for a total of Euros 6,600,000.00. This asset, which is recognised as investment property, is encumbered by a mortgage from a financial institution (see note 13).
- The remaining additions comprise works to fit out and refurbish the Group's buildings.

In 2022, additions to investment property mainly comprised fitting out and improvement work at the Cronos building for an amount of Euros 3,604,174.51, the Swiss building for a total of Euros 4,510,842.64, the Barberá building for an amount of Euros 3,184,450.98 and the Sarrià building for an amount of Euros 1,845,156.53. Additions, albeit to a lesser extent, arose in construction work in progress for improvements made to the real estate assets of other investees amounting to Euros 121,770.49 and additions in buildings totalling Euros 407,831.09.

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Disposals of investment property in 2022 reflected the sale of the Arcis and Talos buildings by Meridia RE IV Proyecto 3, S.L.U. on 8 November 2022 for a selling price of Euros 8,200,000.00 and Euros 12,500,000.00, respectively. This generated profit before tax of Euros 2,315,976.02, recognised under Impairment and gains on disposals of fixed assets. These assets were encumbered by a mortgage from a financial institution of Euros 8,888,111.38. This mortgage was cancelled on 08 November 2022.

Departures from the consolidated group in 2022 corresponded to the sale of the shares representing 100% of the share capital of its subsidiary Meridia RE IV Proyecto 6, S.L.U., which included a logistics building located at Camí de Can Valls 46, Gélida, Barcelona. See note 4.a

a) Fully depreciated assets

At 31 December 2023 and 2022 there are no fixed assets in use which have been fully depreciated.

b) Insurance

The Group has taken out insurance policies to cover the risk of damage to its investment property. The coverage of these policies is considered sufficient.

c) Income and expenses from investment property

Details of non-income-generating investment property at 31 December 2023 are as follows:

<u>Description</u>	Euros				Net
	% vacant	Cost	Accumulated depreciation	Accumulated impairment	
On Building	3.89%	1,148,312.10	(44,801.04)	-	1,103,511.07
Cristal Building	29.29%	2,237,614.96	(200,602.35)	-	2,037,012.62
Swiss Building	100.00%	15,793,851.89	(667,817.62)	-	15,126,034.27
Barberà Industrial Building	42.88%	5,847,926.94	(257,812.65)	-	5,590,114.29
Camarillo Building	100.00%	13,028,601.07	(404,112.47)	(613,588.85)	12,010,899.75
Milanesado 21-23 Building	50.75%	5,339,483.91	(30,730.21)	-	5,308,753.70
Milanesado 25-27 Building	49.86%	4,486,660.09	(24,762.07)	-	4,461,898.02
Pere IV Building	100.00%	10,167,879.93	-	-	10,167,879.93
		58,050,330.90	(1,630,638.40)	(613,588.85)	55,806,103.65

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Details of non-income-generating investment property at 31 December 2022 were as follows:

Description	Euros			
	% vacant	Cost	Accumulated depreciation	Net
				31.12.2022
Cronos Building	6.00%	1,353,260.21	(55,405.46)	1,297,854.75
On Building	4.00%	1,153,402.65	(34,512.04)	1,118,890.60
Cristal Building	29.29%	2,228,907.71	(147,223.00)	2,081,684.70
Swiss Building	100.00%	15,694,902.84	(227,831.51)	15,467,071.33
Barberà Industrial Building	100.00%	13,129,733.63	(275,501.94)	12,854,231.69
Sarrià Building	100.00%	12,331,624.02	(221,228.69)	12,110,395.33
Camarillo Building	100.00%	12,820,222.67	(206,633.82)	12,613,588.85
		58,712,053.73	(1,168,336.47)	57,543,717.26

Details of income and expenses from investment property are as follows:

	Euros	
	2023	2022
Rental income	5,479,171.02	4,239,285.37
Non-trading and other income	1,590,170.14	1,058,185.99
Operating expenses		
From income-generating investments	(3,803,686.74)	(4,346,783.63)
From non-income-generating investments	(3,232,880.85)	(3,466,451.42)
Net	32,773.57	(2,515,763.69)

e) Impairment of investment property

During 2023, based on an appraisal performed by an independent expert, the Group reversed an amount of Euros 993,412.96 in relation to the impairment initially recognised on one of the investment properties (during 2022 the Group recognised impairment of Euros 992,998.18 in relation to the aforementioned investment property, also based on an independent expert's appraisal). The reversal of impairment losses has been determined based on fair value, less costs to sell.

The Group used an independent expert to value the buildings, in accordance with the RICS Valuation and Appraisal Standards manual (Red Book) published by the UK Royal Institution of Chartered Surveyors. The Group has used the cash flow method applying an estimated market return for the purpose of obtaining a capital value once the estimated selling costs have been discounted.

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With regard to determining the fair value of investment property, the significant unobservable inputs used to measure the fair value correspond to the rent yield, exit yield and the rate used to discount projected cash flows. Quantitative information on the exit yields used to measure fair value are as follows:

	2023	2022	2023	2022
	Exit yields	Exit yields	Discount rates	Discount rates
Hotels	5.75%	5.50%	8.25%	8.00%
Industrial	4.75%	4.25%	6.75%-10.00%	7.25%
Offices	5.00%-7.30%	4.85%-7.35%	5.30%-10.10%	6.75%-10.75%
Residential (medium-term stay)	4.25%-4.50%	N/A	6.50%-7.00%	N/A

(6) Operating Leases - Lessor

At 31 December 2023 and 2022 the Group leases to third parties under an operating lease 54.06% and 57.01%, respectively, of the total available surface area. The most significant contracts are those with terms between one and 15 years.

Future minimum payments receivable under non-cancellable operating leases are as follows:

	Euros	
	2023	2022
Up to 1 year	5,802,833.01	4,128,214.78
Between 1 and 5 years	18,705,669.06	13,050,949.28
More than 5 years	9,023,274.02	2,718,549.00
	33,531,776.09	19,897,713.07

Minimum payments comprise income received from customers which have and will have lease contracts in force as of January 2024.

(7) Risk Management Policy**(a) Financial risk factors**

The Group's activities are exposed to various financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Group's profits.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Risks are managed by the Risk Management Unit in accordance with policies approved by the Parent's board of directors. This unit identifies, evaluates and mitigates financial risks in close collaboration with the Group's operational units. The Parent's board of directors issues global risk management policies in writing, as well as policies for specific issues such as currency risk, interest rate risk, liquidity risk, the use of derivatives and non-derivative instruments, and investments of cash surpluses.

(i) Credit risk

The Group is not significantly exposed to credit risk. Derivative and cash transactions are only performed with financial institutions that have high credit ratings. The Group has policies to limit the amount of risk with any one financial institution.

Valuation allowances for bad debts, and the review of individual balances based on customers' credit ratings, current market trends and historical analysis of bad debts at an aggregated level, require a high degree of judgement.

(ii) Liquidity risk

The Group applies a prudent policy to cover its liquidity risks based on having sufficient cash as well as sufficient financing through credit facilities committed with third parties and commitments from shareholders.

Details of financial assets and financial liabilities by contractual maturity date are provided in Appendices II and IV.

(iii) Cash flow and fair value interest rate risks

The Group manages cash flow interest rate risk through variable to fixed interest rate swaps. These interest rate swaps convert variable interest rates on borrowings to fixed interest rates. The Group obtains non-current borrowings with variable interest rates and swaps these for fixed interest rates that are normally lower than if the financing had been obtained by the Group directly with fixed interest rates. Through interest rate swaps the Group undertakes to exchange on a quarterly basis the difference between fixed interest and variable interest with other parties. The difference is calculated based on the contracted notional principal amount.

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(8) Financial Assets by Category

(a) Classification of financial assets by category:

The classification of financial assets by category and class is as follows:

	Euros	
	31.12.2023	
	Non-current	Current
	Carrying amount	Carrying amount
<i><u>Financial assets at fair value through profit or loss</u></i>		
Derivative financial instruments (note 10)	1,049,715.19	-
Interest on derivative financial instruments	-	135,160.56
<i><u>Financial assets at amortised cost</u></i>		
Loans		
Fixed rate	-	2,767,809.67
Security and other deposits	1,058,220.84	3,386,664.04
Trade and other receivables		
Trade receivables – current	-	2,396,444.37
Other receivables	-	108,171.48
Total financial assets	2,107,936.03	8,794,250.12

	Euros	
	31.12.2022	
	Non-current	Current
	Carrying amount	Carrying amount
<i><u>Financial assets at fair value through profit or loss</u></i>		
Derivative financial instruments (note 10)	1,624,429.29	126,627.18
Interest on derivative financial instruments	-	36,801.02
<i><u>Financial assets at amortised cost</u></i>		
Security and other deposits	797,593.11	3,540,757.64
Trade and other receivables		
Trade receivables – current	-	828,351.01
Other receivables	-	885,616.25
Total financial assets	2,422,022.40	5,418,153.10

The carrying amount of financial assets does not differ significantly from the fair value.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

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*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(9) Investments and Trade Receivables**

(a) Investments

Details of investments are as follows, in Euros:

	Euros	
	31.12.2023	
	Non-current	Current
<i>Unrelated parties</i>		
Loans	-	2,720,000.00
Interest	-	47,809.67
Derivative financial instruments (note 10)	1,049,715.19	-
Interest on derivative financial instruments	-	135,160.56
Other financial assets	1,058,220.84	3,386,664.04
Total	2,107,936.03	3,521,824.60

	Euros	
	31.12.2022	
	Non-current	Current
<i>Unrelated parties</i>		
Derivative financial instruments (note 10)	1,624,429.29	126,627.18
Interest on derivative financial instruments	-	36,801.02
Other financial assets	797,593.11	3,540,757.64
Total	2,422,022.40	3,704,185.84

Non-current financial assets under other financial assets at 31 December 2023 and 2022 mainly reflect security deposits received from customers for the lease of spaces and which it is under the obligation to deposit with the pertinent entity (INCASOL and Instituto de la Vivienda de Madrid) depending on the location. Non-current investments include amounts that the Group has deposited with public bodies. On the contrary, other non-current financial liabilities comprise amounts that the Group has received from its customers for security deposits (see note 13).

