



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 2021)

*(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 2021, 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 2021, 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.



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

## **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, 4 and 6 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 2021 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 2021 and the content and presentation of the report are in accordance with applicable legislation.



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

## **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.



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

- 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 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 May 2022

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

**Consolidated Financial Statements**

31 December 2021

(With Independent 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 Statement of Financial Position**

**at 31 December 2021**

(Expressed in Euros)

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

<b>Assets</b>	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Property, plant and equipment</b>	<b>Note 5</b>	<b>290,411.30</b>	<b>-</b>
Technical installations and other items		290,411.30	-
<b>Investment property</b>	<b>Note 6</b>	<b>180,932,236.48</b>	<b>93,846,916.89</b>
Land		68,509,776.84	36,673,312.75
Buildings		105,824,472.39	55,764,631.94
Investments in adaptation and advances		6,597,987.25	1,408,972.20
<b>Non-current investments</b>	<b>Notes 9 and 10</b>	<b>1,217,974.97</b>	<b>1,001,401.48</b>
Equity instruments		91,665.67	-
Loans to companies		783,333.33	300,000.00
Derivatives	<b>Note 11</b>	14,784.93	-
Other financial assets		328,191.04	701,401.48
<b>Total non-current assets</b>		<b>182,440,622.75</b>	<b>94,848,318.37</b>
<b>Trade and other receivables</b>		<b>3,284,891.80</b>	<b>1,014,671.88</b>
Trade receivables – current	<b>Notes 9 and 10</b>	1,600,236.55	387,064.17
Other receivables	<b>Notes 9 and 10</b>	190,667.12	4,314.36
Personnel	<b>Notes 9 and 10</b>	11,200.00	-
Current tax assets	<b>Notes 10 and 16</b>	95,890.48	-
Public entities, other	<b>Notes 10 and 16</b>	1,386,897.65	623,293.35
<b>Current investments</b>	<b>Notes 9 and 10</b>	<b>2,060,831.43</b>	<b>7,597,667.73</b>
Loans to companies		91,972.00	5,298,877.76
Other financial assets		1,968,859.43	2,298,789.97
<b>Prepayments for current assets</b>		<b>48,704.99</b>	<b>41,245.95</b>
<b>Cash and cash equivalents</b>		<b>5,475,261.08</b>	<b>876,687.96</b>
Cash		5,475,261.08	876,687.96
<b>Total current assets</b>		<b>10,869,689.30</b>	<b>9,530,273.52</b>
<b>Total assets</b>		<b>193,310,312.05</b>	<b>104,378,591.89</b>

The accompanying consolidated notes form an integral part of the consolidated financial statements.

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

**Consolidated Statement of Financial Position**

**at 31 December 2021**

(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>	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Capital and reserves</b>	<b>Note 12</b>	<b>116,154,639.73</b>	<b>44,315,301.25</b>
Capital			
Registered capital		5,000,000.00	5,000,000.00
Other shareholder contributions		120,370,000.00	45,920,000.00
Prior years' losses		(6,704,814.75)	(618,895.58)
Profit/(loss) attributable to the Parent		(2,510,545.52)	(5,985,803.17)
<b>Total equity</b>		<b>116,154,639.73</b>	<b>44,315,301.25</b>
<b>Non-current payables</b>	<b>Notes 13 and 14</b>	<b>53,629,079.04</b>	<b>42,321,159.75</b>
Loans and borrowings		50,073,641.99	41,246,204.02
Derivatives	<b>Note 11</b>	25,962.72	394,831.05
Other financial liabilities		3,529,474.33	680,124.68
<b>Deferred tax liabilities</b>	<b>Note 16</b>	<b>4,103,571.95</b>	<b>3,692,846.83</b>
<b>Total non-current liabilities</b>		<b>57,732,650.99</b>	<b>46,014,006.58</b>
<b>Current payables</b>	<b>Notes 13 and 14</b>	<b>18,047,479.31</b>	<b>13,081,041.10</b>
Loans and borrowings		4,052,288.19	1,300,300.35
Derivatives		-	16,303.76
Other financial liabilities		13,995,191.12	11,764,436.99
<b>Trade and other payables</b>		<b>1,375,542.02</b>	<b>968,242.96</b>
Suppliers and trade payables related parties	<b>Notes 13 and 14</b>	348,358.74	138,808.68
Other payables	<b>Notes 13 and 14</b>	792,823.57	629,698.01
Public entities, other	<b>Note 16</b>	140,387.60	199,736.27
Customer advances	<b>Note 14</b>	93,972.11	-
<b>Total current liabilities</b>		<b>19,423,021.33</b>	<b>14,049,284.06</b>
<b>Total equity and liabilities</b>		<b>193,310,312.05</b>	<b>104,378,591.89</b>

The accompanying consolidated notes form an integral part of the consolidated financial statements.

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

**Consolidated Income Statement  
for the year ended  
31 December 2021**

(Expressed in Euros)

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

	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>	<b>Note 19</b>	<b>4,480,441.81</b>	<b>3,932,496.19</b>
Services rendered		4,480,441.81	3,932,496.19
<b>Other operating income</b>	<b>Note 19</b>	<b>1,222,115.48</b>	<b>767,378.61</b>
Non-trading and other operating income (other than rentals)		1,222,115.48	767,378.61
<b>Personnel expenses</b>		<b>(156,750.17)</b>	<b>(62,121.23)</b>
Salaries and wages		(113,229.40)	(48,470.93)
Employee benefits expense	<b>Note 19</b>	(43,520.77)	(13,650.30)
<b>Other operating expenses</b>		<b>(6,543,129.02)</b>	<b>(4,440,841.61)</b>
External services		(5,584,892.77)	(3,133,187.99)
Taxes		(620,138.94)	(494,854.28)
Losses, impairment and changes in trade provisions		(302,180.80)	(779,288.63)
Other expenses		(35,916.51)	(33,510.71)
<b>Amortisation and depreciation</b>	<b>Notes 5 y 6</b>	<b>(1,580,847.78)</b>	<b>(924,912.84)</b>
<b>Impairment and gains/(losses) on disposal of fixed assets</b>		<b>1,843,829.00</b>	<b>(5,582,404.82)</b>
Impairment and losses	<b>Note 6</b>	1,907,001.81	(5,582,404.82)
Disposal of fixed assets		(63,172.81)	-
<b>Other income/expenses</b>		<b>(234,153.22)</b>	<b>-</b>
<b>Results from operating activities</b>		<b>(968,493.90)</b>	<b>(6,310,405.70)</b>
<b>Finance income</b>		<b>47,270.57</b>	<b>135,824.12</b>
Other		47,270.57	135,824.12
<b>Finance expenses</b>		<b>(1,459,386.73)</b>	<b>(1,052,006.94)</b>
Other		(1,459,386.73)	(1,052,006.94)
<b>Change in fair value of financial instruments</b>		<b>383,653.26</b>	<b>(195,139.65)</b>
Trading portfolio and other	<b>Note 11</b>	383,653.26	(195,139.65)
<b>Net finance cost</b>		<b>(1,028,462.90)</b>	<b>(1,111,322.47)</b>
<b>Loss before income tax</b>		<b>(1,996,956.80)</b>	<b>(7,421,728.17)</b>
Income tax	<b>Note 16</b>	(513,588.72)	1,435,925.00
<b>Consolidated loss for the year</b>		<b>(2,510,545.52)</b>	<b>(5,985,803.17)</b>
<b>Loss attributable to the Parent</b>		<b>(2,510,545.52)</b>	<b>(5,985,803.17)</b>

The accompanying consolidated notes form an integral part of the consolidated financial statements.

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

**Consolidated Statement of Comprehensive Income  
for the year ended  
31 December 2021**

(Expressed in Euros)

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

	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Consolidated profit for the year</b>		<b>(2,510,545.52)</b>	<b>(5,985,803.17)</b>
<b>Total recognised income and expense</b>		<b>(2,510,545.52)</b>	<b>(5,985,803.17)</b>
<b>Total income and expense attributable to the Parent</b>		<b>(2,510,545.52)</b>	<b>(5,985,803.17)</b>

The accompanying consolidated notes form an integral part of the consolidated financial statements.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Consolidated Statement of Changes in Equity for the year ended**

**31 December 2021**

(Expressed in Euros)

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

	Registered capital	Other shareholder shares	Prior years' profit and loss	Profit/(loss) attributable to the Parent	Total
<b>Balance at 1 January 2021</b>	<b>5,000,000.00</b>	<b>45,920,000.00</b>	<b>(618,895.58)</b>	<b>(5,985,803.17)</b>	<b>44,315,301.25</b>
Total consolidated recognised income and expense	-	-	-	(2,510,545.52)	<b>(2,510,545.52)</b>
Transactions with shareholders or owners					
Other shareholder contributions	-	74,450,000.00	-	-	<b>74,450,000.00</b>
Distribution of profit for the prior year	-	-	(5,985,803.17)	5,985,803.17	-
Other movements	-	-	(100,116.00)	-	<b>(100,116.00)</b>
<b>Balance at 31 December 2021</b>	<b>5,000,000.00</b>	<b>120,370,000.00</b>	<b>(6,704,814.75)</b>	<b>(2,510,545.52)</b>	<b>116,154,639.73</b>

	Registered capital	Other shareholder shares	Reserves	Prior years' profit and loss	Profit/(loss) attributable to the Parent	Total
<b>Balance at 1 January 20210</b>	<b>5,000,000.00</b>	<b>30,800,000.00</b>	-	-	<b>(618,895.58)</b>	<b>35,181,104.42</b>
Total consolidated recognised income and expense	-	-	-	-	(5,985,803.17)	<b>(5,985,803.17)</b>
Transactions with shareholders or owners						
Other shareholder contributions	-	15,120,000.00	-	-	-	<b>15,120,000.00</b>
Other changes in equity						
Application of losses for the prior year	-	-	-	(618,895.58)	618,895.58	-
<b>Balance at 31 December 2020</b>	<b>5,000,000.00</b>	<b>45,920,000.00</b>	-	<b>(618,895.58)</b>	<b>(5,985,803.17)</b>	<b>44,315,301.25</b>

The accompanying consolidated notes form an integral part of the consolidated financial statements.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Statements of Cash Flows for the year ended 31 December 2021**

(Expressed in Euros)

