AROCA DEL PINAR SOCIMI, S.A.
(Sociedad Unipersonal)

Abbreviated Annual Financial Statements for the year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT ON THE ABRIDGED ANNUAL ACCOUNTS

(Translation of a report and abridged annual accounts originally issued in Spanish and prepared in accordance with Spanish generally accepted accounting principles. In the event of a discrepancy, the Spanish-language version prevails)

To the shareholder of Aroca del Pinar SOCIMI, S.A. (Sociedad Unipersonal)

Opinion

We have audited the abridged annual accounts of Aroca del Pinar SOCIMI, S.A. (the Company) which comprise the abridged balance sheet at 31 December 2023, the abridged income statement and the notes to the abridged annual accounts for the year then ended.

In our opinion, the accompanying abridged annual accounts present, in all material respects, a true and fair view of the equity and the financial position of the Company at 31 December 2023, and of the results of its operations for the year then ended, in accordance with the applicable framework of financial reporting standards (which is identified in note 2.a) to the abridged annual accounts) and, in particular, in compliance with the accounting principles and criteria contained in that framework.

Basis for opinion

We conducted our audit in accordance with the current Spanish standards for auditing accounts. Our responsibilities under those standards are further described in the *Auditor´s responsibilities for the audit of the abridged annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are applicable to our audit of the abridged annual accounts in Spain, as required by the regulations governing the auditing of accounts. In this regard, we have not provided any services different to the audit of accounts and no situations or circumstances have arisen that, based on the aforementioned regulations, might have affected the required independence in such a way that it could have been compromised.

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

Most relevant audit aspects

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

Valuation of real estate investments

As detailed in note 5 of the abridged annual accounts, as of 31 December 2023, the Company has registered under the heading Investments Properties real estate assets amounting to EUR 80,304 thousand.

As indicated in note 4.2 to the notes, these assets are measured at cost less any accumulated impairment losses. These corrections are calculated as the difference between the carrying amount and the recoverable amount, the latter being the higher of fair value less costs to sell and the present value of the expected future cash flows of the investment. Unless there is better evidence of the recoverable amount, the equity of the investee, adjusted for any unrealised gains existing at the measurement date, is taken into account. The estimation of fair values and the identification of unrealised gains require a high degree of judgement and estimation, as slight changes in the inputs and assumptions used can have a significant impact on the determination of fair values in relation to equity investments.

Accordingly, the aspect described in the previous paragraph has been significant in our audit. In relation to the aspect referred to above, we performed a series of audit tests, applying certain procedures as set out below:

- We have verified that the directors have applied the requirements set out in the applicable financial reporting framework relating to the calculation of the recoverable amount of their financial investments.

- We have reviewed the reasonableness of the net assets of the three subsidiaries as at 31 December 2023, which have been audited by us.

- As the principal activity of the subsidiaries is the operation of rental properties, we have reviewed the fair value derived from the latest valuations of these properties carried out by independent experts.

- We have also verified the competence and independence of the valuation expert by obtaining written confirmation and ascertaining his or her recognised standing in the market.

- We have reviewed the disclosures in the abridged annual accounts in relation to investments in group companies.

Responsibility of the directors for the abridged annual accounts

The directors are responsible for the preparation of the accompanying abridged annual accounts, so that they show a true and fair view of the equity, the financial position and the results of the Company, in accordance with the framework of financial reporting standards applicable to the Company in Spain and for such internal control that they consider necessary to enable the preparation of abridged annual accounts that are free from material misstatements, whether due to fraud or error.

In preparing the abridged annual accounts, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor´s responsibilities for the audit of the abridged annual accounts

Our objectives are to obtain reasonable assurance about whether the abridged 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 the current Spanish regulations for auditing accounts 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 abridged annual accounts.

As part of an audit in accordance with current Spanish regulations for auditing accounts, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the abridged annual accounts, whether due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Company's internal control.

- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to this in our auditor's report to the related disclosures in the abridged 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the abridged annual accounts, including the disclosures, and whether the abridged annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and the 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 the Company, we determine those risks that were of most significance in the audit of the abridged annual accounts of the current period and are, therefore, the risks considered most significant. We describe these risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

AROCA DEL PINAR SOCIMI, S.A. (Sociedad Unipersonal)

ABBREVIATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023
(Expressed in euros)

ASSETS	Note	31/12/2023	31/12/2022
NON-CURRENT ASSETS		**80,304,219.59**	**76,014,454.26**
Investments in group companies and associates		**80,304,219.59**	**76,014,454.26**
Equity instruments	5	80,304,219.59	76,014,454.26
CURRENT ASSETS		**1,973,720.35**	**1,355,832.73**
Inventory	**5**	**98,296.68**	**98,096.68**
Financial investments		**145,744.71**	**145,744.71**
Other financial assets	5	145,744.71	145,744.71
Cash and cash equivalents		**1,729,678.96**	**1,111,991.34**
Cash	6	1,729,678.96	1,111,991.34
TOTAL ASSETS		**82,277,939.94**	**77,370,286.99**

EQUITY AND LIABILITIES	Note	31/12/2023	31/12/2022
EQUITY		**81,897,411.78**	**77,106,478.71**
Shareholders' equity	**7**	**81,897,411.78**	**77,106,478.71**
Share capital	7.1	5,000,187.76	5,000,187.76
Other shareholders' contributions	7.2	71,800,601.03	68,003,749.83
Legal reserve		1,000,037.55	399,426.22
Voluntary reserve	7.3	(45,359.61)	(45,359.61)
Profit/(loss) for the year	3	7,812,637.05	9,327,746.88
Interim dividend	7.4	(3,670,692.00)	(5,579,272.37)
CURRENT LIABILITIES		**380,528.16**	**263,808.28**
Trade and other payables		**380,528.16**	**263,808.28**
Trade payables	8	13,458.96	29,524.33
Other payables	9	367,069.20	234,283.95
TOTAL EQUITY AND LIABILITIES		**82,277,939.94**	**77,370,286.99**

The accompanying notes 1 to 13 are an integral part of these abbreviated annual financial statements.

AROCA DEL PINAR SOCIMI, S.A. (Sociedad Unipersonal)

ABBREVIATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in euros)

INCOME STATEMENT	Note	2023	2022
Other operating revenues	11.1	7,891,218.56	9,463,970.17
Other operating expenses	11.2	(78,581.51)	(136,223.29)
OPERATING PROFIT/(LOSS)		7,812,637.05	9,327,746.88
		-	-
NET FINANCE INCOME/(EXPENSE)		-	-
		-	-
PROFIT/(LOSS) BEFORE TAX		7,812,637.05	9,327,746.88
Corporate income tax	8.2	-	-
PROFIT/(LOSS) FOR THE YEAR		7,812,637.05	9,327,746.88

The accompanying notes 1 to 13 are an integral part of these abbreviated annual financial statements.