Other current financial assets at 31 December 2023 primarily correspond to:

- A deposit of Euros 2,900,000.00 disbursed by Meridia RE IV Proyecto 19, S.L.U. for the private sale and purchase agreement signed for the acquisition of a residential building in Barcelona, Spain.
- A deposit of Euros 99,802.08 disbursed by Meridia RE IV Proyecto 10, S.L.U. in Abanca Corporación Bancaria, S.A. as stipulated in the loan agreement (see note 13).

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

Other current financial assets at 31 December 2022, primarily corresponded to:

- A deposit of Euros 380,000.00 disbursed by Meridia RE IV Proyecto 7, S.L.U. in Abanca Corporación Bancaria, S.A. as stipulated in the loan agreement (see note 13).
- A deposit of Euros 161,285.84 disbursed by Meridia RE IV Proyecto 10, S.L.U. in Abanca Corporación Bancaria, S.A. as stipulated in the loan agreement (see note 13).
- A deposit of Euros 1,066,550.00 disbursed by Meridia RE IV Proyecto 17, S.L.U. for the private sale and purchase agreement signed for the acquisition of a residential building in Barcelona, Spain.
- A deposit of Euros 1,840,000.00 disbursed by Meridia RE IV Proyecto 21, S.L.U. in Caixabank, S.A. as stipulated in the loan agreement (see note 13).

At 31 December 2023, current loans include Euros 1,985,000.00 corresponding to specific financing facilities extended to Meridia RE IV Project 17, S.L.U., Meridia RE IV Project Xamenes, S.L.U., Meridia RE IV Project 24, S.L.U., Meridia RE IV Project 24, S.L.U., Meridia RE IV Proyecto 25, S.L.U. and Meridia RE IV Proyecto 26, S.L.U., which were sold as detailed in note 4.a, as well as an amount of Euros 43,614.12 related to accrued interest receivable at the end of the year. These credit facilities accrue annual interest of 4%, payable upon maturity, which in all cases is prior to 31 December 2024.

In addition, during 2023, the Group signed a loan with the Group company MRE IV Holdco Hospitality, S.L., which bears interest at 4%, payable on maturity on 31 December 2024, with an outstanding balance of Euros 735,000.00 and accrued interest receivable totalling Euros 4,195.55 at 31 December 2023.

(b) Trade and other receivables

Details of trade and other receivables, in Euros, are as follows:

	Euros	
	31.12.2023	31.12.2022
	Current	Current
<i>Unrelated parties</i>		
Trade receivables – current	2,396,444.37	828,351.01
Other receivables	108,171.48	885,616.25
Current tax assets (note 15)	45,552.27	18,831.21
Public entities, other (note 15)	1,925,466.17	1,662,721.24
Total	4,475,634.29	3,395,519.71

Trade receivables include balances receivable from customers for the lease of the buildings that the Group holds as investment property.

(c) Classification by maturity

The classification of financial assets by maturity is shown in Appendix II.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(10) Derivative Financial Instruments**

(a) Interest rate swaps

The Group has the following financial swaps through its subsidiaries:

- On 22 October 2019 Meridia RE IV Proyecto 1, S.L.U. entered into a financing agreement with Abanca Corporación Bancaria, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest on these swaps is at a fixed annual rate of 0.25% and a variable rate pegged to 12-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	22/10/2019	01/11/2023	6,035,000.00

The fair value of these financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting on these instruments and their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 126,627.18 in 2023 and profit of Euros 152,589.90 in 2022).

The derivative matured on 1 November 2023 and consequently, no amount has been recorded in the balance sheet at 31 December 2023 (at 31 December 2022 the value of this derivative was Euros 126,627.18 recognised as a current asset).

- On 7 November 2019 Meridia RE IV Proyecto 2, S.L.U. entered into a loan agreement with Caixabank, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest on this swap is at a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	15,551,526.71

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 466,032.51 in 2023 and profit of Euros 1,216,320.95 in 2022).

The value of this derivative at 31 December 2023 amounts to Euros 758,217.00 (Euros 1,224,249.51 at 31 December 2022), recognised as a non-current asset at 31 December 2023 and 2022.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

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- On 7 November 2019 Meridia RE IV Proyecto 3, S.L.U. entered into a loan agreement with Caixabank, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest on this swap is at a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	9,851,145.05

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 739,677.64 in 2022).

This derivative was redeemed in 2022 on account of the cancellation of the mortgage loan described in note 13.

- On 7 November 2019 Meridia RE IV Proyecto 4, S.L.U. entered into an interest rate swap agreement with Caixabank, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest on this swap is at a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	3,597,328.24

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 268,365.99 in 2022).

This derivative was redeemed in 2022 on account of the cancellation of the mortgage loan described in note 13.

- On 30 July 2022 Meridia RE IV Proyecto 6, S.L.U. entered into an interest rate swap agreement with Banco Sabadell, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest rate on this swap is a fixed annual rate of 0.157% and a variable rate pegged to 6-month Euribor, payable on a half-yearly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	30/01/2023	30/01/2026	6,400,000.00

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

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The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 487,000.00 in 2022).

At 31 December 2022 this derivative was not recorded on the consolidated balance sheet as it had been transferred in the context of the transfer of 100% of the shares that the Group held in Meridia RE IV Proyecto 6, S.L.U. (see note 4.a).

- On 25 January 2022 Meridia RE IV Proyecto 11, S.L.U. entered into an interest rate swap agreement with Banco Santander, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest rate on these swaps is a fixed annual rate of 0.594% and a variable rate pegged to 6-month Euribor, payable on a half-yearly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	25/01/2022	25/01/2027	4,000,000.00

The fair value of these financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting on these instruments and their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 108,681.59 in 2023 and profit of Euros 400,179.78 in 2022).

The value of this derivative amounts to Euros 291,498.19 recognised as a current asset at 31 December 2023 (Euros 400,179.78 recognised as a non-current asset at 31 December 2022).

(11) Equity

Details of equity and movement during the year are shown in the statement of changes in equity.

(a) Capital

At 31 December 2023 and 2022 share capital is represented by 5,000,000 shares of Euros 1.00 par value each, subscribed and fully paid.

Companies which hold a direct or indirect interest of at least 10% in the share capital of the Parent are as follows:

Company	31 December 2023		31 December 2022	
	Number of shares	Percentage ownership	Number of shares	Percentage ownership
Meridia Real Estate IV SCA SICAV-RAIF	5,000,000	100.00%	5,000,000	100.00%
	5,000,000	100.00%	5,000,000	100.00%

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

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At 31 December 2023 and 2022 all the shares are of the same class and have the same characteristics and rights.

(b) Reserves

(i) Legal reserve

The legal reserve has been appropriated in compliance with articles 4 and 274 of the revised Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. Similarly, as long as share capital is below Euros 3,000, a sum equal to at least 20 percent of the profit must be set aside until this reserve together with share capital reaches Euros 3,000.

This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available. This reserve may be used to increase share capital.

At 31 December 2023, the Parent has appropriated to this reserve the minimum amount required by law.

(c) Other shareholder contributions

At 31 December 2023 the sole shareholder's contributions amount to Euros 111,605,000.00 (Euros 83,370,000.00 at 31 December 2022).

Movement in shareholder contributions during 2023 and 2022 is as follows, in Euros:

On 26 January 2022 a distribution of monetary contributions amounting to Euros 1,000,000.00 from the Company's equity to the sole shareholder was arranged.

On 8 April 2022 a distribution of monetary contributions amounting to Euros 4,000,000.00 from the Company's equity to the sole shareholder was arranged.

On 20 April 2022 a distribution of monetary contributions amounting to Euros 32,000,000.00 from the Company's equity to the sole shareholder was arranged.

On 17 June 2022 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 2,000,000.00 to the Company's equity.

On 11 July 2022 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 3,000,000.00 to the Company's equity.

On 12 August 2022 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 7,000,000.00 to the Company's equity.

On 7 November 2022 a distribution of monetary contributions amounting to Euros 7,500,000.00 from the Company's equity to the sole shareholder was arranged.

On 30 December 2022 a distribution of monetary contributions amounting to Euros 4,500,000.00 from the Company's equity to the sole shareholder was arranged.

On 10 January 2023 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 9,400,000.00 to the Company's equity.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

On 7 March 2023 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 1,300,000.00 to the Company's equity.

On 23 March 2023 a distribution of monetary contributions amounting to Euros 2,835,000.00 from the Company's equity to the sole shareholder was arranged.

On 25 April 2023 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 3,900,000.00 to the Company's equity.

On 28 April 2023 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 18,500,000.00 to the Company's equity.

On 15 May 2023 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 670,000.00 to the Company's equity.

On 29 June 2023 a distribution of monetary contributions amounting to Euros 2,700,000.00 from the Company's equity to the sole shareholder was arranged.

(12) Financial Liabilities by Category

- (a) Classification of financial liabilities by category

The classification of financial liabilities by category and class is shown in Appendix III.

The carrying amount of financial liabilities does not differ significantly from the fair value.