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

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) for the year before tax</b>	<b>(1,996,956.80)</b>	<b>(7,421,728.17)</b>
<b>Adjustments for:</b>		
Amortisation and depreciation	1,580,847.78	924,912.84
Impairment	(1,604,821.00)	6,361,693.45
Finance income	(47,270.57)	(135,824.12)
Finance costs	1,459,386.73	1,052,006.94
Change in fair value of financial instruments	(383,653.26)	195,139.65
Other income and expenses	1,213.40	(31,944.70)
<b>Changes in operating assets and liabilities</b>		
Trade and other receivables	(2,181,539.37)	(1,459,158.09)
Trade and other payables	374,095.28	316,475.30
<b>Other cash flows from operating activities</b>		
Corporate income tax collected	(95,890.48)	-
Interest collected	47,270.57	-
Interest paid	(1,880,426.75)	(907,845.36)
<b>Net cash flows from (used in) operating activities</b>	<b>(4,727,744.47)</b>	<b>(1,106,272.26)</b>
<b>Cash flows from investing activities</b>		
<b>Payments for investments</b>		
Group companies, net of cash of consolidated companies	(5,516,538.86)	(8,586,351.92)
Property, Plant and equipment	(398,810.49)	-
Investment property	(69,745,637.78)	(4,573,718.29)
Other financial assets	(499,419.04)	(2,435,801.40)
<b>Proceeds from investments</b>		
Other financial assets	315,555.12	-
<b>Net cash flows used in investing activities</b>	<b>(75,844,851.05)</b>	<b>(15,595,871.61)</b>
<b>Cash flows from financing activities</b>		
<b>Proceeds from and payments for equity instruments</b>		
Issue of equity instruments	77,800,000.00	15,120,000.00
Amortisation of equity instruments	(3,350,000.00)	-
<b>Proceeds from and payments for financial liability instruments</b>		
Issue		
Loans and borrowings	13,307,448.79	-
Other financial liabilities	-	610,009.24
Redemption and repayment of		
Loans and borrowings	(1,342,174.60)	(1,249,389.07)
Other payables	(1,244,105.55)	-
<b>Net cash flows from financing activities</b>	<b>85,171,168.64</b>	<b>14,480,620.17</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,598,573.12</b>	<b>(2,221,523.70)</b>
Cash and cash equivalents at beginning of year	876,687.96	3,098,211.66
Cash and cash equivalents at year end	5,475,261.08	876,687.96

The accompanying consolidated notes form an integral part of the consolidated financial statements.

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

### **Notes to the Consolidated Financial Statements**

**31 December 2021**

*(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. (hereinafter "the Company" or "the Parent"), is a Spanish company with tax identification number A67476168, incorporated by deed granted by 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.

#### **SOCIMI (Spanish REIT), Law 11/2009**

On 6 September 2019 the Company requested from the Spanish taxation authorities to 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 sole shareholder on 2 September 2019.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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 5, 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 6, 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 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 9, S.L.U., acquired on 16 February 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- 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 12, 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 16, 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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- Meridia RE IV Proyecto 17, 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 18, S.L.U., acquired on 15 April 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- Meridia RE IV Proyecto 20, S.L.U., incorporated on 29 October 2021.
- Meridia RE IV Proyecto 21, S.L.U., incorporated on 29 October 2021.
- Meridia RE IV Proyecto 22, S.L.U., incorporated on 29 October 2021.
- Meridia RE IV Proyecto 23, S.L.U., incorporated on 29 October 2021.

The principal statutory activities of these wholly owned investees of the Company, are the acquisition of urban real estate assets to be leased. These 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 to be 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 based on the consolidated statement of financial position 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). This percentage was met at 31 December 2021 and 2020.

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. This percentage was met at 31 December 2021 and 2020.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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.

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.

On 1 July 2021 all of the Company's shares were admitted to trading on Euronext Paris, and therefore this requirement is met.

2. SOCIMI must have minimum share capital of Euros 5 million. 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 12.

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.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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.

In this regard, Meridia RE IV Proyecto 2, S.L.U. and Meridia RE IV Proyecto 9, S.L.U. obtained profits during 2021 and it was therefore mandatory to distribute dividends once the mercantile obligations relating thereto have been met. The remaining Group companies incurred losses during the year ended 31 December 2020.

At 31 December 2020 the investees which have generated profits are Meridia RE IV Proyecto 1, S.L.U. and Meridia RE IV Proyecto 2, S.L.U. and it is therefore obligatory for dividends to be distributed to the Company once the mercantile obligations relating thereto have been met. The remaining Group companies incurred losses during the year ended 31 December 2020.

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 though 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 2021 all the requirements set out by Law 11/2009 of 26 October 2009 governing SOCIMI were met.

A 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.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**(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 2021 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 2021 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 2021, authorised for issue on 31 March 2022, 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 2021 include comparative figures for 2020, which formed part of the consolidated annual accounts approved by shareholders at the annual general meeting held on 30 June 2021.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

The accounting principles and the main measurement standards used by the Group to prepare these consolidated annual accounts are the same as those applied in the previous year, except for the application of Royal Decree 1/2021 of 12 January 2021, amending the Spanish General Chart of Accounts approved under Royal Decree 1514/2007 of 16 November 2007, and the Spanish Accounting and Auditing Institute (ICAC) Resolution of 10 February 2021, setting out the standards with regard to recognition, measurement and the preparation of annual accounts for the purpose of recognising revenue from the delivery of goods and rendering of services.

The main changes essentially refer to the transposition into local accounting principles of a large part of the standards set out in IFRS-EU 9, IFRS-EU 15, IFRS-EU 7 and IFRS-EU 13.

The Group has not adjusted the carrying amount of financial assets and financial liabilities, or the revenues recognised in reserves at 1 January 2021 following the application of the new accounting regulations.

As a result of the new regulations, the Company's accounting policies for financial assets and financial liabilities and other financial instruments, and for revenue recognition have been amended with effect from 1 January 2021, as follows:

a) Financial instruments

New criteria have been introduced for the classification, measurement and derecognition of financial assets and financial liabilities, as well as new rules for hedge accounting.

On first-time adoption of this standard at 1 January 2021, the Group has opted to apply the practical expedient of not restating the comparative information for 2020, opting instead for prospective application of criteria for the classification of financial instruments.

It has opted to change the classification of assets and liabilities in 2020, which does not affect their measurement. At 1 January 2021, the Company has not adjusted the carrying amount of financial assets and financial liabilities in reserves. The Company holds financial assets in the form of debt instruments primarily for the purpose of obtaining contractual cash flows, and consequently they continue to be measured at amortised cost as of 1 January 2021. Financial liabilities also continue to be measured at amortised cost as of that date.

The standard requires greater disclosure of information on financial instruments in the notes to the annual accounts, essentially on risk management and on the fair value hierarchy and valuation techniques.

b) Revenue recognition

The standard stipulates a new recognition model for revenue from contracts with customers, where revenue should be recognised based on fulfilment of the performance obligations with the customers. Revenue represents the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has opted to apply the practical expedient of the new standard as the first-time adoption method at 1 January 2021 for all new contracts as of that date, rather than restating the comparative information for 2020.

The Group has reviewed its internal revenue recognition policies for different types of contracts with customers, identifying the performance obligations, determining the time frames within which these obligations are satisfied, and establishing the price of the transaction and its allocation, in order to detect any potential differences vis-à-vis the revenue recognition model under the new standard, finding no significant differences between them, nor any performance obligations that would give rise to the recognition of liabilities from contracts with customers.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

## (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.d).
- The recoverable amount of investment property based on appraisals made by independent experts (note 4.d).
- Estimates of valuation adjustments applied to receivables for late payment or insolvency (note 4.g).

Although estimates are calculated by the Company's directors based on the best information available at 31 December 2021, future events may require changes to these estimates in subsequent years. Any effect of adjustments to be made in subsequent years would be recognized prospectively.

**(3) Application of Losses**

The application of the Parent's 2020 losses approved at the general meeting held on 30 June 2021, is as follows:

	<u>Euros</u>
<u>Basis of allocation</u>	
Losses for the year	<u>(4,978,569.74)</u>
	<b><u>(4,978,569.74)</u></b>
<u>Application</u>	
Prior years' losses	<u>(4,978,569.74)</u>
	<b><u>(4,978,569.74)</u></b>

The proposed application of the Parent's 2021 losses to be submitted to the sole shareholder is as follows:

Euros

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

	<u>Euros</u>
<u>Basis of allocation</u>	
Losses for the year	<u>(934,134.39)</u>
	<b><u>(934,134.39)</u></b>
<u>Application</u>	
Prior year's losses	<u>(934,134.39)</u>
	<b><u>(934,134.39)</u></b>

**(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.

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 in 2021 and the financial year of these companies is therefore less than one year, from their incorporation date to 31 December 2021:

- Meridia RE IV Proyecto 9, S.L.U. was acquired on 16 February 2021.
- Meridia RE IV Proyecto 14, S.L.U. was incorporated on 24 March 2021.
- Meridia RE IV Proyecto 15, S.L.U. was incorporated on 24 March 2021.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- Meridia RE IV Proyecto 16, S.L.U. was incorporated on 24 March 2021.
- Meridia RE IV Proyecto 17, S.L.U., was incorporated on 24 March 2021.
- Meridia RE IV Proyecto 18, S.L.U. was acquired on 15 April 2021.
- Meridia RE IV Proyecto 20, S.L.U. was incorporated on 29 October 2021.
- Meridia RE IV Proyecto 21, S.L.U. was incorporated on 29 October 2021.
- Meridia RE IV Proyecto 22, S.L.U. was incorporated on 29 October 2021.
- Meridia RE IV Proyecto 23, S.L.U. was incorporated on 29 October 2021.

(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.

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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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 exchange rates 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.

**(ii) Depreciation**

Property, plant and equipment are depreciated by allocating the depreciable amount of the 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:

	<b>Depreciation method</b>	<b>Estimated years of useful life</b>
Technical installations and machinery	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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

*(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 independently 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.

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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

Property, plant and equipment are depreciated by allocating the depreciable amount of the 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:

	<b>Depreciation method</b>	<b>Estimate years of usefull life</b>
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 2022. 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.

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 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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**Operating leases**

Assets leased to third parties under operating lease contracts are presented according to their nature, applying the accounting policies set out in 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.

**(h) Financial instruments*****(i) Classification and separation 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;

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- 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).

**(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, 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 Parent 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***

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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 in the income statement. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

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 difference is recognised 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 the 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.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

*(vi) Cancellation 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 criteria 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.