1. COMPANY OVERVIEW

Aroca del Pinar SOCIMI, S.A. (Sociedad Unipersonal) (henceforth, the Company), with tax ID A88278403, was incorporated on 17 December 2018 for an indefinite period as a limited liability company (Sociedad de responsabilidad limitada) in a deed attested by notary Isabel Estape Tous under number 5241 of her official record. It is listed in the Madrid Mercantile Registry in Volume 38,508, Folio 122, Section 8, Sheet no. M-684.877, entry no. 1. Its registered office for business and tax purposes is in Madrid, at Nanclares de Oca, 1B, 28022.

On incorporation the Company was wholly owned by the company Mediterranean Search, S.L.U., a company incorporated and operating under Spanish legislation with Spanish tax ID number B85478253. Mediterranean Search, S.L.U. sold 100% of its stake to the company HEREF V Sub Holding, S.à.r.l. (a Luxembourg-based company with registered offices in that country) on 21 June 2019 by means of a deed executed in Madrid before notary Carlos de Prada Guaita, with number 986 in his official record.

The financial year is coterminous with the calendar year.

On 26 June 2020 the Company amended its bylaws by means of a public deed attested by notary Jose Blanco Losada under number 2103 of his official record. The Company's corporate purpose, according to article 2 of its bylaws, is as follows:

- The acquisition and development of urban real estate for rental. Development includes refurbishing buildings per the definitions set out in Law 37/1992, of 26 December, on Value Added Tax.

- Holding equity stakes in listed Real Estate Investment Trusts (REIT) or in non-Spanish companies with the same corporate purpose and subject to a similar mandatory dividend distribution policy (legally required or established in their bylaws).

- Holding equity stakes in Spanish or foreign entities engaged in the acquisition of urban real estate properties as their main corporate purpose and subject to the similar mandatory dividend distribution policy (legally required or established in their bylaws) concerning the mandatory distribution of dividends and which meet the investment requirements set out in article 3 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT).

- Holding shares or stakes in collective real estate investment schemes regulated by Law 35/2003, of 4 November, on Collective Investment Schemes.

At 31 December 2023 the Company had no salaried employees.

On 1 July 2019, the Company was converted into a public limited company (sociedad anónima) by means of a public deed attested by notary Jose Blanco Losada under number 3196 of his official record, registered in the Madrid Mercantile Registry on 9 July 2019.

These abbreviated annual financial statements were authorised for issue by the Company's Board of Directors on 31 March 2024, and will be submitted for approval by the sole shareholder.

On 5 August 2019 the Company and its sole shareholder informed the Madrid Regional Office of the Spanish Tax Authority in writing of its decision to avail itself of the Special Regime for Real Estate Investment Trusts (REIT) in accordance with the provisions of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT). The decision to make use of this regime was taken on 5 August 2019 by the Company's sole shareholder in a minuted resolution.

Article 3 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts ("REIT Law") establishes the following investment requirements:

1. At least 80% of a REIT's assets must be investments in urban real estate for rental, in land for the development of buildings to be used for this purpose, provided development work commences within three years of the acquisition date, or investments in the share capital or equity of other entities described in article 2, section 1, of the aforementioned REIT Law.

This percentage is calculated from the consolidated statement of financial position when the Company is the parent of a group of companies as defined in article 42 of the Commercial Code, irrespective of where it is domiciled and whether it is required to prepare consolidated annual financial statements. This group must be composed entirely of REITs or other entities defined in article 2, section 1, of the REIT Law.

The value of the assets will be determined according to the average of the separate statements of financial position or, if applicable, quarterly consolidated statements. The Company may opt to use the market value of the assets included in said statements instead of their carrying amount, in which case that value would apply to all balance sheets for the year.

2. At least 80% of the income for the tax periods for each year, excluding income from the transfer of shares and property assets that are earmarked for pursuit of the principal corporate purpose, once the holding period referred to in the following paragraph has elapsed, must arise from the lease of investment property and from dividends or shares in profit obtained from those shares.

3. The Company's real estate assets must be leased for at least three years. The time that the properties have been offered for lease, up to a maximum of one year, will be included for the purposes of this calculation.

The period is calculated as follows:

a) In the case of properties that are included in the Company's assets before it avails itself of the regime, from the date of commencement of the first tax period in which the special tax regime set forth in this Law is applied, provided that the property is leased or offered for lease at that date. Otherwise, letter b) below applies.

b) In the case of properties developed or acquired subsequently by company, from the date on which they were leased or offered for lease for the first time.

Article 4 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT) establishes that the shares of a REIT must be listed without interruption throughout the tax period on either a regulated market or a multilateral trading system in Spain, the European Union or European Economic Area, or a regulated market in a country or territory with effective exchange of tax information with Spain. Shares in the REIT must be registered shares. Since 17 August 2020 the Company's shares have been listed on the Euronext Access Paris alternative market.

Shares or equity investments in entities referred to in article 2.1 of the Law must be kept in the Company's asset base at least during three years after their acquisition or, if applicable, from the beginning of the first tax period during which the special tax regime established in the Law applies.

REITs are also subject to other requirements including a minimum capital requirement of 5 million euros and that its shares are listed on a regulated market or multilateral trading system.

In addition, after meeting its commercial obligations, the Company must distribute to its shareholders, in the form of dividends:

- 100% of profits generated from dividends or shares in profits distributed by the entities defined in article 2.1 of the REIT Law.

- At least 50% of the profits arising from the transfer of the properties, shares or ownership interests referred to in article 2.1 of the REIT Law, once the minimum holding period has elapsed, which are used for pursuit of the entities' principal corporate purpose. The rest of these profits must be reinvested in other real estate assets or shares in entities with this purpose within three years of the transfer date.

- At least 80% of the remaining profits obtained. When a dividend is distributed against reserves drawn from the profits generated in a year in which the special tax regime applied, it must be distributed in compliance with the rules described above.

This distribution must be approved within six months from the end of the reporting period, and the dividends paid in the month following the date on which the pay-out is agree.

As established in the first transitional provision of Law 11/2009, of 26 October, amended by Law 16/2012, of 27

October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT), the Company may opt to apply the special tax regime pursuant to article 8 of this Law, even when the requirements stipulated therein are not fulfilled, under the condition that such requirements are met within two years of the date application of the REIT tax regime is sought.

If any of the aforementioned conditions are not met, the Company will be subject to corporate income tax under the general regime unless the deficiency is corrected within the next financial year.

REITs are taxed at a rate of 0% for corporate income tax. However, where dividends distributed to an equity holder owning at least 5% of the REIT's share capital are exempt from taxation or taxed below 10%, that REIT will be subject to a special charge of 19% levied on the dividends distributed to the said equity holder and treated as a corporate income tax expense. This special charge, if applied, will be paid by the REIT within two months after the dividend distribution date.

Law 11/2021, of 9 July, on measures to prevent and combat tax fraud, amending Law 11/2009, of 26 October, on REITs, introduced a new rule stating that, for tax periods commencing from 1 January 2021, the Company will be subject to a special tax charge of 15% of undistributed profits in the year in respect of income not taxed at the general tax corporate income tax rate and which is not reinvested in the period allowed by this Law. This tax is treated as a corporate income tax expense.