(13) Payables and Trade Payables

- (a) Payables

Details of payables are as follows:

	Euros	
	31.12.2023	
	Non-current	Current
<i>Unrelated parties</i>		
Loans and borrowings	68,694,432.42	3,120,643.09
Loans and borrowings (fees and commissions deducted from the liability of the loan)	(1,897,575.00)	(77,673.40)
Interest	-	760,138.12
Other financial liabilities (security and other deposits)	1,416,249.99	641,252.14
Total	68,213,107.41	4,444,359.95

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

	Euros	
	31.12.2022	
	Non-current	Current
<i>Unrelated parties</i>		
Loans and borrowings	49,803,130.71	2,165,330.41
Loans and borrowings (fees and commissions deducted from the liability of the loan)	(1,013,225.67)	(111,731.95)
Interest	-	365,564.98
Payables to shareholders	-	20,500,000.00
Other financial liabilities	1,139,341.57	16,640.89
Total	49,929,246.61	22,935,804.33

Loans and borrowings:

- i. Loan agreement arranged by Meridia RE IV Proyecto 1, S.L.U. with Abanca Corporación Bancaria, S.A. on 22 October 2019, falling due on 1 November 2026, for a total of Euros 12,070,000.00, divided into two tranches: tranche A amounting to Euros 10,320,000.00, to be used solely for financing the real estate assets and the associated costs, and tranche B amounting to Euros 1,750,000.00, to be used solely to finance CAPEX. This last tranche was subject to conditions precedent in each drawdown and could be requested up until 31 October 2021, with the amount undrawn prior to that date being cancelled. Finally, the amount drawn down by the Company prior to the aforementioned date totalled Euros 1,630,177.46.

The loan agreement sets out a repayment schedule, with increasing instalments, up to 1 August 2026, whereupon an aggregate amount of 29.35% of the total extended will have been repaid. The subsequent instalment will be for the remaining 70.65% of the loan.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 15,691,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 21,456,476.55 at 31 December 2023 (Euros 21,630,912.54 at 31 December 2022). The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2020. At 31 December 2023 and 2022 not all the ratios had been met, but an exemption was received from the bank.

- ii. Loan agreement entered into by Meridia RE IV Proyecto 2, S.L.U., Meridia RE IV Proyecto 3, S.L.U. and Meridia RE IV Proyecto 4, S.L.U. with Caixabank, S.A. on 7 November 2019 and falling due on 7 November 2026, for a total amount of Euros 29,000,000.00, divided into two tranches: tranche A for an amount of Euros 27,000,000.00 distributed in Meridia RE IV Proyecto 2, S.L.U. in an amount of 14,479,007.63, Meridia RE IV Proyecto 3, S.L.U. in an amount of Euros 9,171,755.73, and Meridia RE IV Proyecto 4, S.L.U. in an amount of Euros 3,349,236.64, to exclusively finance real estate assets and associated costs; and tranche B amounting to Euros 2,000,000.00 distributed in Meridia RE IV Proyecto 2, S.L.U. in an amount of Euros 1,072,519.00, Meridia RE Proyecto 3, S.L.U. in an amount of Euros 679,390.00 and Meridia RE IV Proyecto 4, S.L.U. in an amount of Euros 248,091.00, exclusively to finance costs relating to real estate assets.

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The loan agreement sets out a repayment schedule, with increasing instalments, up to 7 August 2026, whereupon an aggregate amount of 27.725% of the total extended will have been repaid. The following instalment will be equivalent to the remaining 72.275% of tranche A of the loan and repayment of tranche B will be made in a single instalment on 7 November 2022 or 7 November 2026.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 37,250,000.00 for each of the guaranteed obligations distributed in Meridia RE IV Proyecto 2, S.L.U. in an amount of Euros 19,975,667.95, Meridia RE IV Proyecto 3, S.L.U. in an amount of Euros 12,653,625.95, and Meridia RE IV Proyecto 4, S.L.U. in an amount of Euros 4,620,706.10. As the "Arcis" and "Talos" buildings were sold during 2022, the Group cancelled the mortgage guarantees related to the real estate investments recognised in Meridia RE IV Proyecto 3, S.L.U. and Meridia RE IV Proyecto 4, S.L.U., and therefore, at 31 December 2023 and 2022, the total mortgage obligation amounts to Euros 19,975,667.95, which is only related to the "On" building.

At 31 December 2023 the carrying amount of the real estate investment that secures the loan totals Euros 28,367,893.71 (Euros 27,972,265.07 at 31 December 2022), fully corresponding at 31 December 2022 to the real estate investment recognised in Meridia RE IV Proyecto 2, S.L.U., as on 8 November 2022 the Group cancelled the mortgage guarantees on the real estate investments recorded in Meridia RE IV Proyecto 3, S.L.U. and Meridia RE IV Proyecto 4, S.L.U. with the money received from the sale of the Talos and Arcis buildings, as disclosed in note 5. The loan is subject to compliance of certain obligations relating to specific financial ratios. At 31 December 2023 and 2022 not all the ratios had been met, but an exemption was received from the bank.

- iii. In conjunction with the acquisition of Gure Ostatu, S.L.U., on 26 February 2020 Meridia RE IV Proyecto 8, S.L.U. subrogated the loan extended on 8 March 2018 by Banco Sabadell, S.A. amounting to Euros 8,000,000.00 and falling due on 8 March 2033, to be used for the business activity.

The loan agreement sets out a repayment schedule of 180 increasing monthly instalments up to 8 March 2033.

Furthermore, the loan has the following guarantees:

- For ordinary interest at 9% p.a. for one and a half years, up to a maximum amount of Euros 1,080,000.00.
- For late payment interest of two years at the maximum rate of 12% p.a., that will be reduced to the legal maximum limit up to a maximum amount of Euros 1,920,000.00.
- For legal costs amounting to Euros 800,000.00.
- Without prejudice to any pecuniary liability.

The carrying amount of the property committed to secure the loan is Euros 19,000,000.00 at 31 December 2023 (Euros 17,700,000.00 at 31 December 2022).

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- iv. Loan agreement arranged by Meridia RE IV Proyecto 10, S.L.U. with Abanca Corporación Bancaria, S.A. on 18 March 2021, falling due on 1 April 2028, for a total of Euros 10,500,000.00, divided into three tranches: tranche A amounting to Euros 4,500,000.00, to be used solely for financing the real estate assets and the associated costs, tranche B amounting to Euros 4,000,000.00, to be used solely to finance CAPEX, and tranche C totalling Euros 2,000,000.00. Tranches B and C, from which no amount had been drawn down at 31 December 2023 or 2022, are subject to conditions precedent on each drawdown.

The loan agreement sets out a grace period until 31 March 2023, the date on which the capital will start to be repaid constantly until 31 March 2027, whereupon 38% of the total capital will have been repaid. The following capital payment will be for the remaining 62% on the loan maturity date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 10,500,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 13,036,647.14 at 31 December 2023 (Euros 12,854,231.69 at 31 December 2022). The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2023. At 31 December 2023 not all the ratios had been met, but an exemption was received from the bank.

- v. Loan agreement arranged by Meridia RE IV Proyecto 11, S.L.U. with Banco Santander, S.A. on 25 January 2022, falling due on 25 January 2027, for a total of Euros 8,000,000.00, divided into two tranches: tranche A amounting to Euros 5,700,000.00, to be used for refinancing part of the purchase price and associated costs of the office building located at calle Osi 7-9 and calle Riu d l'Or 20-22 in Barcelona, acquired by the Company on 30 December 2021, and tranche B amounting to Euros 2,300,000.00, to be used solely to finance the costs associated with the refurbishment work to be carried out in this building. The last tranche is subject to conditions precedent in each drawdown and can be requested up until 25 January 2023, with the amount undrawn prior to that date being cancelled.

The loan agreement stipulates that the loan must be fully repaid on 25 January 2027, the maturity date.

Furthermore, the loan has the following main guarantees:

- Mortgage on the office buildings located at calle Osi 7-9 and calle Riu de l'Or 20-22 in Barcelona, acquired by the Company on 30 December 2021 in favour of the bank, whilst the Parent has granted a pledge over the shares of the subsidiary.

The carrying amount of the investment property pledged to secure the loan is Euros 12,642,342.45 at 31 December 2023 (Euros 12,110,395.33 at 31 December 2022). The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2023. At 31 December 2023 all the financial ratios have been met.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- vi. Loan agreement arranged by Meridia RE IV Proyecto 7, S.L.U. with ABANCA Corporación Bancaria, S.A. on 29 September 2022, falling due on 1 October 2030, for a total of Euros 10,200,000.00, for the purpose of (i) refinancing part of the purchase price and associated costs of the office building located at calle Meridiana 38 in Barcelona and (ii) financing the costs and associated taxes for the refurbishment work on the aforementioned building.

The loan agreement stipulates a quarterly repayment schedule, calculated as of 1 October 2022, divided into a first repayment grace period which ends on 30 September 2023 and a second repayment period spanning the next 28 quarters. The first payment must be made on 1 January 2024 and the last payment on 1 October 2030. In order to calculate the amount of each repayment instalment, the loan is divided into two tranches: the first tranche comprises 30% of the borrowed capital and is divided between the total number of instalments, which are obtained by multiplying the amount which precedes by 1.01025. The second tranche comprises 70% of the capital.

Unpaid capital accrues interest at a fixed annual nominal rate of 4.10%, which is applicable from the drawdown date until 30 December 2023, inclusive. From that date onwards the overall term of the loan is divided into successive interest periods, of a yearly duration (except for the last period which ends on the maturity date of the loan), accruing interest at 1-year Euribor plus a 2.10% spread which remains the same over the duration of the contract.

Furthermore, the loan has the following main guarantees:

First position full floating real estate mortgage, with a maximum mortgage liability of Euros 10,200,000.00.

The carrying amount of the investment property pledged to secure the loan is Euros 15,126,034.27 at 31 December 2023 (Euros 15,467,071.33 at 31 December 2022). The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2024.

- vii. Loan agreement arranged by Meridia RE IV Proyecto 21, S.L.U. with Banco Pichincha España, S.A. on 22 March 2023, falling due on 22 March 2036, for a total of Euros 10,500,000.00, divided into three tranches: tranche A amounting to Euros 3,500,000.00, to be used solely for financing the real estate assets and the associated costs, and tranches B and C amounting to Euros 6,300,000.00 and Euros 700,000.00, respectively, to be used solely to finance CAPEX. Tranches B and C, from which no amount had been drawn down at 31 December 2023, are subject to conditions precedent on each drawdown.