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 the event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

It is considered there is objective evidence of impairment of loans and receivables and debt instruments when a reduction or delay is incurred in the estimated future cash flows, which could be 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.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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 assets and 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.

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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**(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 not 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.

**(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 substantially enacted at the reporting date.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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.

As described in note 1, the companies forming part of the Group 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 recognized.

*(i) Taxable temporary differences*

Taxable temporary differences are recognized 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 recognized provided that:

- It is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilized, 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 realized or the liability is settled, based on tax rates and tax

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

laws that have been enacted or substantially 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.

(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 authorized 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 recognized 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 recognized at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognized in line with the underlying economic substance of the transaction.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**31 December 2021**

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

**(5) Property, Plant and Equipment**

Details of property, plant and equipment and movement are as follows:

Description	Euros	
	31.12.2021	
	Technical installations and other items	Total
Cost at 1 January 2021	-	-
Additions	389,810.49	<b>389,810.49</b>
Cost at 31 December 2021	389,810.49	<b>389,810.49</b>
Accumulated depreciation at 1 January 2021	-	-
Depreciation	(99,399.19)	<b>(99,399.19)</b>
Accumulated depreciation at 31 December 2021	(99,399.19)	<b>(99,399.19)</b>
Carrying amount at 31 December 2021	<b>290,411.30</b>	<b>290,411.30</b>

At 31 December 2020 the Company did not have any items of property, plant and equipment.

Additions in property, plant and equipment during the year ended 31 December 2021 consist in technical installations and other items included in the campsite acquired in Las Negras (Almería) on February 16, 2021, amounting to Euros 250,859.38 and in the campsite acquired in Cala Montgó (Girona) on March 25, 2021 amounting to Euros 138,951.11.

(a) Fully depreciated assets

At 31 December 2021 the Company does not have any fully depreciated items of property, plant and equipment in use.

(b) Insurance

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

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**31 December 2021**

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

**(6) Investment Property**

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

Description	Euros			Total
	Land	Buildings	Investments in adaptation and advances	
	<b>31.12.2021</b>			
Cost at 1 January 2021	38,520,905.76	60,561,521.62	1,408,972.20	<b>100,491,399.58</b>
Additions	31,217,814.25	48,507,132.02	6,934,820.11	<b>86,659,766.38</b>
Transfers	-	1,745,805.06	(1,745,805.06)	-
Cost at 31 December 2021	<b>69,738,720.01</b>	<b>110,814,458.70</b>	<b>6,597,987.25</b>	<b>187,151,165.96</b>
Accumulated depreciation at 1 January 2021	-	(1,062,077.87)	-	<b>(1,062,077.87)</b>
Depreciation	-	(1,481,448.59)	-	<b>(1,481,448.59)</b>
Accumulated depreciation at 31 December 2021	-	<b>(2,543,526.46)</b>	-	<b>(2,543,526.46)</b>
Accumulated impairment at 1 January 2021	(1,847,593.01)	(3,734,811.81)	-	<b>(5,582,404.82)</b>
Reversal of impairment losses	618,649.84	1,288,351.96	-	<b>1,907,001.80</b>
Accumulated impairment at 31 December Deterioro acumulado de valor al 31 de diciembre de 2021	<b>(1,228,943.17)</b>	<b>(2,446,459.85)</b>	-	<b>(3,675,403.02)</b>
Carrying amount at 31 December Valor neto contable al 31 de diciembre de 2021	<b>68,509,776.84</b>	<b>105,824,472.39</b>	<b>6,597,987.25</b>	<b>180,932,236.48</b>

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

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

Description	Euros			Total
	Land	Buildings	Investments in adaptation and advances	
	<b>31.12.2020</b>			
Cost at 1 January 20210	28,156,826.81	42,845,824.58	-	<b>71,002,651.39</b>
Additions	10,364,078.95	17,715,697.04	1,408,972.20	<b>29,488,748.19</b>
Cost at 31 December 2020	<b>38,520,905.76</b>	<b>60,561,521.62</b>	<b>1,408,972.20</b>	<b>100,491,399.58</b>
Accumulated depreciation at 1 January 2020	-	(137,165.03)	-	<b>(137,165.03)</b>
Depreciation	-	(924,912.84)	-	<b>(924,912.84)</b>
Accumulated depreciation at 31 December 2020	-	<b>(1,062,077.87)</b>	-	<b>(1,062,077.87)</b>
Accumulated impairment at 1 January 2020	-	-	-	-
Impairment losses	(1,847,593.01)	(3,734,811.81)	-	<b>(5,582,404.82)</b>
Accumulated impairment at 31 December 2020	<b>(1,847,593.01)</b>	<b>(3,734,811.81)</b>	-	<b>(5,582,404.82)</b>
Carrying amount at 31 December 2020	<b>36,673,312.75</b>	<b>55,764,631.94</b>	<b>1,408,972.20</b>	<b>93,846,916.89</b>

Additions to investment property in 2020 mainly consist of the acquisition of the following properties, together with the additional costs relating to these acquisitions:

- Acquisition on February 16, 2021, of Camping Náutico La Caleta, S.L., which included a campsite located in Las Negras (Almeria) for a total amount of Euros 5,418,690.15 , , considered as an asset purchase A portion of the payment of this purchase has been deferred until May 16, 2023. In this sense, on December 31, 2021, other non-current financial liabilities include an amount of Euros 3,102,428.00 which reflects the deferred amount for the acquisition mentioned (see note 14).

On April 15, 2021, the Group, through its Parent, changed the name of Camping Náutico La Caleta, S.L. to Meridia RE IV Proyecto 9, S.L.U.

- Meridia RE IV Proyecto 7, S.L.U.'s acquisition on March 3, 2021, of one office building located in Barcelona (Swiss Building) for a total amount of Euros 10,350,000.00. A portion of the payment of this purchase has been deferred until September 3, 2022. In this sense, on December 31, 2021, other current financial liabilities include an amount of Euros 5,039,658.00 which reflects the deferred amount for this acquisition (see note 14).
- Meridia RE IV Proyecto 10, S.L.U.'s acquisition on March 12, 2021, of two industrial warehouses and two grounds located in Barberà del Vallès, Barcelona, for a total amount of Euros 9,575,000.00. These assets, which are recognised as investment property, are encumbered by a mortgage from a financial institution, as indicated in note 14.
- Acquisition on March 25, 2021, of Baños y Establecimientos Turísticos, S.A.U., which included a campsite

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

located in Cala Montgó, Girona, for a total amount of Euros 7,688,138.02, considered as an asset purchase. A portion of the payment of this purchase has been deferred until May 25, 2022. In this connection, on December 31, 2021, other current financial liabilities include an amount of Euros 5,309,252.71 which reflects the deferred amount for the acquisition of this company (see note 14).

- On June 4, 2021, the Group, through its Parent, changed the name of Baños y Establecimientos Turísticos, S.A.U. to Meridia RE IV Proyecto 18, S.L.U.
- Meridia RE IV Proyecto 6, S.L.U.'s acquisition on March 26, 2021, of one logistic warehouse located in Gélida, Barcelona, for a total amount of Euros 13,115,000.00. This asset, which is recognised as investment property, is encumbered by a mortgage from a financial institution, as indicated in note 14.
- Meridia RE IV Proyecto 13, S.L.U.'s acquisition on December 15, 2021, of one industrial building located in Madrid, for a total amount of Euros 12,000,000.00.
- Meridia RE IV Proyecto 20, S.L.U.'s acquisition on December 22, 2021, of one campsite located in San Sebastián, Guipúzcoa, for a total amount of Euros 9,688,000.00. A portion of the payment of this purchase has been deferred until December 23, 2022. In this connection, on December 31, 2021, other current financial liabilities include an amount of Euros 2,906,400.00 which reflects the deferred amount for the acquisition of this company (see note 14).
- Meridia RE IV Proyecto 11, S.L.U.'s acquisition on December 30, 2021, of one office building located in Barcelona, for a total amount of Euros 9,750,000.00.

Additions to investment property in 2020 consisted of the acquisition of the following properties, together with the additional cost relating to these acquisitions:

- Acquisition on 28 February 2020 of Gure Ostatu, S.L.U., which included a hotel located on Calle Espronceda 6, Barcelona, for an amount of Euros 23,009,395.45. A portion of the payment of this purchase had been deferred until March 2021. In this connection, on 31 December 2020 other current financial liabilities included an amount of Euros 9,086,582.94 which reflected the deferred amount for the acquisition of this company (see note 14).

On 9 September 2020, the Group, through its Parent, changed the name of Gure Ostatu, S.L.U., to Meridia RE IV Proyecto 8, S.L.U.

- Meridia RE IV Proyecto 5, S.L.U.'s acquisition of a campsite located in Santa Cristina d'Aro (Girona) on 26 February 2020 for an amount of Euros 4,506,661.73, including the costs associated with this purchase. A portion of the payment of this purchase had been deferred until October 2021. The impact of discounting this deferred payment amounted to Euros 104,217.00, which lowered the aforementioned acquisition cost of this property. In this connection, on 31 December 2020 other current financial liabilities included an amount of Euros 2,169,026.00 which reflected the deferred amount for the acquisition of this property (see note 14),
- Furthermore, the main other additions are for refurbishment of the ground floor and fourth floor, and the installation of exterior sun-protection window film for an amount of Euros 532,681.40 on the office building owned by Meridia RE IV Proyecto 4, S.L.U., as well as minor refurbishment work in other assets,
- In 2020, additions to investments in progress comprised refurbishment work and fitting out of the campsite owned by Meridia RE IV Proyecto 5, S.L.U. for an amount of Euros 160,816.21. HVAC work, refurbishment of public areas and adaptation of the offices in the building owned by Meridia RE IV Proyecto 1, S.L.U. amounting to Euros 1,242,751.51, as well as minor refurbishment work in other assets,

(Continues)



**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**31 December 2021**

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

Details of income and expenses from investment property are as follows

	<b>Euros</b>	
	<b>2021</b>	<b>2020</b>
Rental income	4,480,441.81	3,932,496.19
Non-trading and other income	1,222,115.48	767,378.61
Operating expenses		
From income-generating investments	(2,434,610.25)	(2,507,018.14)
From non-income-generating investments	(4,108,518.77)	(1,933,823.47)
Net	<b>(840,571.73)</b>	<b>259,033.19</b>

e) Impairment of investment property

During 2020 the Group recognised an impairment loss of Euros 5,582,404.82 from investment property. This loss is mainly based on the appraisal made at 31 December 2020. In 2021 an amount of Euros 1,907,002 from this impairment recognised in the previous year was reversed, also based on an independent expert's appraisal. Impairment losses have been determined based on fair value, less costs to sell. 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.

