

**Árma Real Estate SOCIMI, S.A.
and its subsidiaries**

Auditor's report

Consolidated annual accounts as of 31 December 2024

Consolidated management report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the shareholders of Árima Real Estate SOCIMI, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of Árima Real Estate SOCIMI, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice 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 relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters 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 matters.

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Key audit matters	How our audit addressed the key audit matters
Valuation of investment properties Investment properties make up 94% of the Group's assets. As described in note 2.8, the Group applies the fair value model in accordance with IAS 40 and has recognised a negative variation in the fair value of investment property amounting to €13,283 thousand in the consolidated income statement, as indicated in note 7. Total investment properties recognised in non-current assets on the consolidated balance sheet amount to €361,521 thousand on 31 December 2024. The Group recognises the value of investment property based on independent expert valuations. Valuations are performed in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and in accordance with the International Valuation Standards (IVS) published by the International Standards Valuation Committee (ISVC), whose methodology is described in notes 2.4 and 7 to the consolidated financial statements. Valuer considers specific variables such as the lease contracts signed and specifically its rents. Similarly, they apply certain key assumptions such as exit yields, estimated market rent and discount rates in order to arrive at a final valuation. The importance of the estimates and judgements involved in these valuations, coupled with the fact that a small percentage difference in the valuation of a property could result in a material figure, makes the valuation of real estate investments a key audit issue.	We obtained the valuation of property investments carried out by Management's independent expert, on which we performed the following procedures among others: • Verification of the expert's competence, capacity and independence by obtaining confirmation and corroborating its professional standing in the market. • Verification that the valuations were performed according to accepted methodology. • Discussion of the principal key assumptions of the valuation through sundry meetings with the expert valuer and management, assessing the consistency of the main assumptions used taking existing market conditions into account. • Performance of selective tests to corroborate the accuracy of the most relevant data provided by Management to the valuer and used by it in the valuations. For a sample of additions of investment properties registered during the year, we have checked the supporting documentation. Additionally, we assessed the sufficiency of the information disclosed in the consolidated annual accounts. The results of the procedures performed allowed us to reasonably obtain the audit objectives for which these procedures were designed.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2024 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit and control committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors 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 company'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 aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit and control committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

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 legislation governing the audit practice 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 legislation governing the audit practice in Spain, we exercise professional judgment 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 company's directors.
- Conclude on the appropriateness of the Parent company'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 fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit and control committee 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.

We also provide the Parent company's audit and control committee with a statement that we have complied with relevant ethical requirements, including those relating to independence, and we communicate with the aforementioned those matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Parent company's audit and control committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Árma Real Estate SOCIMI, S.A. and its subsidiaries for the 2024 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Árma Real Estate SOCIMI, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit and control committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit and control committee of the Parent company dated 27 February 2024.

Appointment period

The General Ordinary Shareholders' Meeting held on 20 June 2024 appointed us as auditors of the Group for a period of three years, as from the year ended 31 December 2024.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of three years and we have audited the accounts continuously since the year ended 31 December 2018.



Árma Real Estate SOCIMI, S.A. and its subsidiaries

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 21 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original signed by

Fernando Pindado Rubio (23102)

27 February 2025



ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

Consolidated Annual Accounts and at 31 December 2024
and Consolidated Management Report
for the financial year 2024

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

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ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2024

(Expressed in thousand euros)

ASSETS	Notes	At 31 December 2024	At 31 December 2023
NON- CURRENT ASSETS			
Intangible assets	5	-	224
Property, plant and equipment	6	43	160
Investments properties	7	361,521	361,342
Non-current financial investments		536	2,701
Loans to third parties	8, 9	-	1,573
Financial hedging derivatives	8, 9, 16	536	1,128
Other non-current financial assets	8, 9	5,658	1,188
Prepayments for non-current assets	8	810	668
		368,568	366,283
CURRENT ASSETS			
Trade receivables and other receivable accounts		2,686	4,864
Trade receivables for sales and services	8, 9	1,968	3,411
Other receivable accounts	8, 9	368	221
Other credits held with Public Authorities	9, 15	350	1,232
Short-term financial investments		-	190
Derivative financial instruments	8, 9, 16	-	190
Prepayments for current assets	8	1,393	1,070
Other current financial assets	8, 9	50	36,566
Cash and cash equivalents	10	11,437	7,076
Cash and banks		11,437	7,076
		15,566	49,766
		384,134	416,049

Notes 1 to 23 to the consolidated annual accounts are an integral part of the Consolidated Annual Accounts at 31 December 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2024

(Expressed in thousand euros)