The loan agreement sets out a grace period until 22 March 2025, the date on which the capital will start to be repaid in increasing quarterly amounts until 22 December 2035, whereupon 39% of the total capital will have been repaid. The following capital payment will be for the remaining 61% on the loan maturity date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 10,500,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 10,167,879.93 at 31 December 2023.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- viii. Loan agreement arranged by Meridia RE IV Proyecto 14, S.L.U. with Banco Santander, S.A. on 17 May 2023, falling due on 17 May 2028, for a total of Euros 7,075,000.00, divided into two tranches: tranche A amounting to Euros 5,075,000.00, to be used solely for financing the real estate assets and the associated costs, and tranche B amounting to Euros 2,000,000.00, to be used solely to finance CAPEX. Tranche B, from which no amount had been drawn down at 31 December 2023, is subject to conditions precedent on each drawdown. This tranche may be requested until 17 May 2025, with the amount not drawn down by that date being cancelled.

The loan agreement stipulates that the loan must be repaid in full on 17 May 2028, the maturity date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 7,075,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 10,460,752.86 at 31 December 2023. The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2023. At 31 December 2023 all the financial ratios have been met.

- ix. Loan agreement arranged by Meridia RE IV Proyecto 15, S.L.U. with Banco Santander, S.A. on 17 May 2023, falling due on 17 May 2028, for a total of Euros 6,925,000.00, divided into two tranches: tranche A amounting to Euros 4,925,000.00, to be used solely for financing the real estate assets and the associated costs, and tranche B amounting to Euros 2,000,000.00, to be used solely to finance CAPEX. Tranche B, from which no amount had been drawn down at 31 December 2023, is subject to conditions precedent on each drawdown. This tranche may be requested until 17 May 2025, with the amount not drawn down by that date being cancelled.

The loan agreement stipulates that the loan must be repaid in full on 17 May 2028, the maturity date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 6,925,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 8,948,144.74 at 31 December 2023. The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. In accordance with the agreed terms, the degree of compliance with the financial ratios and levels will be determined at each year end as of 31 December 2023. At 31 December 2023 all the financial ratios have been met.

- x. Loan agreement for a total of Euros 4,850,000.00 arranged by Meridia RE IV Proyecto 22, S.L.U. with Banco Sabadell, S.A. on 4 August 2023, maturing on 31 October 2031, to be used solely for partially financing the real estate assets and the associated costs.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The loan agreement sets out a grace period until 31 October 2024, the date on which the capital will start to be repaid in increasing quarterly instalments until 31 July 2031, whereupon 20% of the total capital will have been repaid. The following capital payment will be for the remaining 80% on the loan maturity date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 4,850,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 6,643,582.66 at 31 December 2023.

- xi. Loan agreement for a total of Euros 3,500,000.00 arranged by Meridia RE IV Proyecto 4, S.L.U. with Banco Pichincha España, S.A. on 11 August 2023, maturing on 11 August 2036, to be used solely for financing the real estate assets.

The loan agreement sets out a repayment schedule of 155 monthly instalments up to 11 July 2036, whereupon 56.38% of the total amount extended will have been repaid. The subsequent instalment will be for the remaining 43.62% of the loan, payable upon maturity.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with a maximum mortgage liability of Euros 3,500,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 6,955,010.28 at 31 December 2023.

At 31 December 2022 payables shareholders included interim dividend of Euros 16,000,000.00 approved on 30 December 2022 (see note 3) and the distribution of monetary contributions against the Company's equity arranged on the same date for an amount of Euros 4,500,000.00 (see note 11).

At 31 December 2023 and 2022 other non-current financial liabilities mainly reflect deposits received for the lease of the properties.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

- (b) Other information on payables

(i) Main characteristics of payables

The terms and conditions of loans and payables are shown in Appendix V.

- (c) Trade and other payables

Details of trade and other payables are as follows:

	Euros	
	31.12.2023	31.12.2022
	Current	Current
<i>Related parties</i>		
Payables	686,844.04	1,265,371.23
<i>Unrelated parties</i>		
Payables	664,279.58	2,092,611.79
Public entities, other (note 15)	154,324.09	146,801.90
Total	1,505,447.71	3,504,784.92

Payables to related parties mainly reflect amounts payable to Meridia Real Estate IV, SICAV-RAIF (the Parent's sole shareholder) for services rendered, as well as services rendered by other related companies.

- (d) Classification by maturity

The classification of financial liabilities by maturity is shown in Appendix IV.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

31 December 2023

*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(14) Late Payments to Suppliers. "Reporting Requirement". Third Additional Provision of Law 18/2022 of 28 September 2022.**

Details of late payments to suppliers by consolidated companies are as follows:

	2023	2022
	Days	Days
Average supplier payment period	54.55	53.85
Transactions paid ratio	54.30	50.11
Transactions payable ratio	101.51	89.72
	Amount in	Amount in
	Euros	Euros
Total payments made	8,284,220.66	22,757,910.46
Total payments outstanding	1,390,379.46	2,193,058.31
Monetary volume of invoices paid within the maximum period stipulated by legislation on late payments	5,199,761.60	7,407,139.63
Payments within said maximum period as a percentage of total payments made	62.77%	32.55%
Invoices paid within the maximum period stipulated by legislation on late payments	1,127	1,314
As a percentage of total invoices	58.18%	65.21%
As a percentage of total invoices paid	48.54%	54.93%

(15) Taxation

Details of balances with public entities are as follows:

	Euros			
	31.12.2023		31.12.2022	
	Non-current	Current	Non-current	Current
Assets				
Income tax	-	45,552.27	-	18,831.21
Value added tax and similar taxes	-	1,847,140.81	-	1,619,449.29
Withholdings	-	78,325.36	-	43,271.95
	-	1,971,018.44	-	1,681,552.45
Liabilities				
Deferred tax liabilities	4,257,072.85	-	3,855,322.40	-
Value added tax and similar taxes	-	102,155.13	-	127,394.79
Social Security	-	1,138.96	-	2,214.00
Withholdings	-	51,030.00	-	17,193.11
	4,257,072.85	154,324.09	3,855,322.40	146,801.90

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The Group has the following main applicable taxes open to inspection by the Spanish taxation authorities:

Tax	Years open to inspection	
Income tax		2019-2022
Value added tax		2020-2023
Tax on Economic Activities		2020-2023
Personal income tax		2020-2023

In addition, Meridia RE IV Proyecto 8, S.L.U. has open to inspection by the taxation authorities all main applicable taxes for 2018.

Due to different possible interpretations of prevailing tax legislation, additional tax liabilities could arise in the event of inspection. In any case, the Parent's board of directors does not consider that any such liabilities that could arise would have a significant effect on these consolidated annual accounts.

(a) Income tax

A reconciliation of net income and expenses for the period with the taxable income/tax loss is provided in Appendix VI.

The relationship between the tax expense/(income) and profit/(loss) for the year is shown in Appendix VII.

Details of deferred tax assets and liabilities by type of asset and liability are as follows:

	Euros			
	Assets		Liabilities	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Gains on investment property	-	-	4,257,072.85	3,855,322.40
	-	-	4,257,072.85	3,855,322.40

Pursuant to article 12.1.c) of Law 11/2009 of 26 October 2009 governing SOCIMI, income deriving from the conveyance of property owned prior to the application of this tax regime, made in periods in which this regime is applicable, shall be deemed generated on a straight-line basis, unless evidence to the contrary, over the entire period of the ownership of the conveyed property. The portion of this income that can be charged to previous tax periods shall be taxed by applying the tax rate and regime prior to the application of this special tax regime. This same criteria shall be applied to income deriving from the transfer of investments in other companies referred to in section 1 of article 2 of this Law, as well as the other components of the asset.

The Group has recognised a deferred tax liability on the income attributable to prior periods in which the entity paid income tax at the general tax rate. The Company has calculated the deferred tax liability based on the appraisal of the hotel located at Calle Espronceda 6 in Barcelona.

The Group has not recognised the tax effect of unused tax loss carryforwards as deferred tax assets as the tax rate applicable is zero.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(16) Environmental Information

At 31 December 2023 and 2022 the Group has no significant assets for protecting or improving the environment, nor did it incur any expenses of an environmental nature during the year.

The Parent's board of directors does not consider that there are any significant contingencies relating to the protection and improvement of the environment. Therefore, at 31 December 2023 and 2022 it is not considered necessary to recognise a provision for liabilities and charges of this nature.

Given its activity, the Group does not have any emission allowances.

(17) Related Party Balances and Transactions

Details of balances with related parties are provided in notes 9 and 13.

(a) Group transactions with related parties

The Group's transactions with related parties are as follows:

	Euros	
	2023	
	Related parties	Total
Expenses		
Services received	1,280,737.92	1,280,737.92
Total expenses	1,280,737.92	1,280,737.92
	Euros	
	2022	
	Related parties	Total
Expenses		
Services received	1,066,696.68	1,066,696.68
Total expenses	1,066,696.68	1,066,696.68

Services received reflect a management agreement between the Group's sole shareholder and the Group's subsidiaries (except for the Parent). The consideration for services shall be for an amount equivalent to 1.2% of the capital funds disbursed by any means, directly or indirectly, by the Group's sole shareholder in favour of the beneficiaries as of that moment in time.

This agreement is valid for a period of eight years and can be extended by a further year, giving rise to a maximum contractual term of nine years.

Additionally, during 2023 and 2022 the transactions with Group companies and related entities, respectively, explained in note 4 a took place.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(b) Information on the Parent's board of directors and senior management personnel**

In the years ended 31 December 2023 and 2022 the Parent's directors did not receive any remuneration, nor did they receive any loans or advances, nor were any guarantees extended on their behalf. The Parent has no pension or life insurance obligations with the Parent's former or current directors.

The Company's senior management is formed of all those directors and other individuals who, depending on the managing director, assume the management of the Company, in accordance with the definition provided in the Good Governance Code of Listed Companies. At 31 December 2023 and 31 December 2022, there is no personnel considered as senior management. Senior management functions are carried out by MERIDIA CAPITAL PARTNERS, S.G.E.I.C., S.A. the Company's management company.