## **(7) Operating Leases - Lessor**

At 31 December 2021 and at 31 December 2020 the Group leases to third parties under an operating lease a 66,11% and 57,11% respectively of the total available surface area. The most significant contracts are those with durations between one and fifteen years.

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

	<b>Euros</b>	
	<b>2021</b>	<b>2020</b>
Up to 1 year	2,829,043.00	2,264,009.51
Between 1 and 5 years	4,952,092.48	610,437.17
More than 5 years	6,725,775.00	-
	<b>14,506,910.48</b>	<b>2,874,446.68</b>

Minimum payments comprise income received from customers which have and will have lease agreements in force as of January 2022.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**(8) 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.

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 and counterparty risk**

The Group does not have significant concentrations of 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, market trends and the 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 and commitments from its shareholders.

The Group's working capital at 31 December 2021, calculated as a current asset less a current liability, is negative in an amount of Euros 8,553,332. The most relevant aspect of the current liability is an amount of Euros 13,995,191 corresponding to payment commitments for the acquisition of subsidiaries. However, the Company forms part of a Luxembourg fund, with commitments relating to funds committed by shareholders pending disbursement amounting to Euros 152,179,782 at 31 December 2021. Consequently, there are no liquidity problems in the subsequent year.

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.

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

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

**(9) Financial Assets by Category**

## (a) Classification of financial assets by category

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

	Euros	
	31.12.2021	
	Non-current	Current
	Carrying amount	Carrying amount
<i>Financial assets at fair value through profit or loss</i>		
Derivative financial instruments (note 11)	14,784.93	91,972.00
<i>Financial assets carried at cost</i>		
Equity instruments		
Unquoted	91,665.67	-
Loans	783,333.33	-
<i>Financial assets at amortised cost</i>		
Security and other deposits	328,191.04	1,968,859.43
Trade and other receivables		
Trade receivables – current	-	1,600,236.55
Other receivables	-	190,667.12
Personnel	-	11,200.00
<b>Total financial assets</b>	<b>1,217,974.97</b>	<b>3,862,935.10</b>

	Euros	
	31.12.2020	
	Non-current	Current
	Carrying amount	Carrying amount
<i>Financial assets carried at cost</i>		
Equity instruments		
Unquoted	75,000.00	-
<i>Financial assets at amortised cost</i>		
<i>Loans and receivables</i>		
Loans	300,000.00	5,298,877.76
Security and other deposits	626,401.48	2,298,789.97
Trade and other receivables		
Trade receivables – current	-	387,064.17
Other receivables	-	4,314.36
<b>Total financial assets</b>	<b>1,001,401.48</b>	<b>7,989,046.26</b>

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

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(10) Investments and Trade Receivables**

## (a) Investments

Details of investments are as follows, in Euros:

	<b>Euros</b>	
	<b>31.12.2021</b>	
	<b>Non-current</b>	<b>Current</b>
Unrelated parties		
Equity instruments	91,665.67	-
Loans	783,333.33	91,972.00
Derivatives (Note 11)	14,784.93	-
Securities and other deposits	328,191.04	1,968,859.43
<b>Total</b>	<b>1,217,974.97</b>	<b>2,060,831.43</b>

	<b>Euros</b>	
	<b>31.12.2020</b>	
	<b>Non-current</b>	<b>Current</b>
Unrelated parties		
Equity instruments	75,000.00	-
Loans	300,000.00	5,298,877.76
Securities and other deposits	626,401.48	2,298,789.97
<b>Total</b>	<b>1,001,401.48</b>	<b>7,597,667.73</b>

The equity instruments as of December 31, 2021 and 2020, correspond to the Group's 24.97% stake in the company Wecamp Future, S.L., dedicated to the management of luxury campsites. The subsidiaries companies that owns campsites have formalized with Wecamp Futures, S.L. a lease agreement of the real estate as to perform the campsite businesses (Santa Cristina, La Caleta, Cala Montgó and San Sebastian).

On December 31, 2021, non-current loans reflect an amount receivable of Euros 783.333,33 (Euros 300,000.00 on December 31, 2020) corresponding to a participating loan granted with the company Wecamp Future,S.L., which is structured into two tranches: Tranche A of Euros 533,333.00, which has been drawn in full, and Tranche B of Euros 250,000.00. This loan falls due on December 11, 2035, and accrues variable interest corresponding to 21,33% of the profit of Wecamp for Tranche A and 13,33% for Tranche B, when a profit is obtained.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

On December 31, 2020, existed a loan agreement of Euros 5,298,877.76 entered into by Meridia RE IV, SOCIMI, S.A.U., as the lender and Zapardiel Desarrollos, S.L. (entity that sold the 100% interest in Gure Ostatu, S.L.U. to Meridia RE IV, SOCIMI, S.A.U.) as the borrower, on February 28, 2020. In the event that Zapardiel Desarrollos, S.L. failed to repay the loan on March 31, 2020, Meridia RE IV, SOCIMI, S.A.U. had to deduct both the capital and interest from the amount of Euros 9,086,582.94 for the deferred payment for the purchase of the Gure Ostatu, S.L.U. shares, classified as other current financial liabilities at December 31, 2020. This loan agreement was deducted for the mentioned deferred payment during the year.

Non-current securities and other deposits at 31 December 2021 and 2020 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 or Instituto de la Vivienda de Madrid) depending on 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 14).

Current securities and other deposits at December 31, 2021, is mainly due to:

- A deposit amounting to Euros 200,000.00 disbursed by the Parent Company of the Group for the earnest money agreement signed for the acquisition of the company Instalaciones Turísticas Cadaqués, S.A. owner of the campsite Cadaqués in Girona, Spain .
- A deposit of Euros 284,512.50 disbursed by Meridia RE IV Proyecto 10, S.L.U. in the bank institution Abanca Corporación Bancaria, S.A. as stipulated in the loan agreement (refer to note 14).
- A deposit of Euros 50,000.00 disbursed by Meridia RE IV Proyecto 12, S.L.U. for the earnest money agreement signed for the acquisition of campsite in Cádiz, Spain.
- A deposit amounting to Euros 686,528.64 disbursed by Meridia RE IV Proyecto 14, S.L.U. to participate in the auction for the acquisition of a Warehouse in Malaga, Spain.
- A deposit of Euros 250,000.00 disbursed by Meridia RE IV Proyecto 16, S.L.U. for the earnest money agreement signed for the acquisition of campsite in Girona, Spain.

Current securities and other deposits at December 31, 2020, was basically due to:

- A deposit amounting to Euros 740,729.67 disbursed by Meridia RE IV Proyecto 6, S.L.U. to participate in the auction for the acquisition of the Gélida Warehouse, finally acquired during the year ended December 31, 2021.
- A deposit of Euros 1,035,000.00 disbursed by Meridia RE IV Proyecto 7, S.L.U. for the earnest money agreement signed for the acquisition of nine properties located at Avenida Meridiana no. 38 and calle Juan de Austria no. 19.
- A deposit amounting to Euros 520,000.00 disbursed by the Parent Company of the Group for the earnest money agreement signed for the acquisition of the company Camping Nautico La Caleta, S.L. owner of the campsite Las Negras in Almería, Spain.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021***(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

## (b) Trade and other receivables

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

	<b>Euros</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>Current</b>	<b>Current</b>
Unrelated parties		
Trade receivables – current	1,600,236.55	387,064.17
Other receivables	190,667.12	4,314.36
Personnel	11,200.00	-
Current tax assets (Note 16)	95,890.48	-
Public entities, other (Note 16)	1,386,897.65	623,293.35
<b>Total</b>	<b>3,284,891.80</b>	<b>1,014,671.88</b>

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.

**(11) Derivative Financial Instruments**

## (a) Interest rate swaps

The Group has the following financial swaps through its subsidiaries:

- On October 22, 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 rate on these swaps is a fixed annual rate of 0,25% and variable pegged to Euribor at 12 months, payable on a quarterly basis.

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

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 (profit of Euros 12,938.89 in 2021 and loss of Euros 2,622.81 in 2020).

The value of this derivative on December 31, 2021, stands at Euros 25,962.72 (Euros 38,901.61 at 31 December 2020), recognised as a non-current liability at 31 December 2021 and 2020.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- On November 7, 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 rate on this swap is a fixed annual rate of 0,3275% and variable pegged to Euribor at 3 months, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal value</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 (profit of Euros 198,799.12 in 2021 and loss of Euros 103,239.00 in 2020).

The value of this derivative on December 31, 2021, stands at Euros 7,928.56 (Euros 190,870.56 at 31 December 2020), recognised as a non-current asset on December 31, 2021, and as non-current liability on December 31, 2020.

- On November 7, 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 variable pegged to Euribor at 3 months, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal value</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 (profit of Euros 125,929.69 in 2021 and loss of Euros 65,396.94 in 2020).

The value of this derivative on December 31, 2021, stands at Euros 5,022.36 (Euros 120,907.33 on December 31, 2020), recognised as a non-current asset on December 31, 2021, and as non-current liability on December 31, 2020.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- On November 7, 2019, Meridia RE IV Proyecto 4, 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 variable pegged to Euribor at 3 months, payable on a quarterly basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal value</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 (profit of Euros 45,985.56 in 2021 and loss of Euros 23,880.90 in 2020).

The value of this derivative on December 31, 2021, stands at Euros 1,834.01 (Euros 44,151.55 on December 31, 2020), recognised as a non-current asset on December 31, 2021, and as non-current liability on December 31, 2020.

- On July 30, 2021, Meridia RE IV Proyecto 6, S.L.U. entered into a loan agreement with Banc Sabadell, 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 -0,157% and variable pegged to Euribor at 6 months, payable on a semiannual basis.

<u>Type of transaction</u>	<u>Start date</u>	<u>Maturity date</u>	<u>Initial nominal value</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.

The value of this derivative on December 31, 2021, stands at Euros 0,00.