EQUITY AND LIABILITIES	Notes	At 31 December 2024	At 31 December 2023
EQUITY			
Share capital	11	259,829	284,294
Share premium	11	5,769	5,769
Reserves	12	27,087	54,802
Profit (loss) for the period		(30,650)	(32,598)
Other equity instruments	18	-	801
Treasury shares	11	(237)	(20,712)
Hedging transactions	12, 16	383	1,296
		262,181	293,652
NON-CURRENT LIABILITIES			
Bank loans and credits	8, 13	101,072	98,556
Financial hedging derivatives	8, 13, 16	153	22
Other non-current financial liabilities	8	1,622	1,173
		102,847	99,751
CURRENT LIABILITIES			
Bank loans and credits	8,13	5,582	13,808
Other current financial assets	8,13	359	408
Trade and other payables		12,919	8,430
Commercial creditors and other payables	8,13	5,599	5,734
Other current debts	8, 13, 14	6,919	2,343
Other debts with Public Authorities	15	401	353
Short-term deferred income	8	246	-
		19,106	22,646
		384,134	416,049

Notes 1 to 23 to the consolidated annual accounts are an integral part of the Consolidated Annual Accounts at 31 December 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(Expressed in thousand euros)

	Notes	Financial year ended 31 December 2024	Financial year ended 31 December 2023
Revenue	14	12,181	10,073
Changes in fair value of investment properties	7	(13,283)	(26,548)
Personnel costs	14, 18	(16,442)	(7,633)
Other operating income		2	1
Other operating costs	14	(9,688)	(5,267)
Depreciation of intangible assets	5	(22)	(22)
Depreciation of plant, property and equipment	6	(51)	(54)
Gains (or profits) from sales and other transactions	7	(259)	(857)
OPERATING RESULTS		(27,562)	(30,307)
Financial income		1,588	1,803
Financial expenses		(4,676)	(4,094)
FINANCIAL RESULT	14	(3,088)	(2,291)
PRE-TAX RESULT		(30,650)	(32,598)
Income tax	15	-	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR	14	(30,650)	(32,598)
Basic and diluted earnings per share	11	(1.18)	(1.24)

Notes 1 to 23 to the consolidated annual accounts form an integral part of the Consolidated Annual Accounts at 31 December 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF THE COMPREHENSIVE INCOME FOR THE
FINANCIAL YEAR ENDED ON 31 DECEMBER 2024**
(Expressed in thousand euros)

	Notes	Financial year ended 31 December 2024	Financial year ended 31 December 2023
Profit (Loss) for the financial year	14	(30,650)	(32,598)
<u>Other comprehensive income:</u>			
Entries that may subsequently be reclassified to results		(913)	(1,221)
Cash-flow hedges transactions	12, 16	(913)	(1,221)
Entries that won't subsequently be reclassified to results		-	-
Other comprehensive results for the financial year		(913)	(1,223)
Total comprehensive income for the financial year		(31,563)	(33,819)

Notes 1 to 23 to the consolidated annual accounts are an integral part of the Consolidated Annual Accounts at 31 December 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(Expressed in thousand euros)

	Capital (Note 11)	Share Premium (Note 11)	Reserves (Note 12)	Accumulated earnings (Note 12)	Other equity instruments (Note 18)	Treasury Shares (Note 11)	Hedging Reserve (Note 12, 16)	TOTAL
BALANCE AT 1 JANUARY 2023	284,294	5,769	44,444	10,478	509	(17,072)	2,517	330,993
Profit /(loss) for the financial year	-	-	-	(32,598)	-	-	-	(32,598)
Other comprehensive results for the financial year	-	-	-	-	-	-	(1,221)	(1,221)
Total comprehensive income for the financial year	-	-	-	(32,598)	-	-	(1,221)	(33,819)
Other movements	-	-	10,358	(10,478)	292	-	-	172
Others results in treasury shares (Note 11)	-	-	-	-	-	(3,640)	-	(3,640)
Total transactions with owners, recognised directly in equity and other movements	-	-	10,358	(10,478)	292	(3,640)	-	(3,468)
BALANCE AT 31 DECEMBER 2023	284,294	5,769	54,802	(32,598)	801	(20,712)	1,296	293,652
BALANCE AT 1 JANUARY 2024	284,294	5,769	54,802	(32,598)	801	(20,712)	1,296	293,652
Profit /(loss) for the financial year	-	-	-	(30,650)	-	-	-	(30,650)
Other comprehensive results for the financial year	-	-	-	-	-	-	(913)	(913)
Total comprehensive income for the financial year	-	-	-	(30,650)	-	-	(913)	(31,563)
Capital reduction	(24,465)	-	5,315	-	-	19,150	-	-
Other movements	-	-	(33,030)	32,598	(801)	-	-	(1,233)
Other results in treasury shares (Note 11)	-	-	-	-	-	1,325	-	1,325
Total transactions with owners, recognised directly in equity and other movements	(24,465)	-	(27,715)	32,598	(801)	20,475	-	92
BALANCE AT 31 DECEMBER 2024	259,829	5,769	27,087	(30,650)	-	(237)	383	262,181