During the years ended 31 December 2023 and 2022 the sole shareholder has made payments for a public liability insurance policy for the Company's directors to cover damages and losses caused by actions or omissions in the performance of their duties.

(c) Transactions other than ordinary business or under terms differing from market conditions carried out by the directors of the Parent

In 2023 and 2022 the Parent's board of directors has not carried out any transactions other than ordinary business or applying terms that differ from market conditions with the Parent or any other Group company.

(d) Conflicts of interest concerning the directors

The directors of the Parent and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Revised Spanish Companies Act.

(18) Income and Expenses**(a) Revenues**

Details of revenues by category of activity are as follows:

	Euros	
	2023	2022
	Domestic	Domestic
Lease income	5,479,171.02	4,239,285.37
Non-trading and other operating income (other than rentals)	1,590,170.14	1,058,185.99
	7,069,341.16	5,297,471.36

The Group's revenues are mainly generated from the lease of buildings to third parties.

Likewise, income is also obtained from passing on the various joint expenses and utility costs to the lessors of the premises. This income is recognised as other operating income.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

All services are provided in Spain.

(b) Employee benefits expense and provisions

Details of employee benefits expense and provisions are as follows:

	Euros	
	2023	2022
	Domestic	Domestic
Employee benefits expense		
Social Security payable by the Company	12,609.23	35,800.51
	12,609.23	35,800.51

(c) Employee Information

At 31 December 2023 and 2022 there were two employees (one under the category of administrative staff and one under the category of associate). The administrative position is occupied by a woman and the associate position is occupied by a man.

The average headcount for 2023 and 2022 has been two employees (one male associate and one female administrative clerk).

At 31 December 2023 and 2022 the Company had no employees with a disability rating equal to or higher than 33%.

(19) Audit Fees

The auditor of the Group's annual accounts, and other individuals and companies related to the auditor as defined by Audit Law 19/1988 of 12 July 1988 have invoiced the Group the following fees for professional services:

	Euros	
	2023	2022
Audit services	112,875.00	84,003.00
	112,875.00	84,003.00

The amounts detailed in the above table include the total fees for services rendered in 2023 and 2022, irrespective of the date of invoice.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(20) Legislative Requirements Arising From Status as SOCIMI, Law 11/2009**

In compliance with the reporting obligations set forth in article 11 of Law 11/2009 of 26 October 2009 governing SOCIMI, the following is indicated:

a) Reserves from years prior to the application of the tax regime set forth in this Law.

The Parent was incorporated on 12 July 2019, incurring losses in 2019, 2020 and 2021, a profit in 2022 and losses in 2023, and therefore there are no reserves from years prior to the application of the tax regime set forth in this Law.

b) Reserves from years in which the tax regime set forth in this Law has been applied, differentiating between the portion that comes from income subject to a 0% or 19% tax rate, and that which, where applicable, have been taxed at the general tax rate.

For the reasons indicated in the previous section, there are no reserves for the periods in which the tax regime set forth by this Law was applied.

c) Dividends distributed with a charge to profits for each year in which the tax regime set forth by this Law has been applied, differentiating between the portion that comes from income subject to a 0% or 19% tax rate and those which, where applicable, have been taxed at the general tax rate.

<i>Dividends distributed against the profit for each year</i>	Subject to a 0% tax rate	Subject to a 19% tax rate	Subject to the general tax rate	Not subject to tax	Date of agreement of the distribution
Dividend for 2023	-	-	-	-	-
Dividend for 2022	16,000,000.00	-	-	-	30/12/2022
Dividend for 2021	-	-	-	-	-
Dividend for 2020	-	-	-	-	-
Dividend for 2019	-	-	-	-	-

d) In the event of dividends distributed with a charge to reserves, designation of the year from which the applied reserve originates and whether they have been taxed at a 0% or 19% tax rate or at the general tax rate.

No dividends charged to reserves have been distributed.

e) Dividend distribution agreement date referred to in sections c) and d) above.

The date of the distribution agreement has been included in sections c) and d) above.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

f) Acquisition date of the buildings earmarked for lease and of shares in the capital of the entities to which article 2.1 of the above Law refers.

Investments in the capital of the subsidiaries which have adhered to the SOCIMI tax regime coincide with the following incorporation dates of these companies, as they were incorporated by the Company:

- Meridia RE IV Proyecto 1, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 2, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 3, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 4, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 27 September 2019.
- Meridia RE IV Proyecto 7, S.L.U., incorporated on 25 July 2019, opted to apply the special tax regime set out in the aforementioned Law on 25 February 2020.
- Meridia RE IV Proyecto 8, S.L.U., acquired on 28 February 2020, opted to apply the special tax regime set out in the aforementioned Law on 17 September 2020.
- Meridia RE IV Proyecto 10, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 11, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 13, S.L.U., incorporated on 4 December 2020, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 14, S.L.U., incorporated on 24 March 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 15, S.L.U., incorporated on 24 March 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 19, S.L.U., incorporated on 20 September 2022, opted to apply the special tax regime set out in the aforementioned Law on 14 November 2022.
- Meridia RE IV Proyecto 21, S.L.U., acquired on 29 October 2021, opted to apply the special tax regime set out in the aforementioned Law on 31 March 2022.
- Meridia RE IV Proyecto 22, S.L.U., acquired on 29 October 2021, opted to apply the special tax regime set out in the aforementioned Law on 31 March 2022.
- Meridia RE IV Proyecto 31, S.L.U., incorporated on 29 November 2023, opted to apply the special tax regime set out in the aforementioned Law on 29 November 2023.
- Meridia RE IV Proyecto 32, S.L.U., incorporated on 29 November 2023, opted to apply the special tax regime set out in the aforementioned Law on 29 November 2023.

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MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts

31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Furthermore, the identification information and the dates the assets were acquired by the Company's investees are as follows:

Acquisition date	Asset name	Address	City	Asset type	Use	Maintenance date
15/10/2019	Cronos	Plaza de Cronos 1, Madrid	Madrid	Investment property	Offices	15/10/2019
07/11/2019	On	C/ Lull, 321	Barcelona	Investment property	Offices	07/11/2019
07/11/2019	Barcelona Norte	Sector Baricentro, Ctra Km 6.7, N-150	Barberà del Vallès	Investment property	Offices	07/11/2019
28/02/2020	Hotel Hesperia del Mar	C/d'Espronceda, 6	Barcelona	Investment property	Hotel	28/02/2020
03/03/2021	Swiss Building	Avinguda Meridiana 38	Barcelona	Investment property	Offices	03/03/2021
12/03/2021	Barberà industrial building	B-140,13	Barberà del Vallès	Investment property	Logistics	12/03/2021
15/12/2021	Julian Camarillo 22	C/Julian Camarillo 22	Madrid	Investment property	Logistics	15/12/2021
30/12/2021	Sarrià	C/d'Osi, 7-9	Barcelona	Investment property	Offices	30/12/2021
12/01/2023	Pere IV	C/Pere IV	Barcelona	Investment property	Offices	12/01/2023
09/05/2023	Milanesado 21-23	C/Milanesado 21-23	Barcelona	Investment property	Offices	09/05/2023
09/05/2023	Milanesado 25-27	C/Milanesado 25-27	Barcelona	Investment property	Offices	09/05/2023
04/08/2023	Bac de Roda	C/Bac de Roda 81	Barcelona	Investment property	Residential	04/08/2023

Date of acquisition/in corporation	Asset name	Address	City	Asset type	Maintenance date
25/07/2019	Meridia RE IV Proyecto 1, S.L.U.	Av. Diagonal 640	Barcelona	Investment	25/07/2019
25/07/2019	Meridia RE IV Proyecto 2, S.L.U.	Av. Diagonal 640	Barcelona	Investment	25/07/2019
25/07/2019	Meridia RE IV Proyecto 3, S.L.U.	Av. Diagonal 640	Barcelona	Investment	25/07/2019
25/07/2019	Meridia RE IV Proyecto 4, S.L.U.	Av. Diagonal 640	Barcelona	Investment	25/07/2019
25/07/2019	Meridia RE IV Proyecto 7, S.L.U.	Av. Diagonal 640	Barcelona	Investment	25/07/2019
28/02/2020	Meridia RE IV Proyecto 8, S.L.U.	Av. Diagonal 640	Barcelona	Investment	28/02/2020
04/12/2020	Meridia RE IV Proyecto 10, S.L.U.	Av. Diagonal 640	Barcelona	Investment	04/12/2020
04/12/2020	Meridia RE IV Proyecto 11, S.L.U.	Av. Diagonal 640	Barcelona	Investment	04/12/2020
04/12/2020	Meridia RE IV Proyecto 13, S.L.U.	Av. Diagonal 640	Barcelona	Investment	04/12/2020
24/03/2021	Meridia RE IV Proyecto 14, S.L.U.	Av. Diagonal 640	Barcelona	Investment	24/03/2021
24/03/2021	Meridia RE IV Proyecto 15, S.L.U.	Av. Diagonal 640	Barcelona	Investment	24/03/2021
20/09/2022	Meridia RE IV Proyecto 19, S.L.U.	Av. Diagonal 640	Barcelona	Investment	20/09/2022
29/10/2021	Meridia RE IV Proyecto 21, S.L.U.	Av. Diagonal 640	Barcelona	Investment	29/10/2021
29/10/2021	Meridia RE IV Proyecto 22, S.L.U.	Av. Diagonal 640	Barcelona	Investment	29/10/2021

g) Identification of the assets that qualify as part of the 80% mentioned in article 3.1 of this Law.

All of the buildings in the above list qualify as part of the 80% as well as the ownership interests indicated.

The consolidated balance sheet of the Group company Meridia RE IV, SOCIMI, S.A.U. complies with the minimum 80% of investment requirement.

(Continued)

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**Notes to the Consolidated Annual Accounts****31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

h) Reserves from years in which the special tax regime provided in this Law is applicable which have been applied in the tax period other than for the distribution thereof or to offset losses, identifying the year in which these reserves arise.