**(12) Equity**

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

**(a) Capital**

On December 31, 2021, and 2020, the Parent's share capital amounts to Euros 5,000,000.00 and is represented by 5,000,000 shares of Euros 1 par value each, subscribed and fully paid.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

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 2021		31 December 2020	
	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%
	<b>5.000.000</b>	<b>100,00%</b>	<b>5.000.000</b>	<b>100,00%</b>

On December 31, 2021, and 2020, all the shares are of the same class and have the same characteristics and rights,

## (b) Other shareholders' contributions

Details of other shareholder contributions and the movement therein are as follows, in Euros:

On 24 February 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 9,400,000.00.

On 25 February 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,700,000.00.

On 3 September 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 500,000.00.

On 24 September 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 520,000.00.

On 23 November 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 400,000.00.

On 4 December 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,000,000.00.

On 16 December 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,100,000.00.

On 24 December 2020, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 500,000.00.

On 4 January 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,000,000.00.

On 12 February 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 4,000,000.00.

On 1 March 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 13,600,000.00.

On 22 March 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 11,400,000.00.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

On 23 March 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,400,000.00.

On 29 March 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 6,000,000.00.

On 31 May 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 1,800,000.00.

On 22 September 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 3,000,000.00.

On 21 October 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 4,000,000.00.

On 14 December 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 13,000,000.00.

On 17 December 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 9,000,000.00.

On 24 December 2021, the sole shareholder, Meridia Real Estate IV SCA SICAV-RAIF, made a monetary contribution of Euros 9,600,000.00.

On 2 August 2021 the distribution of Euros 350,000.00 from freely distributable reserves ("Shareholder or owner contributions") was arranged.

On 31 August 2021 a distribution of monetary contributions amounting to Euros 3,000,000.00 from the Company's equity to the sole shareholder was arranged.

**(13) Financial Liabilities by Category**

- (a) Classification of financial liabilities by category

A classification of financial liabilities by category and class is provided in Appendix III.

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

**(14) Payables and Trade Payables**

- (a) Payables

Details of payables are as follows:

	<b>Euros</b>	
	<b>31.12.2021</b>	
	<b>Non-current</b>	<b>Current</b>
<i>Unrelated parties</i>		
Loans and borrowings	51,414,806.50	4,000,880.62

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

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

Commissions which are deducted from liability of the loan	(1,341,164.51)	(167,650.79)
Interest	-	203,139.00
Derivatives	25,962.72	-
Interest - derivative financial instruments	-	15,919.36
Other financial liabilities	3,529,474.33	13,995,191.12
<b>Total</b>	<b>53,629,079.04</b>	<b>18,047,479.31</b>

	Euros	
	31.12.2020	
	Non-current	Current
<i>Unrelated parties</i>		
Loans and borrowings	42,108,238.33	1,342,174.60
Commissions which are deducted from liability of the loan	(862,034.31)	(145,804.11)
Interest	-	103,929.86
Derivatives	394,831.05	-
Interest - derivative financial instruments	-	16,303.76
Other financial liabilities	680,124.68	11,764,436.99
<b>Total</b>	<b>42,321,159.75</b>	<b>13,081,041.10</b>

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, maturing on 1 November 2026, for a total of amount 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 for financing of CAPEX. This final tranche, from which an amount of Euros 1,630,177.46 has been drawn down at December 31, 2021 (no amount had been drawn at December 31, 2020), is subject to conditions precedent on each drawdown. Tranche B could be requested up to October 31, 2021, and any amount not drawn down at that date was cancelled.

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 following repayment will be for the remaining 70,65% of the loan.

Furthermore, the loan has the following guarantee:

- First position full floating real estate mortgage, with an aggregate total mortgage obligation of 15,691,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 18.317.755,79 at 31 December 2021 (Euros 18.203.829,65 at 31 December 2020). 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 achievement of the financial ratios and levels will be determined at each year end as of 31 December 2020. At 31 December 2021 the financial ratios are achieved.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- ii. Loan agreement arranged 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, maturing on 7 November 2026, for a total amount of Euros 29,000,000.00, divided into two tranches and by company: tranche A amounting to Euros 27,000,000.00 is distributed in Meridia RE IV Proyecto 2, S.L.U. for an amount of Euros 14,479,007.63, Meridia RE IV Proyecto 3, S.L.U. for an amount of Euros 9,171,755.73 and Meridia RE IV Proyecto 4, S.L.U. for an amount of Euros 3,349,236.64, to be used solely for financing the real estate assets and the associated costs, and tranche B amounting to Euros 2,000,000.00 is distributed in Meridia RE IV Proyecto 2, S.L.U. for an amount of Euros 1,072,519.00, Meridia RE IV Proyecto 3, S.L.U. for an amount of Euros 679,390.00 and Meridia RE IV Proyecto 4, S.L.U. for an amount of Euros 248,091.00, to be used solely for financing related expenses.

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 repayment will be for the remaining 72,275% of the loan in tranche A and single repayment on 7 November 2022 in tranche B. The Company has classified the amount of Tranche B as current liabilities.

Furthermore, the loan has the following guarantees:

- First position full floating real estate mortgage, with an aggregate total mortgage obligation of Euros 37,250,000.00 for each of the guaranteed obligations distributed in Meridia RE IV Proyecto 2, S.L.U. for an amount of Euros 19,975,667.95, Meridia RE IV Proyecto 3, S.L.U. for an amount of Euros 12,653,625.95 and Meridia RE IV Proyecto 4, S.L.U. for an amount of Euros 4,620,706.10.

The carrying amount of the investment property pledged to secure the loan is Euros 53.101.350,44 at 31 December 2021 (Euros 53.357.845,06 at 31 December 2020) distributed in Meridia RE IV Proyecto 2, S.L.U. investment property for an amount of Euros 28.218.435,63 at 31 December 2021 (Euros 28.479.681,21 at 31 December 2020), Meridia RE IV Proyecto 3, S.L.U. investment property for an amount of Euros 17.588.148,02 at 31 December 2021 (Euros 17.815.619,88 at 31 December 2020) and Meridia RE IV Proyecto 4, S.L.U. for an amount of Euros 7.294.766,79 at 31 December 2021 (Euros 7.062.543,97 at 31 December 2020). The loan is subject to compliance with certain obligations relating to specific financial ratios for continuity purposes. On December 9, 2021, it has obtained an exemption from compliance as of December 31, 2021 of the debt service coverage ratio..

- iii. In conjunction with the acquisition of Gure Ostatu, S.L. on 26 February 2020, Meridia RE IV Proyecto 8, S.L. was subrogated, a loan granted on 8 March 2018 by Banco Sabadell, S.A. for Euros 8,000,000,00, 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 main 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 at a maximum of 12% p,a, for two years, which will be lowered to the legal maximum, 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 investment property pledged to secure the loan is Euros 19,000,000.00 at 31 December 2021 (Euros 17,400,000,00 at 31 December 2020).

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

*(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 6, S.L.U. with Bank Sabadell on 30 July 2021, maturing on 30 July 2028, for a total of amount of Euros 12,800,000.00, divided into two tranches: tranche A amounting to Euros 7,200,000.00, to be used solely for financing the real estate assets and the associated costs, and tranche B amounting to Euros 5,600,000.00, to be used solely for financing of CAPEX.

Tranche A and B of the loan agreement establishes a grace period until 30 January 2024, the date on which the capital begins to be amortized with a constant instalment until 30 January 2028, where 27% will have been amortized in aggregate of the total awarded. The next instalment will be the remaining 73% of the loan on its due date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with an aggregate total mortgage obligation of 16.156.250 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 14.102.156,77 at 31 December 2021. 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 achievement of the financial ratios and levels will be determined at each year end as of 31 December 2023.

- v. Loan agreement arranged by Meridia RE IV Proyecto 10, S.L.U. with Abanca Corporación Bancaria, S.A. on 18 March 2021, maturing on 1 April 2028, for a total of amount 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 for financing of CAPEX, and tranche C amounting to Euros 2,000,000.00.

The loan agreement establishes a grace period until 31 March 2023, the date on which the capital begins to be amortized with a constant instalment until 1 January 2023, where 38% will have been amortized in aggregate of the total awarded. The next instalment will be the remaining 62% of the loan on its due date.

Furthermore, the loan has the following main guarantees:

- First position full floating real estate mortgage, with an aggregate total mortgage obligation of 10,500,000.00 for each of the guaranteed obligations.

The carrying amount of the investment property pledged to secure the loan is Euros 9.800.164,65 at 31 December 2021. 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 achievement of the financial ratios and levels will be determined at each year end as of 31 December 2023.

Other non-current financial liabilities at 31 December 2021 and at 31 December 2020 mainly reflect deposits received from the lessees of the properties. In addition at 31 December 2021 there is an amount of Euros 3,102,428.00 corresponding to the deferred payment for the acquisition of La Caleta campsite.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

At 31 December 2021 other current financial liabilities correspond mainly to an amount of Euros 5,039,658.00 for the deferred payment for the acquisition of the Swiss building, an amount of Euros 5,309,252.71 for the deferred payment for the acquisition of the Cala Montgó Campsite and an amount of Euros 2,906,400.00 for the deferred payment for the acquisition of the San Sebastián Campsite.

At 31 December 2020 other current financial liabilities included an amount of Euros 9,086,582.94 for the deferred payment for the acquisition of Gure Ostatu, S.L.U. and an amount of Euros 2,169,026.00 for the deferred payment for the acquisition of the Santa Cristina de Aro campsite, falling due in October 2021.