The Company is part of the Harbert Management Corporation LLC group, whose parent company is HEREF V SUB HOLDING, S.A.R.L., with registered office in Luxembourg. This is the company that prepares the consolidated annual financial statements. The parent company Aroca del Pinar SOCIMI, S.A.U. has not prepared consolidated annual financial statements because, though it is the head of the Group, in accordance with article 42 of the Commercial Code and article 6 of the standard on the preparation of consolidated annual financial statements (NOFCAC). Consequently, it is required to prepare consolidated annual financial statements. However, based on its size, the Company has opted to make use of the exemption provided for in article 43.1 of the Commercial Code and article 8 of the aforementioned standard.

As noted in the preceding paragraph, the Company is the parent of a corporate group which directly controls companies in the real estate sector. In this regard, for purposes of the accounting classification of certain items in the abbreviated income statement, the Company is considered an industrial holding company under BOICAC No. 79/2009, consultation 2, on accounting classification in individual accounts of revenue and expenses of a holding company that applies the Spanish General Accounting Plan (Plan General de Contabilidad), approved by Royal Decree 1514/2007, as amended by Royal Decree 1159/2010 of 17 September and by Royal Decree 602/2016 of 2 December and Royal Decree 1/2021 of 12 February on determining the net revenues of the Company.

2. BASIS OF PRESENTATION

2.1. Regulatory framework on financial disclosure applicable to the Company

The Company's Board of Directors has prepared the accompanying abbreviated financial statements in accordance with the regulatory framework on financial disclosure applicable to the Company, which is set out in:

- The Spanish Commercial Code, the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital) and other corporate law.

- The Spanish General Accounting Plan approved by Royal Decree 1514/2007 and the amendments applied thereto by means of Royal Decree 1159/2010, Royal Decree 602/2016 and Royal Decree 1/2021, together with the Standards Adapting the General Accounting Plan for the Real Estate Sector approved by Order of 28 December 1994, provided these are not incompatible with the General Accounting Plan.

- The mandatory standards approved by the Spanish Institute of Accountants and Auditors (Instituto de Contabilidad y Auditoría de Cuentas – ICAC) implementing the Spanish General Accounting Plan and associated standards.

- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT Law) and the disclosure requirements affecting these abbreviated annual financial statements.

- All other applicable Spanish accounting legislation.

These abbreviated financial statements are presented in euros as the Company's functional currency.

2.2 True and fair view

The abbreviated annual accounts were prepared from the Company's accounting records and are presented in accordance with prevailing mercantile legislation and the rules set out in the section above, in order to give a true and fair view of the Company's equity, financial position and results of operations.

As the conditions set forth in article 253 of the Spanish Corporate Enterprises Act have been met, the Company's directors present the annual financial statements in abbreviated form.

2.3 Non-mandatory accounting principles applied

No non-mandatory accounting principles were applied. The Board of Directors also prepared these abbreviated financial statements in accordance with all mandatory accounting standards and principles that have a material impact in the abbreviated financial statements. All mandatory accounting principles were applied.

2.4 Comparative information

In accordance with company law, for comparison purposes, the figures for 2023 must be presented accompanied by the corresponding figures for the previous financial year for each item in the abbreviated statement of financial position and the abbreviated income statement.

The notes to the abbreviated annual financial statements also include quantitative information from the previous financial year, except where an accounting standard specifically states that it is not required.

2.5 Grouping of items

Certain items in the abbreviated statement of financial position and abbreviated income statement are aggregated with other items to make them easier to understand; however, whenever the amounts involved are material, the information is disclosed separately in the related notes to the abbreviated financial statements.

2.6 Critical aspects of the measurement and estimation of uncertainty

The Board of Directors has prepared the Company's abbreviated annual financial statements using estimates based on past experience and other factors considered reasonable under present circumstances. These estimates form the basis for establishing the carrying amount of assets and liabilities which cannot be easily measured using other sources. The Company continuously revises its estimates and considers that there is no material risk that significant future adjustments may be required to the value of such assets and liabilities due to material changes in underlying assumptions, events or circumstances.

By definition, the resulting accounting estimates rarely agree exactly with the corresponding actual results. The estimates and judgements for which there is a significant risk that they could materially affect the carrying amounts of assets and liabilities in the financial year are disclosed below.

<u>Impairment of investments in group companies</u>

After acquisition, investments in group companies are measured at cost, less any accumulated impairment losses. Such losses are calculated as the difference between the carrying amount and the recoverable amount, where the latter is the higher of fair value less costs to sell and the present value of the expected future cash flows from the investment. Unless better evidence is available, the recoverable amount is estimated taking into account the equity of the investee, adjusted by any unrealised capital gains existing on the measurement date, including any goodwill.

Impairments, and any reversal thereof, are recognised as an expense or revenue, respectively, in the abbreviated income statement.

<u>Compliance with requirements for applying the REIT regime:</u>

With effect from 1 January 2019 and for the 2019 and subsequent tax years, the Company informed the Madrid Regional Office of the Spanish Tax Authority in writing of its sole shareholder's decision to avail the Company of the Special Regime for Real Estate Investment Trusts (REIT). The decision to make use of this regime was taken on 5 August 2019 by the Company's sole shareholder in a minuted resolution.

(Expressed in euros)

In compliance with the requirements established in Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT), the Company and the three subsidiaries have opted to apply from 1 January 2019, which in practice means that they are subject to corporate income tax at 0%, provided they meet certain requirements established in the REIT Law (see note 1) and by the regulator of the multilateral trading system on which the Company's shares are listed. The directors monitor compliance with the requirements established in the legislation to ensure the Company retains the tax advantages contained therein. The directors consider that said requirements were met in the financial year and will be met in the twelve months from 31 December 2023.

2.7 Limits on the distribution of dividends

Given its nature as a REIT for tax purposes, once it has met its commercial obligations, the Company is required to distribute the profit for the year to shareholders as follows:

a) 100% of profits generated from dividends or shares in profits distributed by the entities defined in article 2.1 of the REIT Law.

b) At least 50% of the profits arising from the transfer of the properties, shares or ownership interests referred to in article 2.1 of the REIT Law, once the time limits referred to article 3.3 of this Law have elapsed, which are used for pursuit of the entities' principal corporate purpose. The rest of these profits must be reinvested in other real estate assets or shares in entities with this purpose within three years of the transfer date. If not, said profits must be distributed in full, together with any generated in the financial year in which the reinvestment period ends. If the assets in which the funds were reinvested are disposed of prior to the end of the reinvestment period established in article 3.3 of this Law, any gains must be distributed in full, together with any generated in the financial year in which the reinvestment period ends.
The obligation to distribute profits does not extend to any taxable profits generated in financial years in which the Company was not subject to the special tax regime established in said Law.

c) At least 80% of the remaining profits obtained.

The dividend must be paid in the month following the date on which the pay-out is agreed.

When a dividend is distributed against reserves drawn from the profits generated in a year in which the special tax regime applied, it must be distributed in compliance with the rules described above.

The Company is obliged to allocate 10% of profits for the year to the constitution of the legal reserve, until it reaches 20% of the share capital. Until it exceeds 20% of capital, the legal reserve may not be distributed as a dividend to shareholders. No other restricted reserves may be established in the articles of association.