Notes 1 to 23 to the consolidated annual accounts are an integral part of the Consolidated Annual Accounts at 31 December 2024

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

(Expressed in thousand euros)

	Notes	Financial year ended on 31 December 2024	Financial year ended on 31 December 2023
A) CASH FLOW FROM OPERATING ACTIVITIES			
Pre-tax result for the financial year		(30,650)	(32,598)
Adjustments to profit/loss		24,346	33,129
Depreciation of assets	5	73	76
Impairment adjustments	6	264	-
Results from disposals and sales of property, plant, and equipment	7	(5)	857
Financial income		(1,588)	(1,803)
Financial expenses	14	4,676	4,092
Changes in fair value of investment properties	7	13,283	26,548
Other adjustments to profit/loss		7,643	3,359
Changes in working capital		(3,977)	(7,981)
Debtors and other receivables	9	(2,890)	(2,068)
Other current assets	9	559	2,804
Creditors and other payables	13	(1,973)	(5,835)
Other current liabilities		975	(532)
Other non-current assets and liabilities		(648)	(2,350)
Other cash flows from operating activities		(2,819)	(1,416)
Interest paid		(4,722)	(2,886)
Interest received		1,903	1,470
Cash flow from operating activities		(13,100)	(8,866)
B) CASH FLOW FROM INVESTMENT ACTIVITIES			
Payments on investments		(14,029)	(36,849)
Property, plant and equipment	6	-	(3)
Investment properties	7	(14,029)	(36,846)
Receipts from divestments		35,867	14,500
Property, plant and equipment		17	-
Investment properties	7	-	14,500
Other assets	9	35,850	-
Cash flow from investment activities		21,838	(22,349)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Receivables and payments on equity instruments		1,283	(4,335)
Acquisition of treasury shares	11	(412)	(4,335)
Government grants		9	-
Other cash receipts (employee loans)		1,686	-
Receivables and payments on financial liabilities		(5,660)	(8,942)
Financial borrowings	13	22,480	6,719
Principal repayments	13	(28,140)	(15,661)
Cash flow from financing activities		(4,377)	(13,277)
NET INCREASE/REDUCTION IN CASH OR CASH EQUIVALENTS		4,361	(44,492)
Cash at the beginning of financial year		7,076	51,568
Cash at the end of financial year	10	11,437	7,076

Notes 1 to 23 to the consolidated annual accounts are an integral part of the Consolidated Annual Accounts at 31 December 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

1. ACTIVITIES AND GENERAL INFORMATION

Árma Real Estate SOCIMI, S.A. (hereinafter, the “Company” or the “dominant Company”) was incorporated in Spain on 13 June 2018 under the Spanish Capital Companies Act, going public on 23 October 2018. Its registered office is located at calle Serrano, 47 4th floor, 28001 Madrid.

Its corporate purpose is described in Article 2 of its articles of association and consists of:

- The acquisition and development of urban properties intended for lease.
- The ownership of interests in the share capital of other Spanish Real Estate Investment Trusts (*Sociedad Anónima Cotizada de Inversión en el Mercado Inmobiliario*, “SOCIMI”) or other companies that are not resident in Spain, that have the same corporate purpose, and that are governed by rules similar to those governing SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution.
- The ownership of interests in the share capital of other companies that are both resident and non-resident in Spain, whose corporate purpose is the acquisition of urban properties for lease, and which are governed by the same rules that govern SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution, and which meet the investment requirements set out in Article 3 of the Spanish SOCIMI Act.
- The ownership of shares or holdings in Collective Investment Institutions governed by Spanish Collective Investment Institutions Act 35 of 4 November 2003.

The Company may also engage in other ancillary activities, this being understood to mean activities that generate income accounting for less than 20% of the Company’s total income over a single tax period. The Company carries out its activity at calle Serrano, 47 4th floor, 28001 Madrid.

Any activity that must by law meet special requirements that are not met by the Company are excluded.

The aforementioned business activities may also be fully or partially engaged in indirectly by the Company through the ownership of interests in another company or companies with a similar corporate purpose.