## (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:

	<b>Euros</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>Current</b>	<b>Current</b>
<i>Related parties</i>		
Payables	348,358.74	138,808.68
<i>Unrelated parties</i>		
Payables	792,823.57	629,698.01
<i>Public entities, other</i> (Note 16)	140,387.60	199,736.27
Advances from customers	93,972.11	-
<b>Total</b>	<b>1,375,542.02</b>	<b>968,242.96</b>

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 Financial Statements

31 December 2021

*(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)***(15) Late Payments to Suppliers. "Reporting Requirement". Third Additional Provision of Law 15/2010 of 5 July 2010.**

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

	<b>2021</b>	<b>2020</b>
	<b>Days</b>	<b>Days</b>
Average supplier payment period	27.53	17.34
Transactions paid ratio	30.55	42.13
Transactions payable ratio	9.37	5.82
	<b>Amount in</b>	<b>Amount in</b>
	<b>Euros</b>	<b>Euros</b>
Total payments made	11.4119.078,43	4.232.503,16
Total payments outstanding	1.085.507,30	1.118.842,95

**(16) Taxation**

Details of balances with public entities are as follows :

	<b>Euros</b>			
	<b>31.12.2021</b>		<b>31.12.2020</b>	
	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>
<b>Assets</b>				
Current tax assets	-	95,890.48		
Value added tax and similar taxes	-	1,386,897.65	-	623,293.35
	<b>-</b>	<b>1,386,897.65</b>	<b>-</b>	<b>623,293.35</b>
<b>Liabilities</b>				
Deferred tax liabilities	4,103,571.95	-	3,692,846.83	-
Value added tax and similar taxes	-	86,266.96	-	184,379.05
Social Security	-	4,330.84	-	2,238.52
Withholdings	-	49,789.80	-	13,118.70
	<b>4,013,571.95</b>	<b>140,387.60</b>	<b>3,692,846.83</b>	<b>199,736.27</b>

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

	<b>Years open to inspection</b>
Tax	
Income tax	2019 – 2020
Value added tax	2019 – 2021
Business activities tax	2019 – 2021
Personal income tax	2019 – 2021

In addition, the subsidiaries Meridia RE IV Proyecto 8. S.L., Meridia RE IV Proyecto 9, S.L., and Meridia RE IV Proyecto 18, S.L. have open to inspection year 2018 for the main applicable taxes mentioned above.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

Due to the treatment permitted by fiscal legislation of certain transactions, 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 financial statements.

**(a) Income tax**

A reconciliation of net income and expenses for the year with the taxable income is provided in Appendix VI.

The relationship between the income tax expense/(income) and accounting 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:

	<b>Euros</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Taxable capital gains investment property	-	-	4,103,571.95	3,692,846.83
	-	-	<b>4,103,571.95</b>	<b>3,692,846.83</b>

In accordance with article 12,1,c) of Law 11/2009 of 26 October 2009 governing SOCIMI, revenue deriving from the conveyance of buildings owned prior to the application of this regime, generated in periods in which this regime is applicable, shall be deemed as generated on a straight-line basis, unless there is evidence to the contrary, over the duration of the ownership of the conveyed building. The portion of this revenue attributable to the previous tax periods shall be taxed at the tax rate and under the tax regime prior to the application of this special tax regime. The same criteria shall be applied to revenues arising from the transfer of investments in other companies referred to in section 1 of article 2 of this Law, as well as the other asset items.

The Group has recognised a deferred tax liability on the revenue attributable to prior periods in which it was taxed at the general income tax rate. The Company has calculated deferred tax liabilities based on the appraisal of the hotel located on Calle Espronceda 6, 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.

**(17) Environmental Information**

At 31 December 2021 and 2020 the Group had 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 2021 and 2020 it is not considered necessary to recognise a provision for liabilities and charges of this nature.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**31 December 2021**

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

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

**(18) Related Party Balances and Transactions**

Details of balances with related parties are provided in notes 10 and 14.

(a) Group transactions with related parties

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

	Euros	
	Related parties	Total
<b>2021</b>		
<i>Expenses</i>		
Services received	897,490.07	<b>897,490.07</b>
Total expenses	<b>897,490.07</b>	<b>897,490.07</b>

	Euros	
	Related parties	Total
<b>2020</b>		
<i>Expenses</i>		
Services received	524,607.74	524,607.74
Total expenses	<b>524,607.74</b>	<b>524,607.74</b>

Expenses for services rendered are for the Management Services Agreement between the Sole Shareholder and the Spanish subsidiaries (except for the Parent). Consideration for the services shall be an amount equivalent to 1,2% of the own funds disbursed by any means, directly or indirectly, by the Group's sole shareholder in favour of the beneficiaries from time to time.

The term of this agreement is for eight (8) years and may be extended for another additional year, giving rise to a total maximum contractual term of nine (9) years.

(b) Information on the Parent's board of directors and senior management personnel

During the year ended 31 December 2021 and 2020 the directors did not receive any remuneration, loans or advances, nor did the Parent extend any guarantees 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 2021 and 31 December 2020, 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.

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

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

During the years ended 31 December 2021 and 2020 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, amounting to Euros 56,628.11 in 2021 and Euros 29,032.03 in 2020.

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

In 2021 and 2020 the Parent's board of directors did not carry 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.

**(19) Income and Expenses**

- (a) Revenues

Details of revenues by category of activity are as follows:

	<b>Euros</b>	
	<b>2021</b>	<b>2020</b>
	<b>Nacional</b>	<b>Nacional</b>
Lease income	4,480,441.81	3,932,496.19
Non-trading and other operating income (other than rentals)	1,222,115.48	767,378.61
	<b>5,702,557.29</b>	<b>4,699,874.80</b>

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.

All services are provided in Spain.

- (b) Employee benefits expense and provisions

Details of employee benefits expense and provisions are as follows:

	<b>Euros</b>	
	<b>2021</b>	<b>2020</b>
	<b>Nacional</b>	<b>Nacional</b>
Employee benefits expense		
Social Security payable by the Company	43,520.77	13,650.30
	<b>43,520.77</b>	<b>13,650.30</b>

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**(c) Employee Information**

At 31 December 2021 there were two employees (one female under the category of administrative staff and one male under the category of associate).

The average headcount for 2021 and 2020 has been two employees (one male associate and one female administrative clerk).

At 31 December 2021 and 2020 the Company had no employees with a disability rating equal to or higher than 33%.

**(20) 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:

	<b>Euros</b>	
	<b>2021</b>	<b>2020</b>
Audit services	76,320.00	53,610.00
Other services	1,286.00	632.00
	<b>77,606.00</b>	<b>54,242.00</b>

The amounts detailed in the above table include the total fees for services rendered in 2021 and 2020, irrespective of the date of invoice.

**(21) 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 that year 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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

<i>Dividends distributed against the profit for each year</i>	<b>Subject to a 0% tax rate</b>	<b>Subject to a 19% tax rate</b>	<b>Subject to the general tax rate</b>	<b>Not subject to tax</b>	<b>Date of agreement of the distribution</b>
Dividend for 2022	-	-	-	-	-
Dividend for 2021	-	-	-	-	-
Dividend for 2021	-	-	-	-	-
Dividend for 2020	-	-	-	-	-

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.

In 2021 freely distributable reserves ("Shareholder or owner contributions") amounting to Euros 350,000.00 were distributed, approved in the minutes dated 2 August 2021.

In 2021 monetary contributions from the sole shareholder to the Company's equity were distributed amounting to Euros 3,000,000.00, approved in the minutes dated 31 August 2021.

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.

f) Acquisition date of the properties 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 5, 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 6, 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.

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

- 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 9, S.L.U., acquired on 16 February 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.
- 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 12, 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 16, 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 17, 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 18, S.L.U., acquired on 15 April 2021, opted to apply the special tax regime set out in the aforementioned Law on 29 March 2021.

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

## Notes to the Consolidated Financial Statements

31 December 2021

(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:

<i>Acquisition date</i>	<i>Asset name</i>	<i>Address</i>	<i>City</i>	<i>Asset type</i>	<i>Use</i>	<i>Maintenance date</i>
15/10/2019	Cronos	Plaza de Cronos 1, Madrid	Madrid	Investment property	Offices	15/10/2019
07/11/2019	On	C/ Llull, 321	Barcelona	Investment property	Offices	07/11/2019
07/11/2019	Arcis	Calle Quintanapalla 8	Madrid	Investment property	Offices	07/11/2019
07/11/2019	Talos	Calle Quintanapalla 10	Madrid	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
26/02/2020	Camping Santa Cristina d'Aro	Ctra Sant Feliu de Guíxols km 1.8	Girona	Investment property	Camping	26/02/2020
28/02/2020	Hotel Hesperia del Mar	C/d'Espronceda, 6	Barcelona	Investment property	Hotel	28/02/2020
26/03/2021	Nave Gélida	Camí Can Valls, 46	Gelida	Investment property	Logístics	26/03/2021
03/03/2021	Midtown Bcn	Avinguda Meridiana 38	Barcelona	Investment property	Offices	03/03/2021
12/02/2021	Camping Náutico La Caleta	Cala del Cuervo S/N	Almeria	Investment property	Hospitality	12/02/2021

(Continues)

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

## Notes to the Consolidated Financial Statements

31 December 2021

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

<i>Acquisition date</i>	<i>Asset name</i>	<i>Address</i>	<i>City</i>	<i>Asset type</i>	<i>Use</i>	<i>Maintenance date</i>
12/03/2021	Nave Barberà	B-140,13	Barberà del Vallès	Investment property	Logistics	12/03/2021
30/12/2021	Sarrià	C/d'Osi, 7-9	Barcelona	Investment property	Offices	30/12/2021
30/12/2021	Julian Camarillo 22	C/Julian Camarillo 22	Madrid	Investment property	Offices	30/12/2021
25/03/2021	Camping Cala Montgó	Av/ Montgó s/n	Girona	Investment property	Camping	25/03/2021
22/12/2021	Camping Igueldo	Padre Orkolaga Ibilbidea, 69	Gipuzkoa	Investment property	Camping	22/12/2021

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

<i>Date of acquisition/incorporation</i>	<i>Asset name</i>	<i>Address</i>	<i>City</i>	<i>Asset type</i>	<i>Maintenance date</i>
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 5, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	25/07/2019
25/07/2019	Meridia RE IV Proyecto 6, 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
16/02/2021	Meridia RE IV Proyecto 9, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	16/02/2021
4/12/2020	Meridia RE IV Proyecto 10, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	4/12/2020
4/12/2020	Meridia RE IV Proyecto 11, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	4/12/2020
4/12/2020	Meridia RE IV Proyecto 12, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	4/12/2020
4/12/2020	Meridia RE IV Proyecto 13, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	4/12/2020
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
24/03/2021	Meridia RE IV Proyecto 16, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	24/03/2021
24/03/2021	Meridia RE IV Proyecto 17, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	24/03/2021
15/04/2021	Meridia RE IV Proyecto 18, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	15/04/2021
29/10/2021	Meridia RE IV Proyecto 19, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	29/10/2021
29/10/2021	Meridia RE IV Proyecto 20, S.L.U.	Av. Diagonal 640,	Barcelona	Investment	29/10/2021
29/10/2021	Meridia RE IV Proyecto 21, 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.

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.