3. ALLOCATION OF PROFIT/(LOSS)

The proposed distribution of the results for the financial year ended 31 December 2023 formulated by the Company's Board of Directors for submission to the Sole Shareholder for approval, and that approved for the abbreviated annual financial statements for the financial year ended 31 December 2022, are as follows:

	31/12/2023	31/12/2022
Basis of allocation		
Profit/(loss)	7,812,637.05	9,327,746.88
TOTAL	**7,812,637.05**	**9,327,746.88**
Distribution		
Legal reserve	-	600,611.33
Interim dividends (Note 7.4)	3,670,692.00	5,579,272.37
Dividends	4,141,945.05	3,147,863.18
TOTAL	**7,812,637.05**	**9,327,746.88**
Total Basis of appropriation = Total appropriation	**7,812,637.05**	**9,327,746.88**

4. ACCOUNTING POLICIES

The measurement standards used by the Company in preparing its abbreviated annual accounts, in accordance with the Spanish General Accounting Plan, were as follows:

4.1. Inventory

Advances on inventories are initially recognised at cost.

4.2. Financial assets

The Company's financial assets are classified as follows:

a) Financial assets at amortised cost: financial assets, including assets traded on a regulated market, that the Company holds for the purposes of obtaining income under the terms of the contract, and the contractual conditions of the asset give rise to cash flows, on specified dates, that solely correspond to repayments of the principal and interest on the outstanding principal.

In general, the assets classified under this category are:

i) Trade receivables: assets arising from the sale of goods or provision of services as part of the company's trading activities where collection is deferred, and
ii) Non-trade receivables: loans or credit granted by the Company with fixed or determinable repayments.

Initial measurement

Financial assets are initially recognised, as a general rule, at the fair value of the consideration given plus directly attributable transaction costs. Nevertheless, transaction costs which are attributable to assets carried at fair value through profit or loss are taken directly taken to income.

Subsequent measurement

Financial assets at amortised cost are carried in accordance with said measurement criteria, taking any interest accrued directly to profit or loss, applying the effective interest rate method.

At least at the end of the reporting period, the Company recognises the necessary impairment losses if there is objective evidence that the entire amount owed will not be collected.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's effective interest rate upon initial recognition. Valuation adjustments and any reversals thereof are recognised in the abbreviated income statement.

b) Financial assets at cost:

This category includes the following financial assets:

- Equity investments in group companies, associates and joint ventures.
- Other investments in equity instruments equity instruments whose fair value cannot be determined by reference to an active market or which cannot be estimated in a reliable manner, and the derivatives underlying such investments.
- Hybrid financial assets whose fair value cannot be reliably estimated unless they meet the requirements for classification as financial assets at amortised cost.
- Contributions to joint ventures and similar undertakings.
- Participating loans bearing contingent interest, because a fixed or variable interest rate has been agreed contingent on the borrowing company meeting certain milestones (such as obtaining profits) or because the interest is benchmarked against the performance of said

company.

- Any other financial assets that are initially classified as assets at fair value through profit or loss when it is not possible to obtain a reliable estimate of their fair value.

Loans and receivables are initially measured at the fair value of the consideration transferred, plus any directly attributable transaction costs. Fees paid to legal advisors and other professionals involved in the acquisition of an asset are recognised as an expense in the abbreviated income statement. Internally generated costs on the acquisition of an asset are not capitalised either, being taken directly to income. In the case of investments realised prior to being classified as investments in the equity of a group company, associate or joint venture, their carrying amount immediately prior to reclassification is treated as the cost of said investment.

Equity instruments classified under this category are measured at cost, less any accumulated impairment losses.

Contributions to contractual joint ventures and similar undertakings measured at cost, increased or decreased by the amount of the profit or loss, respectively, attributable to the Company as a non-managing partner, and less any cumulative impairments recognised.

The same criterion is applied to participating loans bearing contingent interest, because a fixed or variable interest rate has been agreed contingent on the borrowing company meeting certain milestones or because the interest is benchmarked against the performance of said company. If, in addition to contingent interest, irrevocable fixed interest is agreed, the latter is recognised as financial income on an accrual basis. Transaction costs are taken to the income statement on a straight-line basis over the life of the participating loan.

At least at the end of the reporting period, the Company recognises any impairment losses that have arisen, provided there is objective evidence that the carrying amount of an investment was not recoverable.

The amount of the valuation adjustment is the difference between the carrying amount and the recoverable amount, defined as the higher of fair value less costs to sell and the present value of future cash flows from the investment. For equity instruments this is calculated either by estimating what is expected to be received as a result of the distribution of dividends by the investee and the sale or derecognition of the investment, or by estimating the share in the cash flows which are expected to be generated by the investee from both its ordinary activities and its disposal or derecognition.

Impairments, and any reversal thereof, are recognised as an expense or revenue, as applicable, in the abbreviated income statement. The limit for reversal of impairment is the carrying amount of the investment that would have been recognised on the date of reversal had the impairment not been recognised.

However, if an investment in the company was made prior to its classification as a group company, joint venture or associate and, prior to that classification, valuation adjustments were made and recognised directly in equity in respect of that investment, those adjustments are retained after classification until the investment is disposed of or derecognised, at which time they are recognised in the abbreviated income statement, or until the following circumstances occur:

- In the case of previous adjustments for remeasurement, impairments will be recorded against the equity item up to the amount of said adjustments, and any excess is taken to the abbreviated income statement. Impairment losses recognised directly in equity are not reversed.

- In the case of previous impairment adjustments, when the recoverable amount subsequently exceeds the carrying amount of the investments, the latter is increased, up to the limit of the impairment, against the equity item where the previous impairment adjustments was recorded. After that, the new amount arising is treated as the cost of the investment. However, when there is objective evidence of impairment in the value of the investment, the losses that have accumulated directly in equity are taken to the abbreviated income statement.

The measurement criteria for equity investments in group companies, associates and joint ventures are detailed in the following section.

(i) Equity investments in group companies, associates and joint ventures:

Group companies are those with which the company has a controlling relationship, while associated companies are those in which it exercises significant influence. Joint ventures include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other partners. Said investments are initially measured at the fair value of the consideration given, plus any directly attributable transaction costs. When the

Company has acquired shares in group companies through a merger or spin-off, or through a non-monetary contribution, if said shares give it control of a business, the investment is measured in accordance with the criteria established in section 2 of recognition and measurement standard 21 (Operations with group companies), this being the carrying amount they contribute to the consolidated annual financial statements, formulated in accordance with the criteria established in the Commercial Code, of the group or the largest subgroup with a Spanish parent of which the acquired company forms part. If there are no consolidated annual financial statements formulated in accordance with the Commercial Code for a group with a Spanish parent company, the investment is measured at the amount it contributes to the individual annual financial statements of the contributing company.

They are subsequently measured at cost less any accumulated impairment losses. Such losses are calculated as the difference between the carrying amount and the recoverable amount, where the latter is the higher of fair value less costs to sell and the present value of the expected future cash flows from the investment. Unless better evidence is available, the recoverable amount is estimated taking into account the equity of the investee, adjusted by any unrealised capital gains existing on the measurement date, including any goodwill.