There is no evidence.

(21) Events after the Reporting Period

On 19 January 2024 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 5,250,000.00 to the Parent's equity, primarily for the purpose of funding the acquisition referred to below.

On 23 January 2024, having fulfilled the conditions precedent set out in the public deed of sale and purchase executed on 23 June 2023, the Company's subsidiary Meridia RE IV Proyecto 19, S.L.U. completed the acquisition of a logistics warehouse located in Granollers (Barcelona) for a total price of approximately Euros 14,500,000.00. A portion of the acquisition price was financed through a loan arranged with Banco Santander, S.A., amounting to approximately Euros 7,300,000.00. This loan accrues interest pegged to Euribor plus a market spread and matures on 23 January 2027. As part of the collateral package for this financing, the subsidiary extended, inter alia, a mortgage on the asset in favour of the bank.

On 26 February 2024 the Company's subsidiary Meridia RE IV Proyecto 31, S.L.U. acquired full ownership of a residential building located at calle Príncipe de Viana 14 in Barcelona for Euros 3,500,000.00. A portion of the acquisition price was financed through a loan of approximately Euros 2,300,000.00 arranged with Banco Sabadell, S.A. This financing matures on 31 January 2031. As part of the collateral package for this financing, the subsidiary extended, inter alia, a mortgage on the asset in favour of the bank.

Additionally, on 19 February 2024 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 1,500,000.00 to the Parent's equity, primarily for the purpose of funding the acquisition referred to previously.

MERIDIA RE IV, SOCIMI., S.A.U. AND SUBSIDIARIES

**Details of Investments in Subsidiaries
31 December 2023**

(Expressed in Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Company	Registered office	Activity	Auditor	Investment		Amount of the investment
				Group company holding the investment	% ownership	
Meridia RE IV Proyecto 1, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	7,553,000.00
Meridia RE IV Proyecto 2, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	14,103,000.00
Meridia RE IV Proyecto 3, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	1,361,997.44
Meridia RE IV Proyecto 4, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	3,303,000.00
Meridia RE IV Proyecto 7, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	1,753,000.00
Meridia RE IV Proyecto 8, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	13,873,941.99
Meridia RE IV Proyecto 10, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	6,254,000.00
Meridia RE IV Proyecto 11, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	5,428,000.00
Meridia RE IV Proyecto 13, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	11,803,000.00
Meridia RE IV Proyecto 14, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	6,680,139.08
Meridia RE IV Proyecto 15, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	5,254,630.00
Meridia RE IV Proyecto 19, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,903,000.00
Meridia RE IV Proyecto 21, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	6,438,000.00
Meridia RE IV Proyecto 22, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	2,223,000.00
Meridia RE IV Proyecto 31, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 32, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00

MERIDIA RE IV, SOCIMI., S.A.U. AND SUBSIDIARIES

**Details of Investments in Subsidiaries
31 December 2022**

(Expressed in Euros)

Company	Registered office	Activity	Auditor	Investment		Amount of the investment
				Group company holding the investment	% ownership	
Meridia RE IV Proyecto 1, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	7,553,000.00
Meridia RE IV Proyecto 2, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	14,103,000.00
Meridia RE IV Proyecto 3, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	4,103,000.00
Meridia RE IV Proyecto 4, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	3,303,000.00
Meridia RE IV Proyecto 7, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	1,753,000.00
Meridia RE IV Proyecto 8, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	13,873,941.99
Meridia RE IV Proyecto 10, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	6,254,000.00
Meridia RE IV Proyecto 11, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	5,428,000.00
Meridia RE IV Proyecto 13, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	13,003,000.00
Meridia RE IV Proyecto 14, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	703,000.00
Meridia RE IV Proyecto 15, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 17, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	1,073,000.00
Meridia RE IV Proyecto 19, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 21, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	1,873,000.00
Meridia RE IV Proyecto 22, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 23, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 24, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 25, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 26, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	Unaudited	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00

This appendix forms an integral part of note 4 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Classification of Financial Assets by Maturity
for the year ended 31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

31.12.2023	Euros						Years subsequent to 2028	Less current portion	Total non-current
	2024	2025	2026	2027	2028				
<i>Financial assets at fair value through profit or loss</i>									
Derivative financial instruments	-	-	758,217.00	291,498.19	-	-	-	-	1,049,715.19
Interest on derivative financial instruments	135,160.56	-	-	-	-	-	(135,160.56)	-	-
<i>Financial assets at amortised cost</i>									
Loans	2,720,000.00	-	-	-	-	-	(2,720,000.00)	-	-
Interest	47,809.67	-	-	-	-	-	(47,809.67)	-	-
Security and other deposits	3,386,664.04	74,697.55	109,570.09	373,368.42	-	500,584.78	(3,386,664.04)	1,058,220.84	-
Trade and other receivables									
Trade receivables – current	2,396,444.37	-	-	-	-	-	(2,396,444.37)	-	-
Other receivables	108,171.48	-	-	-	-	-	(108,171.48)	-	-
Total financial assets	8,794,250.12	74,697.55	867,787.09	664,866.61	-	500,584.78	(8,794,250.12)	2,107,936.03	-

This appendix forms an integral part of note 9 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Classification of Financial Assets by Maturity
for the year ended 31 December 2022

31.12.2022	Euros						Less current portion	Total non-current
	2023	2024	2025	2026	2027	Years subsequent to 2027		
<i>Financial assets at fair value through profit or loss</i>								
Derivative financial instruments	126,627.18	-	-	1,224,249.51	400,179.78	-	(126,627.18)	1,624,429.29
Interest on derivative financial instruments	36,801.02	-	-	-	-	-	(36,801.02)	-
<i>Financial assets at amortised cost</i>								
Security and other deposits	3,540,757.64	104,692.30	14,899.17	89,416.98	232,765.92	355,818.74	(3,540,757.64)	797,593.11
Trade and other receivables								
Trade receivables – current	828,351.01	-	-	-	-	-	(828,351.01)	-
Other receivables	885,616.25	-	-	-	-	-	(885,616.25)	-
Total financial assets	5,418,153.10	104,692.30	14,899.17	1,313,666.49	632,945.70	355,818.74	(5,418,153.10)	2,422,022.40

This appendix forms an integral part of note 9 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

**Details of Financial Liabilities by Category
for the year ended 31 December 2023**

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros	
	Non-current	Current
	Carrying amount	Carrying amount
<i>Financial liabilities at amortised cost</i>		
Loans and borrowings		
Loan	68,694,432.42	3,120,643.09
Commissions which are deducted from liability of the loan	(1,897,575.00)	(77,673.40)
Interest	-	760,138.12
Other financial liabilities	1,416,249.99	641,252.14
Trade and other payables		
Payables, related parties	-	686,844.04
Other payables	-	664,279.58
Total financial liabilities	68,213,107.41	5,795,483.57

This appendix forms an integral part of note 12 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Details of Financial Liabilities by Category
for the year ended 31 December 2022

	Euros	
	Non-current Carrying amount	Current Carrying amount
<i>Financial liabilities at amortised cost</i>		
Loans and borrowings		
Loan	49,803,130.71	2,165,330.41
Commissions which are deducted from liability of the loan	(1,013,225.67)	(111,731.95)
Interest	-	365,564.98
Payables to shareholders	-	20,500,000.00
Other financial liabilities	1,139,341.57	16,640.89
Trade and other payables		
Payables, related parties	-	1,265,371.23
Other payables	-	2,092,611.79
Total financial liabilities	49,929,246.61	26,293,787.35

This appendix forms an integral part of note 12 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Classification of Financial Liabilities by Maturity
for the year ended 31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	Euros							
	2024	2025	2026	2027	2028	Years subsequent to 2028	Less current portion	Total non-current
<i>Payables</i>								
Loans and borrowings	3,120,643.09	3,266,817.90	23,054,199.23	10,546,046.66	11,193,890.48	20,633,478.15	(3,120,643.09)	68,694,432.42
Loans and borrowings (fees and commissions deducted from the liability of the loan)	(77,673.40)	(79,548.04)	(347,933.18)	(289,468.90)	(489,859.72)	(690,765.16)	77,673.40	(1,897,575.00)
Interest	760,138.12	-	-	-	-	-	(760,138.12)	-
Other financial liabilities (security and other deposits)	641,252.14	26,986.55	109,570.09	444,924.29	-	834,769.06	(641,252.14)	1,416,249.99
Trade and other payables								
Payables, related parties	686,844.04	-	-	-	-	-	(686,844.04)	-
Other payables	664,279.58	-	-	-	-	-	(664,279.58)	-
Total	5,795,483.57	3,214,256.41	22,815,836.14	10,701,502.05	10,704,030.76	20,777,482.05	(5,795,483.57)	68,213,107.41

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Classification of Financial Liabilities by Maturity
for the year ended 31 December 2022

	Euros							
	2023	2024	2025	2026	2027	Years subsequent to 2027	Less current portion	Total non-current
<i>Payables</i>								
Loans and borrowings	2,165,330.41	3,021,403.81	3,072,694.30	22,813,890.14	9,470,951.34	11,424,191.12	(2,165,330.41)	49,803,130.71
Loans and borrowings (fees and commissions deducted from the liability of the loan)	(111,731.95)	(87,072.88)	(88,037.00)	(354,389.34)	(153,392.34)	(330,334.11)	111,731.95	(1,013,225.67)
Interest	365,564.98	-	-	-	-	-	(365,564.98)	-
Payables to shareholders	20,500,000.00	-	-	-	-	-	-	-
Other financial liabilities (security and other deposits)	16,640.89	104,692.30	14,899.18	89,416.98	292,466.76	637,866.35	(16,640.89)	1,139,341.57
Trade and other payables								
Payables, related parties	1,265,371.23	-	-	-	-	-	(1,265,371.23)	-
Other payables	2,092,611.79	-	-	-	-	-	(2,092,611.79)	-
Total	26,293,787.35	3,039,023.23	2,999,556.48	22,548,917.78	9,610,025.76	11,731,723.36	(5,793,787.35)	49,929,246.61