Does not apply

(Continues)

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES****Notes to the Consolidated Financial Statements****31 December 2021**

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

**(22) Events after the Reporting Period**

On 25 January 2022 the subsidiary Meridia RE IV Proyecto 11, S.L.U. entered into a financing agreement with Banco Santander, S.A. for a maximum amount of Euros 8 million, consisting of a tranche A of Euros 5.7 million to refinance part of the acquisition price of the office buildings located in Barcelona at Osi 7-9 and Riu de l'Or 20.22, acquired by this subsidiary on 30 December 2021 and also to finance the refurbishment work to be carried out in these buildings. The interest rate is pegged to Euribor plus a market spread. Furthermore, the aforementioned subsidiary has mortgaged the aforementioned asset in favour of the bank while the Parent has pledged the subsidiary's shares.

On 29 March 2022, the Group signed various private agreements subject to certain suspensive conditions 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 held by the Group 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 held by the Group representing 24.97% of the share capital of WeCamp Future, S.L.; (iii) the intercompany loans granted by Meridia RE IV, SOCIMI, S.A. to the Subsidiaries; (iv) the profit participating loan extended by Meridia RE IV, SOCIMI, S.A. to WeCamp Future, S.L.; and (v) the Group'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 suspensive conditions. The total transaction price is around Euros 36 million, consisting of a fixed price of approximately Euros 33.3 million and a contingent price of approximately Euros 2.7 million.

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

**Details of Investments in Subsidiaries  
31 December 2021  
(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		
				Group company holding the interest	% ownership	Amount of the interest
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%	8,703,000.00
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 5, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	7,243,000.00
Meridia RE IV Proyecto 6, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	6,703,000.00
Meridia RE IV Proyecto 7, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	5,703,000.00
Meridia RE IV Proyecto 8, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	18,173,165.88
Meridia RE IV Proyecto 9, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	5,418,690.15
Meridia RE IV Proyecto 10, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	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	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	10,328,000.00
Meridia RE IV Proyecto 12, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	53,000.00
Meridia RE IV Proyecto 13, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	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	N/A	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	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 16, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	303,000.00
Meridia RE IV Proyecto 17, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 18, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	9,294,295.62
Meridia RE IV Proyecto 20, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	7,103,000.00
Meridia RE IV Proyecto 21, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 22, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	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	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00

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

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

**Details of Investments in Subsidiaries**  
**31 December 2020**  
**(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		
				Group company holding the interest	% ownership	Amount of the interest
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%	8,703,000.00
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 5, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	2,703,000.00
Meridia RE IV Proyecto 6, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	803,000.00
Meridia RE IV Proyecto 7, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	1,103,000.00
Meridia RE IV Proyecto 8, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	KPMG	Meridia RE IV SOCIMI, S.A.U.	100%	18,173,165.88
Meridia RE IV Proyecto 10, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 11, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 12, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00
Meridia RE IV Proyecto 13, S.L.U.	Av, Diagonal 640, Barcelona	Real estate	N/A	Meridia RE IV SOCIMI, S.A.U.	100%	3,000.00

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

Classification of financial assets by maturity  
for the years ended 31 December 2021 and 2020

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

31.12.2021	Euros						Less current portion	Total non-current
	2022	2023	2024	2025	2026	Years subsequent to 2026		
<i>Loans and receivables</i>								
Loans	-	-	-	-	-	782,753.37	-	783,333.33
Derivatives	-	-	-	-	-	14,784.93	-	14,784.93
Other deposits	1,968,859.43	51,779.78	15,767.21	14,548.29	72,726.69	173,369.07	(1,968,859.43)	328,191.04
<i>Debt securities</i>								
Trade and other receivables	1,600,236.55	-	-	-	-	-	(1,600,236.55)	-
Other receivables	190,667.12	-	-	-	-	-	(190,667.12)	-
Personnel	11,200.00	-	-	-	-	-	(11,200.00)	-
<b>Total financial assets</b>	<b>3,770,963.10</b>	<b>51,779.78</b>	<b>15,767.21</b>	<b>14,548.29</b>	<b>87,511.62</b>	<b>956,122.44</b>	<b>(3,770,963.10)</b>	<b>1,126,309.30</b>

31.12.2020	Euros						Less current portion	Total non-current
	2021	2022	2023	2024	2025	Years subsequent to 2025		
<i>Loans and receivables</i>								
Loans	5,298,877.76	-	-	-	-	300,000.00	(5,298,877.76)	300,000.00
Other deposits	2,298,789.97	291,049.82	85,884.44	-	208,904.72	40,562.50	(2,298,789.97)	626,401.48
<i>Debt securities</i>								
Trade and other receivables	387,064.17	-	-	-	-	-	(387,064.17)	-
Other receivables	4,314.36	-	-	-	-	-	(4,314.36)	-
<b>Total financial assets</b>	<b>7,989,046.26</b>	<b>291,049.82</b>	<b>85,884.44</b>	<b>-</b>	<b>208,904.72</b>	<b>340,562.50</b>	<b>(7,989,046.26)</b>	<b>926,401.48</b>

This appendix forms an integral part of note 10 to the consolidated financial statements, 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 2021

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

	Euros	
	Non-current Carrying amount	Current Carrying amount
<i>Financial liabilities at fair value through profit or loss</i>		
Derivative financial instruments	25,962.72	-
<i>Financial liabilities at amortised cost</i>		
<i>Debts and payables</i>		
Loans and borrowings		
Loan	51,414,806.50	4,000,880.62
Commissions which are deducted from liability of the loan	(1,341,164.51)	(167,650.79)
Interest	-	203,139.00
Interest - derivative financial instruments	-	15,919.36
Other financial liabilities	3,529,474.33	13,995,191.12
Trade and other payables		
Payables, related parties	-	348,358.74
Other payables	-	792,823.57
<b>Total financial liabilities</b>	<b>53,629,079.04</b>	<b>19,188,661.62</b>

This appendix forms an integral part of note 13 to the consolidated financial statements, 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 2020

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

	Euros	
	Non-current Carrying amount	Current Carrying amount
<i>Financial liabilities at fair value through profit or loss</i>		
Derivative financial instruments	394,831.05	16,303.76
<i>Financial liabilities at amortised cost</i>		
<i>Debts and payables</i>		
Loans and borrowings		
Loan	42,108,238.33	1,342,174.60
Commissions which are deducted from liability of the loan	(862,034.31)	(145,804.11)
Interest	-	103,929.86
Other financial liabilities	680,124.68	11,764,436.99
Trade and other payables		
Payables, related parties		138,808.68
Other payables	-	629,698.01
Total financial liabilities	<b>42,321,159.75</b>	<b>13,849,547.79</b>

This appendix forms an integral part of note 13 to the consolidated financial statements, 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 2021

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

	Euros								
	2022	2023	2024	2025	2026	Thereafter	Less current portion	Total non-current	
Payables									
Loans and borrowings	4,000,880.62	2,922,395.39	4,709,481.17	4,763,081.85	32,241,925.43	6,777,922.66	(4,000,880.62)	51,414,806.50	
Commissions which are deducted from liability of the loan	(167,650.79)	(206,176.36)	(301,978.56)	(301,641.07)	(279,837.90)	(251,530.62)	167,650.79	(1,341,164.51)	
Interest	203,139.00	-	-	-	-	-	(203,139.00)	-	
Derivatives	-	25,962.72	-	-	-	-	-	25,962.72	
Derivatives interest	15,919.36	-	-	-	-	-	(15,919.36)	-	
Other financial liabilities	13,995,191.12	464,650.12	207,703.25	1,105,400.27	1,585,783.69	165,937.00	(13,995,191.12)	3,529,474.33	
Trade and other payables									
Suppliers and trade payables related parties	348,358.74	-	-	-	-	-	(348,358.74)	-	
Suppliers and trade payables	792,823.57	-	-	-	-	-	(792,823.57)	-	
<b>Total</b>	<b>19,188,661.62</b>	<b>3,206,831.87</b>	<b>4,615,205.85</b>	<b>5,566,841.05</b>	<b>33,547,871.23</b>	<b>6,692,329.03</b>	<b>(19,188,661.62)</b>	<b>53,629,079.04</b>	

This appendix forms an integral part of note 14 to the consolidated financial statements, 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 2020**

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

	Euros							
	2021	2022	2023	2024	2025	Thereafter	Less current portion	Total non-current
Payables								
Loans and borrowings	1,342,174.60	3,922,101.72	2,187,354.92	2,322,857.93	2,374,851.98	31,301,071.79	(1,342,174.60)	42,108,238.34
Commissions which are deducted from liability of the loan	(145,804.11)	(188,791.16)	(170,520.32)	(170,614.73)	(170,520.32)	(161,587.79)	145,804.11	(862,034.32)
Interest	103,929.86	-	-	-	-	-	(103,929.86)	-
Derivatives	16,303.76	-	38,901.61	-	-	355,929.44	(16,303.76)	394,831.05
Other financial liabilities	11,764,436.99	344,773.01	85,884.44	-	208,904.73	40,562.50	(11,764,436.99)	680,124.68
Trade and other payables								
Suppliers and trade payables related parties	138,808.68	-	-	-	-	-	(138,808.68)	-
Suppliers and trade payables	629,698.01	-	-	-	-	-	(629,698.01)	-
<b>Total</b>	<b>13,849,547.79</b>	<b>4,078,083.57</b>	<b>2,141,620.65</b>	<b>2,152,243.20</b>	<b>2,413,236.39</b>	<b>31,535,975.94</b>	<b>(13,849,547.79)</b>	<b>42,321,159.75</b>

This appendix forms an integral part of note 14 to the consolidated financial statements, 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 2021**

(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
<b><u>NON-RELATED PARTIES - financial institutions</u></b>							
<b><i>Meridia RE IV Proyecto 1, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	12 month Euribor + spread	2,04%	2026	10,320,000.00	568,186.36	9,751,813.64
Loans and borrowings (Tranche B)	Euros	12 month Euribor + spread		2026	1,630,177.46	-	1,630,177.46
Commission on loans and borrowings	Euros				-	(35,613.21)	(136,705.22)
Interest	Euros				-	30,373.37	-
<b><i>Meridia RE IV Proyecto 2, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,48%	2026	13,514,705.75	555,990.88	12,958,714.87
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread		2022	1,072,519.00	1,072,519.00	-
Commission on loans and borrowings	Euros				-	(89,353.34)	(296,396.04)
Interest	Euros				-	40,479.55	-
<b><i>Meridia RE IV Proyecto 3, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,21%	2026	8,560,916.81	352,195.42	8,208,721.39
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread		2022	679,390.00	679,390.00	-
Commission on loans and borrowings	Euros				-	(36,940.17)	(103,666.50)
Interest	Euros				-	25,641.85	-
<b><i>Meridia RE IV Proyecto 4, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,47%	2026	3,126,177.48	128,610.72	2,997,566.76
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread		2022	248,091.00	248,091.00	-
Commission on loans and borrowings	Euros				-	(21,663.43)	(85,801.75)
Interest	Euros				-	9,363.59	-