Impairments, and any reversal thereof, are recognised as an expense or revenue, respectively, in the abbreviated income statement.

4.3. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions. This heading also includes other highly liquid current investments, provided they are convertible into determinate cash amounts and are subject to insignificant risk as regards changes in value. This includes investments maturing in less than three months from the date of acquisition.

4.4. Equity

Share capital is represented by registered shares. Any consideration paid for purchasing treasury shares, including any directly attributable incremental costs, are accounted for as a deduction from equity until the shares are cancelled, reissued or disposed of. When these stakes are sold or reissued at a later date, proceeds received net of directly attributable transaction costs are included under equity.

Since 17 August 2020, all of the Company’s shares are listed on the Euronext Access Paris alternative market.

4.5. Financial liabilities

The financial liabilities assumed or incurred by the Company are classified under the following categories:

a. Financial liabilities at amortised cost: these consist of borrowings and payables arising from the purchase of goods and services in the Company’s ordinary commercial activities and any not arising from commercial activities and which cannot be considered derivative financial instruments, arising from loans and credit lines received by the Company.

   These liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. They are subsequently stated at their amortised cost.

Derivative financial instruments are recognised at their fair value, using the same criteria as for financial investments at fair value through profit or loss detailed in the section above.

Assets and liabilities are disclosed separately in the abbreviated statement of financial position and are only offset when the Company 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.

<u>Derecognition of financial liabilities</u>

The Company derecognises financial liabilities when the obligation giving rise to them has ceased to exist. The Company also derecognises liabilities when it buys them back, even if it intends to place them back on the market in the future.

When a swap of debt instruments is effected with a lender, provided they are of a substantially different nature, the original financial liability is derecognised and the new financial liability is recognised. Any substantial modification to the current terms of a financial liability will be recorded in the same way.

The difference between the carrying amount of the financial liability, or the part thereof that has been derecognised, and the consideration paid (including any transaction costs attributable), which also takes into account any asset sold other than cash and the liability assumed, is recognised in the abbreviated income statement for the year in which derecognition occurs.

When a swap takes place of debt instruments which are not of a substantially different nature, the original financial liability is not derecognised and the commissions paid are recognised as an adjustment to its carrying amount. The new amortised cost of the financial liability is determined using the effective interest rate, which is the rate at which the carrying amount of the financial liability at the modification date equals the cash flows payable under the new terms.

For this purpose, the terms of the contracts are considered to be substantially different when the lender is the same as that which granted the original loan and the present value of the cash flows generated by the new financial liability, including net fees and commissions, differ by at least 10% from the present value of the cash flows pending payment on the original liability, discounting both at the effective interest rate of the original liability. In cases where said difference is less than 10%, the Company also treats the terms and conditions attached to the new financial instrument as being substantially different when there are other substantial qualitative changes, such as changes from a fixed interest rate to a floating rate, or vice versa, the restatement of the liability in a different currency, or the conversion of an ordinary loan into a participating loan, etc.

4.6. Provisions and contingencies

Provisions are recognised in the abbreviated balance sheet when the Company has a present obligation (derived from a contract through its explicit or implicit terms, legislation or other operation of law) as a result of past events and it is probable that a quantifiable outflow of resources will be required to settle the obligation.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision are recognised as a finance expense when accrued. Provisions expiring within one year are not discounted when the financial effect is not material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the corresponding liability.

A provision is recognised based on a reasonable estimate of any probable or certain contingencies of any nature relating to claims, ongoing lawsuits, guarantees, employment-related or other indemnities, and extraordinary financial reparation, provided they are duly justified.

When it is expected that part of the payment required to settle the provision will be repaid by a third party, the repayment is recognised as a separate asset, provided that it is practically certain that it will be received.

Contingent liabilities are obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control. Said contingent liabilities are not recognised in the abbreviated financial statements but are disclosed in the notes thereto. The Company had no contingent liabilities at 31 December 2023.

The members of the Board of Directors consider that no additional provisions are required over and above those recognised by the Company at the reporting close in connection with the aforementioned situations.

4.7 Current and deferred taxes

Income tax expenses or income tax rebates include both the current and deferred tax expense or income. Current tax expense is the tax payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and payments on account, and tax loss carryforwards effectively utilised in the current period reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax losses and tax credits. These amounts are recorded applying to the temporary difference or credit in question the tax rate at which they are expected to be collected or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit/(loss) nor taxable profit/(tax loss), and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities relating to items recognised directly in equity are also recognised in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made where there are doubts as to their future recoverability. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

REIT regime

As disclosed in note 2.6 to these abbreviated financial statements, in accordance with Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT), entities that meet the requirements established in said legislation, and opt to apply the special tax regime defined therein, are subject to corporate income tax at 0%. If the Company generates tax loss carryforwards, article 25 of the revised text of the Corporate Income Tax Law will not apply. The deductions and tax relief established in Chapters II, III and IV of said Law will also no be applicable. For all aspects not covered by the REIT Law, the provisions of the Revised Text of the Corporate Income Tax Law will supplementarily apply.

As established in article 9.2 of Law 11/2009, the Company will be subject to a special charge of 19% on dividends or shares in the profit distributed to shareholders that hold 5% more of the shares in the Company when said dividends are, in the location where the shareholders are domiciled, exempt from tax or are taxed at a rate below 10% (this includes any tax expense paid in application of the Non-residents Income Tax Law).

Nevertheless, this special charge is not applied when the dividends or share of profits are received by entities whose corporate purpose is to hold shares in other REITs or other non-Spanish companies with the same corporate purpose and subject to a similar mandatory dividend distribution policy (legally required or established in their bylaws), for those shareholders who hold 5% or more of the share capital in the Company and whose dividend income is taxed at a rate of at least 10%.

In 2021, Law 11/2021, of 9 July, on measures to prevent and combat tax fraud, amending Law 11/2009, of 26 October, on REITs, introduced a new rule stating that, for tax periods commencing from 1 January 2021, the entity will be subject to a special tax charge of 15% of undistributed profits in the year in respect of income not taxed at the general tax corporate income tax rate and which is not reinvested in the period allowed by this Law. This tax is treated as a corporate income tax expense.

4.8 Classification of assets and liabilities as current or non-current

Assets and liabilities are presented in the balance sheet as current or non-current. For these purposes, assets and liabilities are classified as current when they relate to the Company's normal operating cycle and are expected to be sold, consumed, realised or liquidated within that cycle; they are different from non-current assets and liabilities and their maturity, disposal or realisation is expected to occur within a maximum of one year. They are also considered to be assets held for the purposes of trading or when consisting of cash or cash equivalents whose use is not restricted for a period exceeding one year.

4.9 Revenue and expenses

To determine when revenues must be recognised, the Company follows a five step process:

1. identification of the contract with the customer

2. identification of the performance obligations

3. determination of the transaction price

(Expressed in euros)

4. allocation of the transaction price to the performance obligations

5. recognition of revenues when the performance obligations are fulfilled.

The Company's income from its financing activities (dividends and other revenues generated on loans to investees) is treated as ordinary operating income as stipulated in Consultation 2 of Resolution 79 issued in 2009 by the Institute of Accounting and Account Auditing (ICAC), and is therefore recorded in the abbreviated income statement under "Net turnover".