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Main Characteristics of Payables
for the year ended 31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Type	Currency	Nominal rate	Effective interest rate	Maturity	Nominal amount	Euros	
						Current	Non-current
<u>NON-RELATED PARTIES - financial institutions</u>							
<i>Meridia RE IV Proyecto 1, S.L.U.</i>							
Loans and borrowings (Tranche A)	Euros	12-month Euribor + spread	2.79%	2026	9,606,721.81	724,037.69	8,882,684.12
Loans and borrowings (Tranche B)	Euros	12-month Euribor + spread		2026	927,498.90	-	927,498.90
Fees and commission on loans and borrowings	Euros				-	(6,829.73)	(92,537.90)
Interest	Euros				-	49,068.69	-
<i>Meridia RE IV Proyecto 2, S.L.U.</i>							
Loans and borrowings (Tranche A)	Euros	3-month Euribor + spread	5.06%	2026	12,354,937.27	668,930.16	11,686,007.11
Loans and borrowings (Tranche B)	Euros	3-month Euribor + spread		2026	1,072,519.00	-	1,072,519.00
Fees and commission on loans and borrowings	Euros				-	(10,959.75)	(209,035.60)
Interest	Euros				-	116,939.72	-
<i>Meridia RE IV Proyecto 7, S.L.U.</i>							
Loans and borrowings	Euros	12-month Euribor + spread	4.67%	2030	10,200,000.00	385,507.48	9,814,492.52
Fees and commission on loans and borrowings	Euros				-	(11,059.25)	(281,553.25)
Interest	Euros				-	159,222.27	-
<i>Meridia RE IV Proyecto 8, S.L.U.</i>							
Loans and borrowings	Euros	12-month Euribor + spread	3.54%	2033	3,831,923.98	341,251.11	3,490,672.87
<i>Meridia RE IV Proyecto 10, S.L.U.</i>							
Loans and borrowings (Tranche A)	Euros	3-month Euribor + spread	5.27%	2028	4,080,000.01	906,666.69	3,173,333.32
Loans and borrowings (Tranche B)	Euros	3-month Euribor + spread		2028	4,000,000.00	-	-
Loans and borrowings (Tranche C)	Euros	3-month Euribor + spread		2028	2,000,000.00	-	-
Fees and commission on loans and borrowings	Euros				-	(46,069.93)	(161,244.73)
Interest	Euros			-	62,945.79	-	

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Main Characteristics of Payables
for the year ended 31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Type	Currency	Nominal rate	Effective interest rate	Maturity	Nominal amount	Euros	
						Current	Non-current
Meridia RE IV Proyecto 11, S.L.U.							
Loans and borrowings (Tranche A)	Euros	6-month Euribor + market spread	5.75%	2027	7,914,807.86	-	7,914,807.86
Loans and borrowings (Tranche B)	Euros	6-month Euribor + market spread		2027	2,300,000.00	-	-
Fees and commission on loans and borrowings	Euros				-	-	(189,362.23)
Interest	Euros				-	225,298.30	-
Meridia RE IV Proyecto 21, S.L.U.							
Loans and borrowings (Tranche A)	Euros	12-month Euribor + spread		2036	3,500,000.00	-	3,500,000.00
Loans and borrowings (Tranche B)	Euros	12-month Euribor + spread	4.35%	2036	6,300,000.00	-	-
Loans and borrowings (Tranche C)	Euros	12-month Euribor + spread		2036	700,000.00	-	-
Fees and commission on loans and borrowings	Euros				-	-	(240,345.61)
Interest	Euros				-	4,378.89	-
Meridia RE IV Proyecto 14, S.L.U.							
Loans and borrowings (Tranche A)	Euros	6-month Euribor + market spread	4.05%	2028	5,075,000.00	-	5,075,000.00
Loans and borrowings (Tranche B)	Euros	6-month Euribor + market spread		2028	2,000,000.00	-	-
Fees and commission on loans and borrowings	Euros			2028	-	-	(235,774.67)
Interest	Euros				-	42,790.80	-
Meridia RE IV Proyecto 15, S.L.U.							
Loans and borrowings (Tranche A)	Euros	6-month Euribor + market spread	4.05%	2028	4,925,000.00	-	4,925,000.00
Loans and borrowings (Tranche B)	Euros	6-month Euribor + market spread		2028	2,000,000.00	-	-
Fees and commission on loans and borrowings	Euros			2028	-	-	(227,279.88)
Interest	Euros				-	41,526.05	-

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Main Characteristics of Payables
for the year ended 31 December 2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Type	Currency	Nominal rate	Effective interest rate	Maturity	Euros		
					Nominal amount	Carrying amount	
					Current	Non-current	
<i>Meridia RE IV Proyecto 22, S.L.U.</i>							
Loans and borrowings	Euros	12-month Euribor + spread		2031	4,850,000.00	24,250.00	4,825,750.00
Fees and commission on loans and borrowings	Euros		2.27%	2031	-	(840.64)	(167,288.00)
Interest	Euros				-	45,412.98	-
<i>Meridia RE IV Proyecto 4, S.L.U.</i>							
Loans and borrowings	Euros	6-month Euribor + market spread	2.53%	2036	3,476,666.68	69,999.96	3,406,666.72
Fees and commission on loans and borrowings	Euros			2036	-	(1,914.10)	(93,153.13)
Interest	Euros				-	12,554.63	-
					91,115,075.51	3,803,107.81	66,796,857.42

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Main Characteristics of Payables
for the year ended 31 December 2022

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Type	Currency	Nominal rate	Effective interest rate	Maturity	Nominal amount	Euros	
						Current	Non-current
<u>NON-RELATED PARTIES - financial institutions</u>							
<i>Meridia RE IV Proyecto 1, S.L.U.</i>							
Loans and borrowings (Tranche A)	Euros	12-month Euribor + spread	1.82%	2026	10,320,000.00	713,278.19	9,606,721.81
Loans and borrowings (Tranche B)	Euros	12-month Euribor + spread		2026	927,498.90	-	927,498.90
Fees and commission on loans and borrowings	Euros					(35,901.31)	(101,720.37)
Interest	Euros					51,532.29	-
<i>Meridia RE IV Proyecto 2, S.L.U.</i>							
Loans and borrowings (Tranche A)	Euros	3-month Euribor + spread	2.87%	2026	12,958,711.87	603,774.60	12,354,937.27
Loans and borrowings (Tranche B)	Euros	3-month Euribor + spread		2026	1,072,519.00	-	1,072,519.00
Fees and commission on loans and borrowings	Euros					(75,830.64)	(218,596.76)
Interest	Euros					75,389.81	-
<i>Meridia RE IV Proyecto 7, S.L.U.</i>							
Loans and borrowings	Euros	12-month Euribor + spread	1.07%	2030	10,200,000.00	-	10,200,000.00
Fees and commission on loans and borrowings	Euros					-	(335,962.50)
Interest	Euros					109,196.67	-
<i>Meridia RE IV Proyecto 8, S.L.U.</i>							
Loans and borrowings	Euros	3-month Euribor + spread	0.67%	2033	4,176,431.35	395,043.34	3,781,388.01

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Main Characteristics of Payables
for the year ended 31 December 2022

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Type	Currency	Nominal rate	Effective interest rate	Maturity	Nominal amount	Euros	
						Current	Non-current
Meridia RE IV Proyecto 10, S.L.U.							
Loans and borrowings (Tranche A)	Euros	3-month Euribor + spread	2.17%	2028	4,513,300.00	433,300.00	4,080,000.00
Loans and borrowings (Tranche B)	Euros	3-month Euribor + spread		2028	4,000,000.00	-	-
Loans and borrowings (Tranche C)	Euros	3-month Euribor + spread		2028	2,000,000.00	-	-
Fees and commission on loans and borrowings	Euros				-	-	(274,398.00)
Interest					-	31,050.00	-
Meridia RE IV Proyecto 11, S.L.U.							
Loans and borrowings (Tranche A)	Euros	6-month Euribor + spread	2.50%	2027	5,500,000.00	19,934.28	5,480,065.72
Loans and borrowings (Tranche B)	Euros	6-month Euribor + spread		2027	2,300,000.00	-	2,300,000.00
Fees and commission on loans and borrowings	Euros					-	-
Interest	Euros				-	98,396.21	-
					57,968,461.12	2,419,163.44	48,789,905.04

This appendix forms an integral part of note 13 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Reconciliation of net income and expenses for the years with taxable income/tax loss
for the years ended 31 December 2023 and 2022

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2023						
	Euros						
	Income statement			Income and expense recognised in equity			Total
Increases	Decreases	Net	Increases	Decreases	Net		
Income and expenses for the period	-	-	(4,280,277.80)	-	-	-	(4,280,277.80)
Income tax	-	-	550,310.75	-	-	-	550,310.75
Consolidated profit before income tax	-	-	(3,729,967.05)	-	-	-	(3,729,967.05)
Permanent differences	1,375.45	(182,102.44)	(180,726.99)	-	-	-	(180,726.99)
Temporary differences							
Reversal of adjustment for bad debts Article 13.1	508,588.17	(428,522.22)	80,035.95	-	-	-	80,035.95
Impairment	490,752.86	-	490,752.86	-	-	-	490,752.86
Offset of tax loss carryforwards	-	-	-	-	-	-	-
Taxable income/(Tax loss)	492,128.31	(648,820.84)	(7,069,872.28)	-	-	-	(7,069,872.28)
	2022						
	Euros						
	Income statement			Income and expense recognised in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the period	-	-	14,597,138.39	-	-	-	14,597,138.39
Income tax	-	-	(247,725.54)	-	-	-	(247,725.54)
Consolidated profit before income tax	-	-	14,349,412.85	-	-	-	14,349,412.85
Permanent differences	343,443.52	(12,374,006.08)	(12,030,562.56)	-	-	-	(12,030,562.56)
Temporary differences							
Reversal of adjustment for bad debts Article 13.1	126,567.48	-	126,567.48	-	-	-	126,567.48
Offset of tax loss carryforwards	-	(751,934.24)	(751,934.24)	-	-	-	(751,934.24)
Taxable income/(Tax loss)	470,011.00	(13,125,940.32)	1,693,483.53	-	-	-	1,693,483.53