This appendix forms an integral part of note 14 to the consolidated financial statements, 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 2021**

(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
<b>Meridia RE IV Proyecto 6, S.L.U.</b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	0,96%	2028	7,200,000.00	-	7,200,000.00
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread		2028	5,600,000.00	-	-
Commission on loans and borrowings	Euros				-	-	(402,044.28)
Interest	Euros				-	68,850.00	-
<b>Meridia RE IV Proyecto 8, S.L.U.</b>							
Loans and borrowings	Euros	1 year Euribor + spread	1,00%	2033	4,569,784.30	395,897.24	4,173,887.06
<b>Meridia RE IV Proyecto 10, S.L.U.</b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,17%	2028	4,500,000.00	-	4,500,000.00
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread		2028	4,000,000.00	-	-
Loans and borrowings (Tranche C)	Euros			2028	2,000,000.00	-	-
Commission on loans and borrowings	Euros					-	(322,625.40)
Interest	Euros					60,269.36	-
					<b>67,021,761.80</b>	<b>4,052,288.19</b>	<b>50,073,641.99</b>

This appendix forms an integral part of note 14 to the consolidated financial statements, 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 2020**

(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
<b><i>NON-RELATED PARTIES - financial institutions</i></b>							
<b><i>Meridia RE IV Proyecto 1, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	12 month Euribor + spread	2,03%	2026	10,320,000.00	-	10,320,000.00
Loans and borrowings (Tranche B)	Euros		-	-	1,750,000.00	-	-
Commission on loans and borrowings	Euros					-	(225,227.31)
Interest	Euros					25,800.00	-
<b><i>Meridia RE IV Proyecto 2, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,48%	2026	14,479,007.63	511,147.57	13,513,537.45
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread	-	-	1,072,517.08	-	1,072,517.08
Commission with credit institutions	Euros					(90,549.47)	(385,754.73)
Interest	Euros					41,897.88	-
<b><i>Meridia RE IV Proyecto 3, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,21%	2026	9,171,755.73	323,768.07	8,560,910.38
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread	-	-	679,391.32	-	679,391.32
Commission with credit institutions	Euros					(32,986.43)	(140,627.72)
Interest	Euros					26,540.30	-
<b><i>Meridia RE IV Proyecto 4, S.L.U.</i></b>							
Loans and borrowings (Tranche A)	Euros	3 month Euribor + spread	2,47%	2026	3,349,236.64	118,184.40	3,126,220.52
Loans and borrowings (Tranche B)	Euros	3 month Euribor + spread	-	-	248,091.60	-	248,091.60
Commission with credit institutions	Euros					(22,268.21)	(110,424.55)
Interest	Euros					9,691.68	-
<b><i>Meridia RE IV Proyecto 8, S.L.U.</i></b>							
Loans and borrowings	Euros	1 year Euribor + spread	0,76%	2033	8,000,000.00	389,074.56	4,587,569.98
					<b>46,049,644.54</b>	<b>1,300,300.35</b>	<b>41,246,204.02</b>

This appendix forms an integral part of note 14 to the consolidated financial statements, in conjunction with which it should be read.

**MERIDIA RE IV, SOCIMI, S.A.U. AND SUBSIDIARIES**  
**Reconciliation of net income and expenses with the tax loss**  
for the years ended 31 December 2021 and 2020

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

	<b>2021</b>						
	<b>Euros</b>						
	<b>Income statement</b>			<b>Income and expense recognised in equity</b>			
	<b>Increases</b>	<b>Decreases</b>	<b>Net</b>	<b>Increases</b>	<b>Decreases</b>	<b>Net</b>	<b>Total</b>
Income and expenses for the period	-	-	(2,510,545.52)	-	-	-	(2,510,545.52)
Income tax	-	-	513,588.72	-	-	-	513,588.72
Loss before income tax	-	-	(2,349,809.83)	-	-	-	(2,349,809.83)
Temporary difference Originating in prior years	-	(1,907,001.81)	(1,907,001.81)	-	-	-	(1,907,001.81)
Taxable income/(Tax loss)	-	-	<b>(3,903,958.61)</b>	-	-	-	<b>(3,903,958.61)</b>

  

	<b>2020</b>						
	<b>Euros</b>						
	<b>Income statement</b>			<b>Income and expense recognised in equity</b>			
	<b>Increases</b>	<b>Decreases</b>	<b>Net</b>	<b>Increases</b>	<b>Decreases</b>	<b>Net</b>	<b>Total</b>
Income and expenses for the period	-	-	(5,985,803.17)	-	-	-	(5,985,803.17)
Income tax	-	-	(1,435,925.00)	-	-	-	(1,435,925.00)
Loss before income tax	-	-	(7,421,728.17)	-	-	-	(7,421,728.17)
Temporary difference Originating in prior years	5,582,404.82	-	5,582,404.82	-	-	-	5,582,404.82
Taxable income/(Tax loss)	-	-	<b>(1,839,323.35)</b>	-	-	-	<b>(1,839,323.35)</b>

This appendix forms an integral part of note 16 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 2021 and 2020**

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

		<b>Euros</b>		
		<b>Gains and losses</b>	<b>Equity</b>	<b>Total</b>
<b>2021</b>				
	Income and expenses for the period before tax	(2,510,545.52)	-	(2,510,545.52)
	Tax at 0%	-	-	-
		<b>(2,510,545.52)</b>	-	<b>(2,510,545.52)</b>
		<b>Euros</b>		
		<b>Gains and losses</b>	<b>Equity</b>	<b>Total</b>
<b>2020</b>				
	Income and expenses for the period before tax	(7,421,728.17)	-	(7,421,728.17)
	Tax at 0%	-	-	-
	Deferred tax liability	1,435,925.00	-	1,435,925.00
		<b>1,435,925.00</b>	-	<b>1,435,925.00</b>

This appendix forms an integral part of note 16 to the consolidated financial statements, in conjunction with which it should be read.

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

## Director's Report

2021

*(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

El Grupo ha continuado con la fase de inversión, realizando las siguientes adquisiciones durante el ejercicio 2021:

- Acquisition of a campsite located in Las Negras, Almeria, Spain, by Meridia RE IV Proyecto 9, S.L.U. on 16 February 2021.
- Acquisition of an office building located in Barcelona (Edificio Swiss) by Meridia RE IV Proyecto 7, S.L.U., on 3 March 2021.
- Acquisition of two industrial bays and two building plots located in Barberà del Vallès, Barcelona, by Meridia RE IV Proyecto 10, S.L.U., on 12 March 2021.
- Acquisition of a campsite located in Cala Montgó, Girona, by Meridia RE IV Proyecto 18, S.L.U., on 25 March 2021.
- Acquisition of a logistics warehouse located in Gélida, Barcelona, by Meridia RE IV Proyecto 6, S.L.U., on 26 March 2021.
- Acquisition of an industrial bay located in Madrid by Meridia RE IV Proyecto 13, S.L.U., on 15 December 2021.
- Acquisition of a campsite located in San Sebastian, Guipuzcoa, by Meridia RE IV Proyecto 20, S.L.U., on 22 December 2021.
- Acquisition of an office building and a building used as a laboratory, both located in Barcelona, by Meridia RE IV Proyecto 11, S.L.U. on 30 December 2021.

These acquisitions are included as additions under investment property on the consolidated balance sheet, and a building used as a laboratory, both located in Barcelona. The investment activity will continue in 2022.

### 2. Research and development

No research or development costs were incurred during 2021.

### 3. Own shares

The Company held no own shares and carried out no transactions with own shares during 2021.

### 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

### Director's Report

2021

(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, market trends and the 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 risks 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 for these instruments. Their change in fair value is recognised as income or expense in the consolidated income statement for the year (gains of Euros 12,938.89 in 2021 and losses of Euros 2,622.81 in 2020).

The value of this derivative at 31 December 2021 amounts to Euros 25,962.72 (Euros 38,901.61 in 2020), recognised as a non-current liability at 31 December 2021 and 2020.

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

### Director's Report

2021

(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 on these instruments and their change in fair value is recognised as income or expense in the income statement for the year (gains of Euros 198,799.12 in 2021 and losses of Euros 103,239.00 in 2020).

The value of this derivative at 31 December 2021 amounts to Euros 7,928.56 (Euros 190,870.56 at 31 December 2020), recognised as a non-current asset at 31 December 2021 and a non-current liability at 31 December 2020.

- 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 income statement for the year (gain of Euros 125,929.69 in 2021 and loss of Euros 65,396.94 in 2020).

The value of this derivative at 31 December 2021 amounts to Euros 5,022.36 (Euros 120,907.33 at 31 December 2020), recognised as a non-current asset at 31 December 2021 and a non-current liability at 31 December 2020.

- 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

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

### Director's Report

2021

*(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 on these instruments and their change in fair value is recognised as income or expense in the income statement for the year (gain of Euros 45,985.56 in 2021 and a loss of Euros 23,880.90 in 2020).

The value of this derivative at 31 December 2021 amounts to Euros 1,834.01 (Euros 44,151.55 at 31 December 2020), recognised as a non-current asset at 31 December 2021 and a non-current liability at 31 December 2020.

- On 30 July 2021 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 value</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 to these swaps.

The value of this derivative is Euros 0.00 at 31 December 2021.

#### 6. Average supplier payment period

The average supplier payment period for the Spanish Group companies is 27,53 days. The amount exceeding the limit stipulated by Late Payment Law shall be recovered in 2021 through stricter control over payments.

#### 7. Significant events after the reporting period

At the date this consolidated directors' report was prepared no significant events worthy of mention had arisen after the reporting date.

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

**2021**

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

On 31 March 2022, 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. authorized for issue the consolidated annual accounts and consolidated directors' report for the year ended 31 December 2021. The consolidated annual accounts comprise the accompanying documents that precede this certification.

Signed:

---

Mr. Javier Faus

---

Mr. José Luis Raso

---

Ms. Elisabet Gómez