4.10 Impairment of non-financial assets

At least at the end of the reporting period, the Company determines if there is evidence that any non-current asset or any cash generating unit is impaired. The recoverable value of goodwill and intangible assets with an indefinite useful life is estimated if there are indications of impairment.

An asset's recoverable amount is the higher of its fair value less sale costs and its value in use. An impairment loss is recognised when the carrying amount is higher than the recoverable amount. The value in use is the present value of the expected future cash flows, calculated using risk-free market interest rates, adjusted for specific risks associated with the asset. Impairment losses are recognised and reversed in the abbreviated income statement. Impairment losses on assets other than goodwill can be reversed if the circumstances in which they were recognised no longer exist. An impairment loss can only be reversed up to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

4.11 Related party transactions

In general, transactions among group companies are measured initially at fair value. Where the agreed-upon price differs from fair value, the difference is recognised taking into account the economic substance of the transaction. Subsequent measurement is carried out as established in the related standards.

5. FINANCIAL ASSETS

At 31 December 2023 and 2022 the breakdown of financial assets was as follows:

	EUROS			
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Inventory	-	**98,296.68**	-	**98,096.68**
Advances to suppliers	-	98,296.68	-	98,096.68
Investments in group companies and associates	**80,304,219.59**	-	**76,014,454.26**	-
Other financial assets	-	**145,744.71**	-	**145,744.71**
Total	**80,304,219.59**	**244,041.39**	**76,014,454.26**	**243,841.39**

A) Investments in group companies and associates

	EUROS		EUROS	
	31/12/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Equity investments in group companies - Ballon	7,932,576.10	-	8,386,912.33	-
Equity investments in group companies - Bilball	23,791,617.02	-	25,028,251.42	-
Equity investments in group companies - Castellana Norte	48,580,026.47	-	42,599,290.51	-
Total	**80,304,219.59**	**-**	**76,014,454.26**	**-**

<u>Ballon Investments, S.L.U.:</u>

On 21 June 2019 the Company acquired 3,500 shares with a nominal value of 1 euro each, representing 100% of the share capital of Ballon Investments, S.L.U. The main business activity of the investee is the lease of a

(Expressed in euros)

hypermarket and service station located at Avda. Ballonti no. 1, Portugalete. Both form part of the Ballonti Centro Comercial complex. The Company's registered office is located at Calle Nanclares de Oca, 1B. 28022 Madrid.

On 23 July 2019 the Company made a shareholders' contribution amounting to 8,383,412.33 euros.

At 31 December 2023 the carrying amount of the shares in Ballon Investments, S.L.U. was changed at 7,932,576.10 euros.

Bilball Centre Investments, S.L.U.:

On 21 June 2019 the Company acquired 3,500 shares with a nominal value of 1 euro each, representing 100% of the share capital of centres, Bilball Centre Investments, S.L.U. The main business activity of the investee is the lease of a shopping mall located at Avda. Ballonti no. 1, Portugalete. Both form part of the Ballonti Centro Comercial complex. The Company's registered office is located at Calle Nanclares de Oca, 1B. 28022 Madrid.

On 23 July 2019 the Company made a shareholders' contribution amounting to 25,024,751.42 euros.

At 31 December 2023 the carrying amount of the shares in Bilball Centre Investments, S.L.U. was changed at 23,791,617.02 euros.

Castellana Norte Investments, S.L.U.:

On 28 January 2020 the Company acquired 3,000 shares with a nominal value of 1 euro each, representing 100% of the share capital of Castellana Norte Investments, S.L.U. The main business activity of the investee is the lease of a business park located at C/ Isabel Colbrand, 22, 28050, Madrid, which was acquired on 19 February 2020. The Company's registered office is located at Calle Nanclares de Oca, 1B. 28022 Madrid.

On 3 February 2020 the Company made a shareholders' contribution amounting to 1,000.00 euros.

On 19 February 2020 the Company made a shareholders' contribution amounting to 39,330,512.00 euros.

At 31 December 2022 the carrying amount of the shareholding in Castellana Norte Investments, S.L.U. moved to 42,599,290.51 euros as a result of the 2021 dividend transferred as shareholders' contribution, with an investment value of 3,264,778.51 euros.

At 31 December 2023 the carrying amount of the shareholding in Castellana Norte Investments, S.L.U. moved to 48,580,026.47 euros as a result of the 2022 dividend transferred as shareholders' contribution, with an investment value of 5,980,735.96 euros.

The breakdown of the shareholders' equity in the investees at 31 December 2023 is as follows:

Sociedad	Participación	Coste	Capital	Reservas	Aportaciones de socios	Resultado del ejercicio	Dividendo a cuenta	Fondos Propios
Ballon Investments SOCIMI, S.L.	100%	8.386.912,33	3.500,00	-22.350,76	8.383.412,33	571.956,77	-1.026.293,00	7.910.225,34
Bilball Centre Investments SOCIMI, S.L:	100%	25.028.251,42	3.500,00	-186.492,03	25.024.751,42	1.407.764,60	-2.644.399,00	23.605.824,99
Castellana Norte Investments SOCIMI, S.L.	100%	48.580.026,47	3.000,00	752.917,97	48.577.026,47	-3.111.146,01		46.221.798,43

At 31 December 2023 there was no evidence of impairment of the investments, taking into account their equity and unrealised gains. The directors therefore considered that the carrying amount of the equity instruments in group companies recognised at that date was appropriate.

A) Other financial assets

At 31 December 2023 this heading mainly records a current account with group companies with the sole shareholder, HEREF V Sub Holding, S.à.r.l. in the amount of 93,906.21 euros (93,906.21 euros at 31 December 2022), with Castellana Norte Investments, S.L.U. in the amount of 50,520.00 euros (50,520.00 euros at 31 December 2022) and with Bilball Centre Investments, S.L.U. in the amount of 1,318.50 euros (same amount at 31 December 31, 2022) (note 10.1).

(Expressed in euros)

6. CASH AND CASH EQUIVALENTS

The breakdown of this item at 31 December 2023 and 2022 is as follows:

	31/12/2023	31/12/2022
Cash and cash equivalents	1,729,678.96	1,111,991.34
Total	**1,729,678.96**	**1,111,991.34**

These balances are not subject to any restrictions.

7. EQUITY

7.1. Share capital

The Company was incorporated on 17 December 2018 with share capital of 3,500 euros, comprised of 3,500 cumulative and indivisible shares with a nominal value of 1 euro each, fully subscribed and paid in, numbered from 1 to 3,500 inclusive.

On 1 June 2019 HEREF V Sub Holding, S.à.r.l. acquired 100% of the shares in the company Mediterranean Search, S.L.U.

On 26 July 2019 the sole shareholder at that date decided to convert the Company into a public limited company (sociedad anónima), increasing the share capital by 59,687.76 euros in order to do so.

On 26 July 2019 the sole shareholder decided to increase the Company’s share capital, which amounted at that date to 63,187.76 euros, by 4,937,000.00 euros to 5,000,187.76 euros through the creation of new shares.