This appendix forms an integral part of note 15 to the consolidated annual accounts, in conjunction with which it should be read.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES
Relationship between the income tax expense/(income) and profit/(loss) for the years
ended 31 December 2023 and 2022

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

		Euros		
		Profit and loss	Equity	Total
2023				
	Income and expenses for the period before tax	(3,729,967.05)	-	(3,729,967.05)
	Tax at 0%	-	-	-
	Other	148,560.30	-	148,560.30
	Consolidation adjustments	401,750.45	-	401,750.45
		550,310.75	550,310.75	550,310.75
		Euros		
		Profit and loss	Equity	Total
2022				
	Income and expenses for the period before tax	14,349,412.85	-	14,349,412.85
	Tax at 0%	-	-	-
		-	-	-

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Directors' Report

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

In compliance with Article 262 of Royal Legislative Decree 1/2010 of 2 July 2010, which approves the revised Spanish Companies Act, we state the following:

1. Business performance and situation of the Group

The Group continued to implement the fund investment phase in 2023 through the materialisation of the following acquisitions:

- Meridia RE IV Proyecto 21, S.L.U.'s acquisition of an office building in Barcelona (Pere IV Building) on 12 January 2023 for a total of Euros 9,200,000.00, paid on the acquisition date.
- The acquisition by Meridia RE IV Proyecto 14, S.L.U. and Meridia RE IV Proyecto 15, S.L.U. of two adjacent office buildings in Barcelona (Milanesado 21-23 Building and Milanesado 25-27 Building) on 9 May 2023 for a total of Euros 19,027,385.81.
- Meridia RE IV Proyecto 22, S.L.U.'s acquisition of a residential building on calle Bac de Roda in Barcelona on 4 August 2023 for a total of Euros 6,600,000.00. This asset, which is recognised as investment property, is encumbered by a mortgage from a financial institution.

The Company has also continued to invest in its subsidiaries so that they can continue to carry out their investment activity, as well as improving its assets to increase their value.

The investment activity is expected to continue in 2024.

2. Research and development

No research or development costs were incurred in 2023.

3. Own shares

The Company held no own shares and carried out no transactions with own shares during 2023.

4. Financial risk management policies and objectives

(a) Financial risk factors

The Group's activities are exposed to various financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk, and cash flow interest rate risk. The Group's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Group's profits.

Risks are managed by the Risk Management Unit in accordance with policies approved by the Parent's board of directors. This unit identifies, evaluates and mitigates financial risks in close collaboration with the Group's operational units. The Parent's board of directors issues global risk management policies in writing, as well as policies for specific issues such as currency risk, interest rate risk, liquidity risk, the use of derivatives and non-derivative instruments, and investments of cash surpluses.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Directors' Report

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(i) *Credit risk*

The Group is not significantly exposed to credit risk. Derivative and cash transactions are only performed with financial institutions that have high credit ratings. The Group has policies to limit the amount of risk with any one financial institution.

Valuation allowances for bad debts, and the review of individual balances based on customers' credit ratings, current market trends and historical analysis of bad debts at an aggregated level, require a high degree of judgement.

(ii) *Liquidity risk*

The Group applies a prudent policy to cover its liquidity risks based on having sufficient cash as well as sufficient financing through credit facilities committed with third parties and commitments from shareholders.

(iii) *Cash flow and fair value interest rate risks*

The Group manages cash flow interest rate risk through variable to fixed interest rate swaps. These interest rate swaps convert variable interest rates on borrowings to fixed interest rates. The Group obtains non-current borrowings with variable interest rates and swaps these for fixed interest rates that are normally lower than if the financing had been obtained by the Group directly with fixed interest rates. Through interest rate swaps the Group undertakes to exchange on a quarterly basis the difference between fixed interest and variable interest with other parties. The difference is calculated based on the contracted notional principal amount.

5. Derivative financial instruments

(a) Interest rate swaps

The Group has the following financial swaps through its subsidiaries:

- On 22 October 2019 Meridia RE IV Proyecto 1, S.L.U. entered into a financing agreement with Abanca Corporación Bancaria, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest on these swaps is at a fixed annual rate of 0.25% and a variable rate pegged to 12-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	22/10/2019	01/11/2023	6,035,000.00

The fair value of these financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting on these instruments and their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 126,627.18 in 2023 and profit of Euros 152,589.90 in 2022).

The derivative matured on 1 November 2023 and consequently, no amount has been recorded in the balance sheet at 31 December 2023 (at 31 December 2022 the value of this derivative was Euros 126,627.18 recognised as a current asset).

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Directors' Report

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- On 7 November 2019 Meridia RE IV Proyecto 2, S.L.U. entered into a loan agreement with Caixabank, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest on this swap is at a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	15,551,526.71

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 466,032.51 in 2023 and profit of Euros 1,216,320.95 in 2022).

The value of this derivative at 31 December 2023 amounts to Euros 758,217.00 (Euros 1,224,249.51 at 31 December 2022), recognised as a non-current asset at 31 December 2023 and 2022.

- On 7 November 2019 Meridia RE IV Proyecto 3, S.L.U. entered into a loan agreement with Caixabank, S.A. which includes an interest rate swap to hedge exposure to interest rate fluctuations on the loan. The interest rate on this swap is a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	9,851,145.05

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 739,677.64 in 2022).

This derivative was redeemed in 2022 on account of the cancellation of the mortgage loan described in note 13.

- On 7 November 2019 Meridia RE IV Proyecto 4, S.L.U. entered into an interest rate swap agreement with Caixabank, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest rate on this swap is a fixed annual rate of 0.3275% and a variable rate pegged to 3-month Euribor, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	07/11/2019	07/11/2026	3,597,328.24

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Directors' Report

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 268,365.99 in 2022).

This derivative was redeemed in 2022 on account of the cancellation of the mortgage loan described in note 13.

- On 30 July 2022 Meridia RE IV Proyecto 6, S.L.U. entered into an interest rate swap agreement with Banc Sabadell, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest rate on this swap is a fixed annual rate of 0.157% and a variable rate pegged to 6-month Euribor, payable on a half-yearly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	30/01/2023	30/01/2026	6,400,000.00

The fair value of financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (no impact on profit or loss in 2023 and profit of Euros 487,000.00 in 2022).

At 31 December 2022 this derivative is not recorded on the consolidated balance sheet as it has been transferred in the context of the transfer of 100% of the shares that the Group held in Meridia RE IV Proyecto 6, S.L.U. (see note 4.a).

- On 25 January 2022 Meridia RE IV Proyecto 11, S.L.U. entered into an interest rate swap agreement with Banco Santander, S.A. to hedge its exposure to fluctuations in interest rates on the loan taken out with the same financial institution on the same date. The interest rate on these swaps is a fixed annual rate of 0.594% and a variable rate pegged to 6-month Euribor, payable on a half-yearly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal amount</u>
Financial interest rate swap	25/01/2022	25/01/2027	4,000,000.00

The fair value of these financial swaps is based on the market values of equivalent derivative financial instruments at the reporting date. The Group does not apply hedge accounting on these instruments and their change in fair value is recognised as income or expense in the consolidated income statement for the year (losses of Euros 108,681.59 in 2023 and profit of Euros 400,179.78 in 2022).

The value of this derivative amounts to Euros 291,498.19 recognised as a non-current asset at 31 December 2023 (Euros 400,179.78 recognised as a non-current asset at 31 December 2022).

6. Average supplier payment period

The average supplier payment period for the Spanish Group companies is 54.55 days. The amount exceeding the limit stipulated by Late Payment Law shall be recovered in 2024 through stricter control over payments.

7. Significant events after the reporting period

On 19 January 2024 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 5,250,000.00 to the Parent's equity, primarily for the purpose of funding the acquisition referred to below.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

Directors' Report

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

On 23 January 2024, having fulfilled the conditions precedent set out in the public deed of sale and purchase executed on 23 June 2023, the Company's subsidiary Meridia RE IV Proyecto 19, S.L.U. completed the acquisition of a logistics warehouse located in Granollers (Barcelona) for a total price of approximately Euros 14,500,000.00. A portion of the acquisition price was financed through a loan arranged with Banco Santander, S.A., amounting to approximately Euros 7,300,000.00. This loan accrues interest pegged to Euribor plus a market spread and matures on 23 January 2027. As part of the collateral package for this financing, the subsidiary extended, inter alia, a mortgage on the asset in favour of the bank.

On 26 February 2024 the subsidiary of the Company, Meridia RE IV Proyecto 31, S.L.U., acquired full ownership of a residential building located on calle Príncipe de Viana 14 in Barcelona for Euros 3,500,000.00. A portion of the acquisition price was financed through a loan arranged with Banco de Sabadell, S.A., amounting to approximately Euros 2,300,000.00. This financing matures on 31 January 2031. As part of the collateral package for this financing, the subsidiary extended, inter alia, a mortgage on the asset in favour of the bank.

Additionally, on 19 February 2024 the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, arranged a monetary contribution of Euros 1,500,000.00 to the Parent's equity, primarily for the purpose of funding the acquisition referred to previously.

MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES

2023

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

On 28 March 2024, pursuant to the requirements of article 253.2 of the Revised Spanish Companies Act and article 37 of the Spanish Code of Commerce, the board of directors of MERIDIA RE IV, SOCIMI, S.A.U. authorised for issue the consolidated annual accounts and consolidated directors' report for the year ended 31 December 2023. The consolidated annual accounts comprise the accompanying documents that precede this certification.

Signed:

Mr Javier Faus

Mr José Luis Raso

Ms Elisabet Gómez