At 31 December 2023 and 2022, the sole shareholder of the Company was:

Shareholder	Number of shares	Number	% Share capital
HEREF V Sub Holding, S.à.r.l.	5,000,187	1 to 5,000,187	100%
TOTAL	**5,000,187**	**1 to 5,000,187**	**100%**

Since 17 August 2020, all of the Company’s shares are listed on the Euronext Access Paris alternative market.

7.2. Other shareholders’ contributions

On 26 July 2019, the Company received a monetary contribution of 28,631,237.83 euros from its sole shareholder, HEREF V Sub Holding, S.à.r.l.

On 19 July 2020, the Company received a monetary contribution of 39,372,512.00 euros from its sole shareholder, HEREF V Sub Holding, S.à.r.l.

On 26 July 2023 the Company received a monetary contribution of 3,796,851.20 euros from its sole shareholder, HEREF V Sub Holding, S.à.r.l.

At 31 December 2023, shareholders’ contributions to the Company totalled 71,800,601.03 (68,003,749.83 euros at 31 December 2022).

7.3. Reserves and prior year profit/(loss)

a) Legal reserve

The legal reserve is funded as required by article 274 of the Spanish Corporate Enterprises Act, which provides that 10% of the profit for the year must be transferred until the balance of this reserve reaches at least 20% of share capital.

It cannot be distributed and if used to offset losses because there are insufficient other reserves for this purpose, it must be replenished with future profits.

In accordance with the special tax regime for REITs, the legal reserve may not exceed 20% of the Company's share capital. The Company's bylaws forbid it from setting aside any restricted reserves other than the legal reserve.

At 31 December 2023 the legal reserve is fully funded in the amount of 1,000,037.55 euros.

b) Voluntary reserves

In compliance with measurement and recognition standard 9 in the Spanish General Accounting Plan, the expenses associated with the formation of companies must be recognised as a change in equity.

7.4. Dividends

REITs are subject to the special tax regime established in Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT). Once a REIT has met its commercial obligations, it is required to distribute the profit for the year to shareholders in the form of dividends as follows:

(i) 100% of profits generated from dividends or shares in profits distributed by other REITs or entities engaged in the acquisition of urban real estate properties as their main corporate purpose.

(ii) At least 50% of the profits arising from the transfer of the properties, shares or ownership interests referred to in article 2.1 of Law 11/2009, once the time limits referred to article 3.3 of this Law have elapsed, which are used for pursuit of the entities' principal corporate purpose. The rest of these profits must be reinvested in other real estate assets or shares in entities with this purpose within three years of the transfer date. If not, said profits must be distributed in full, together with any generated in the financial year in which the reinvestment period ends. If the assets in which the funds were reinvested are disposed of prior to the end of the reinvestment period, any gains must be distributed in full, together with any generated in the financial year in which the reinvestment period ends. The obligation to distribute profits does not extend to any taxable profits generated in financial years in which the Company was not subject to the special tax regime established in said Law.

(iii) At least 80% of the remaining profits obtained.

When a dividend is distributed against reserves drawn from the profits generated in a year in which the special tax regime applied, it must be distributed in compliance with the rules described above.

On 22 November 2023 the Company's Board of Directors unanimously agreed to distribute a gross interim dividend of 3,670,692.00 euros against the profits for the year ended on 31 December 2023. This interim dividend was approved by the sole shareholder in a minuted resolution on 22 November 2023.

The following is the accounting statement required by the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), which shows that there is sufficient liquidity for the distribution of profits:

(Expressed in euros)

EXHIBIT I

Annex I - Financial Statement	
AROCA DEL PINAR SOCIMI S.A.	

(Euros)	
Cash available at 14/11/2023	1,377,633.34
Dividends collected	3,670,691.90
Projected cash flow before payment of interim dividends	5,048,325.24
Payment of dividends (gross)	- 3,670,691.90
Projected cash flow after payment of interim dividends	1,377,633.34
Projected payments until 31 December 2023	
Projected cash available at 26/11/2023	1,377,633.34

Income Statement 2023	**9,053,945.63**
Estimated profit to be allocated to legal reserve	-
Estimated profit to be allocated to other reserves required by law or the bylaws	-
Estimated profit to offset prior years' losses	-
Interim dividends	-
Corporate income tax payment	-

8. FINANCIAL LIABILITIES

At 31 December 2023 and 2022 the breakdown of financial liabilities at amortised cost was as follows:

	EUROS			
	31/12/2023		**31/12/2022**	
	Non-current	**Current**	**Non-current**	**Current**
Trade payables	-	13,458.96	-	29,524.33
Total	**-**	**13,458.96**	**-**	**29,524.33**

9. TAX MATTERS

9.1. Tax payables

The breakdown of tax assets and liabilities at 31 December 2023 and 2022 is as follows:

	31/12/2023	**31/12/2022**
Liabilities	**367,069.20**	**234,283.95**
Payable to tax authorities - Non-residents Income Tax	367,069.20	234,283.95

Under current legislation, tax settlements cannot be considered to be final until the tax returns filed have been inspected by the tax authorities or until the four-year statute-of-limitations period has expired.

(Expressed in euros)

9.2 Calculation of corporate income tax

Income tax is calculated on the basis of accounting profit determined in accordance with generally accepted accounting principles. Accounting profit does not necessarily coincide with profit for tax purposes (taxable profit).

A reconciliation of the net income and expenses in the financial year to taxable profit is given below:

Corporate income tax	**31/12/2023**	**31/12/2022**
Profit/(loss) before tax	**7,812,637.05**	**9,327,746.88**
Permanent differences:	**(7,412,109.10)**	**(8,990,771.66)**
Tax profit/(loss) before offset	**400,527.95**	**473,198.51**
Tax loss carryforwards	**-**	**-**
Tax rate 0%	-	-
Net tax payable	**-**	**-**
Payments in instalments	**-**	**-**
Tax payable/(refundable)	**-**	**-**

Permanent differences include dividend revenues obtained in 2023 and 2022.

In the financial year ended 31 December 2023, permanent differences corresponded to dividends received from investees. Although only 5% of these dividends are taxable, according to article 21 of the Corporate Income Tax Law, the amount of dividends or shares in profit, the gains on the transfer of shares in an entity, or any other amounts defined in article 10 of said Law, which are subject to the exemption established in this article, will be reduced by 5%, to account for the management expenses associated with said shares for the purposes of applying this exemption.

In accordance with Law 11/2009, of 26 October, amended by Law 16/2012, of 27 October, amended by Law 11/2021, of 9 July, regulating Real Estate Investment Trusts (REIT) the tax base for corporate income tax is subject to tax at 0%.

Under current legislation, taxes cannot be deemed definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year inspection period has elapsed. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly, so, even if differences were to arise in the interpretation of the regulations governing the tax treatment of its operations, such liabilities as could arise, if any, would not have a material effect on these abbreviated financial statements.

10. RELATED-PARTY TRANSACTIONS

The related parties with which the Company realised transactions in 2023 and 2022, and the nature of the relationship, are as follows:

10.1 Related-party balances

	2023	**2022**
Receivable	**145,744.71**	**145,744.71**
Credit balance with HEREF V Sub Holding, S.à.r.l.	93,906.24	93,906.21
Balance pending with Castellana Norte Investment	50,520.00	50,520.00
Other receivables	1,318.50	1,318.50
Total current balances	**145,744.71**	**145,744.71**

10.2. Related-party transactions

Transactions with related parties include dividends received in 2023 from Aroca's wholly owned subsidiaries, totalling 9,582,189.19 euros (1,322,491.88 euros from Ballon Investments, S.L.U., 3,079,527.52 euros from Bilball

(Expressed in euros)

Centre Investments, S.L.U. and 5,180,169.79 euros from Castellana Norte Investments, S.L.U.) (9,463,970.17 euros in 2022).

10.3 Directors and senior management

Remuneration of directors and senior management

At 31 December 2023 and 2022, the Company' directors had received no remuneration in the form of salaries or attendance fees or from a share of profits or share premiums. Nor were they granted shares or options on shares during the financial year, and they did not exercise any options or hold any unexercised options.

The Company has no employees and the duties of senior management are, therefore, performed by the members of the Board of Directors.

Also, at 31 December 2023 and 2022, no contributions to pension funds or plans had been made on behalf of the directors (two men and one woman).

Detail of investments in companies engaging in similar activities and of the activities carried on by the Company's directors as independent professionals or as employees:

The Directors who occupied posts on the Company's Board of Directors do not have any matters to disclose in respect of the duty of loyalty, preventing conflicts of interest or non-competition with the Group in compliance with the provisions of articles 229 to 231 of the Spanish Corporate Enterprise Act.

The Company' directors are, furthermore, not affected by any conflict of interest which they are required to disclose in compliance with the provisions of article 229.1 of said Act.

The disclosures above in these notes to the abbreviated annual financial statements follow a review of the notifications received from the Company's directors, based on a teleological interpretation of articles 229 to 231 of the Spanish Corporate Enterprise Act.

At the end of the present and previous financial years, the Board of Directors was composed of two men and one woman.

11. REVENUE AND EXPENSES

11.1 Net revenues

Details of net revenues in 2023 and 2022 are as follows:

	31/12/2023	31/12/2022
Dividends	7,891,218.56	9,463,970.17
Total	**7,891,218.56**	**9,463,970.17**

These revenues correspond to dividends received from Aroca's wholly owned subsidiaries, totalling 7,891,218.56 euros (868,155.65 euros from Ballon Investments, S.L.U., 1,842,893.12 euros from Bilball Centre Investments, S.L.U. and 5,180,169.79 euros from Castellana Norte Investments, S.L.U.) (9,463,970.17 euros in 2022).

11.2 Other operating expenses

The breakdown of external services in the abbreviated statement of profit and loss at 31 December 2023 and 2022 is as follows:

	31/12/2023	31/12/2022
Legal services	-	506.30
Audit fees	4,098.58	9,645.28
Advisory fees	4,000.00	9,074.20
Accounting services	35,301.75	34,578.71
Professional services	34,351.90	75,820.00

(Expressed in euros)

Banking and related services	829.28	1,104.24
Other expenses	-	5,494.56
Total	**78,581.51**	**136,223.29**

At 31 December 2023 and 2022 the Company had no employees and so no information is disclosed on the average number of employees in the year.

12. ENVIRONMENTAL DISCLOSURES

In compliance with the Ministerial Order of 28 January 2009 (published in the Spanish Official State Gazette dated 10 February 2009) and the 6 April 2010 Resolution (published in the Spanish Official State Gazette dated 7 April 2010) on greenhouse gas emission rights, it is hereby stated that no environmentally related items exist, and specifically none relating to greenhouse gas emission rights.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

At the date on which the abbreviated annual financial statements were formulated, in the judgment of the directors no material events had occurred that could affect the content thereof.

(Expressed in euros)

Appendix I
Disclosures relating to the Company AROCA DEL PINAR, S.A. in compliance with the requirements of article 11 of Law 11/2009, amended by Law 16/2012 and Law 11/2021, of 9 July:

Description	**31/12/2023**
a) Reserves generated in financial years prior to the application of the tax regime established in Law 11/2009, amended by Law 16/2012, of 27 December.	The Company had negative reserves of 877.62 euros generated in financial years prior to the application of the REIT tax regime.
b) Reserves for each financial year in which the special tax regime established in said Law has been applied	
• Profits generated from income subject to tax at the general rate	Not applicable
• Profits generated from income subject to tax at 19%	Not applicable
• Profits generated from income subject to tax at 0%	Not applicable
c) Dividends distributed against the profits of each financial year in which the special tax regime established in said Law has been applied	
• Dividends generated from income subject to tax at the general rate	Not applicable
• Dividends generated from income subject to tax at 18% (2009) and 19% (2010 to 2012)	Not applicable
• Dividends generated from income subject to tax at 0%	The Company distributed dividends of 3,670,962.00 against the profits for 2023. The Company distributed dividends of 5,579,272.37 against the profits for 2022.
d) Distribution of dividend charged to reserves	
• Distribution of dividend charged to reserves subject to tax at the general rate	Not applicable
• Distribution of dividend charged to reserves subject to tax at 19%	Not applicable
• Distribution of dividend charged to reserves subject to tax at 0%	Not applicable
e) Date on which the dividend pay-outs referred to in c) and d) above was agreed	On 22 November 2023 the Company distributed dividends of 3,670,692.00 euros against the profits for the year 2023. On 6 June 2022 and 30 November 2022 the Company distributed 3,236,432.85 euros and 2,342,839.52 euros, respectively, as dividends against the profits for 2022.
f) Acquisition/disposal date of rental properties that generate gains subject to this special regime	Not applicable
g) Acquisition date of investments in the equity of entities defined in section 2.1 of this Law.	On 21 June 2019 the parent company acquired 100% of the share capital of Ballon Investment, S.L.U. On the same date it acquired 100% of the share capital of Bilball Centre Investment, S.L.U. and on 28 January 2020 it acquired 100% of the

	share capital of Castellana Norte Investments, S.L.U.
h) Identification of assets that fall within the scope of the 80% rule established in article 3.1 of this Law.	Investments in Ballon Investment, S.L.U., in Bilball Centre Investment, S.L.U. and in Castellana Norte Investments, S.L.U. (100%).
i) Reserves generated in prior years in which the special tax regime established in this Law was applicable, which were available in the tax year and not distributed or used to offset losses. The year in which said reserves were generated must be identified.	Not applicable

In accordance with current legislation and commercial standards, and in compliance with the requirements established in article 253 of the revised text of the Spanish Corporate Enterprises Act and article 44 of the Spanish Commercial Code, on 31 March 2024 the directors of AROCA DEL PINAR SOCIMI, S.A.U. formulated the abbreviated financial statements for the financial year ended 31 December 2023, comprising the attached documents preceding this declaration.

Madrid, 31 March 2024

Mr. Roque Rotaeche Ozores	Ms. Carolina Clemente	Mr. Víctor Salamanca Cuevas
Managing Director	Managing Director	Board Member