During the year ended 31 December 2024, the corporate name of the dominant Company has not been modified.

a) Regulatory regime

The dominant Company is regulated under the Spanish Capital Companies Act.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

In addition, on 27 September 2018 the Company informed the Tax Authorities that it wished to opt for application of the rules governing Spanish Real Estate Investment Trusts (SOCIMIs), and is therefore subject to Act 11 of 26 October 2009, with the amendments introduced by Act 16 of 27 December 2012, under which SOCIMIs are governed. Article 3 of Act 11 of 26 October 2009 sets out certain requirements that must be met by this type of company, namely:

- i. They must have invested at least 80% of the value of their assets in urban properties intended for lease, or in land for the development of properties that are to be used for the same purpose, provided that development begins within three years following its acquisition, or in equity investments in other companies, as set out in Article 2 section 1 of the aforementioned Act.
- ii. At least 80% of the income from the tax period corresponding to each year, excluding the income deriving from the transfer of ownership interests and real estate properties used by the Company to comply with its main corporate purpose, once the retention period referred to in the following paragraph has elapsed, must come from the lease of properties and from dividends or shares in profits associated with the aforementioned investments.
- iii. The real estate properties that make up the Company's assets must remain leased for at least three years. Calculation of this term will include the time that the properties have been offered for lease, up to a maximum of one year.

The dominant Company has been listed on the Spanish Stock Market since 23 October 2018, with its tax address at calle Serrano, 47 4th floor, 28001 Madrid.

The individual annual accounts of Árima Real Estate SOCIMI, S.A. and the consolidated annual accounts of Árima Real Estate SOCIMI, S.A. and subsidiaries at 31 December 2023 were prepared at 20 February 2024 and were approved, without modifications, by the shareholders on 20 June 2024.

The figures contained in these consolidated interim summary financial statements are expressed in thousand euros, unless otherwise indicated.

b) Subsidiary companies

As of 31 December 2024, and 31 December 2023, Árima Real Estate SOCIMI, S.A., is the dominant company of a Group of companies (hereinafter, the "Group") which is comprised of the next subsidiaries:

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

31 December 2024:

Name	Address	Activity	Share %
Árma Investigación Desarrollo e Innovación, S.L.U.	Calle Serrano 47, 4ª planta, 28001 Madrid	Real Estate Business Sustainability projects Exploitation of industrial property rights	100
Árma Investments, S.L.	Calle Serrano 47, 4ª planta, 28001 Madrid	Acquisition and development of urban properties intended for lease	100

31 December 2023:

Name	Address	Activity	Share %
Árma Investigación Desarrollo e Innovación, S.L.U.	Calle Serrano 47, 4ª planta, 28001 Madrid	Real Estate Business Sustainability projects Exploitation of industrial property rights	100
Árma Investments, S.L.	Calle Serrano 47, 4ª planta, 28001 Madrid	Acquisition and development of urban properties intended for lease	100

Árma Investigación, Desarrollo e Innovación, S.L.U. was incorporated on 10 December 2018 as Árma Real Estate Investments, S.L.U. Its trade name was modified on 7 November 2019 to the current Árma Investigación, Desarrollo e Innovación, S.L.U.

On 28 September 2021, the Group acquired 100% of the shares of Inmopra, S.L. This Company, which, like the Group, is engaged in real estate investment, owned a leased office building located in Chamartin (Madrid), of 1,950 sqm. This transaction was considered and defined as an asset acquisition, as it did not meet the definition of a business in accordance with IFRS 3. This company benefited from the special regime of SOCIMIs on 29 September 2021. Subsequently, its corporate name was changed on 4 October 2021, acquiring the current name of Árma Investments, S.L.

2. BASES FOR THE PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

The main accounting policies adopted in the preparation of the consolidated annual accounts are described below. These policies have been applied uniformly for the period presented, unless otherwise indicated.

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NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.1 Bases for presentation

These consolidated annual accounts for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations of The International Financial Reporting Committee (IFRS) adopted by the European Union (collectively, IFRS-EU), in accordance with Regulation (EC) No 1606/2002 of the Parliament and the European Council and subsequent amendments.

The preparation of these consolidated annual accounts in accordance with the IFRS-EU requires the use of certain critical accounting estimates. It also requires the Management to exercise its judgment in the process of applying the Group's accounting policies. Note 2.4 discloses the areas that imply a higher degree of judgment or complexity or the areas where the hypotheses and estimates are significant for the consolidated annual accounts.

The Group's activity does not have a seasonal nature.

These consolidated annual accounts have been prepared by the Board of Directors on February 26, 2025.

2.2 Comparative information

The figures presented in the consolidated financial statements are comparable with each entry in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows correspond to the financial year ended at 31 December 2024, to the consolidated financial statements for the financial year ended at 31 December 2023.

2.3 Working Capital

These Consolidated Financial Statements have been prepared in accordance with the going concern principle, which assumes that the Group will realize its assets and settle its liabilities in the normal course of its operations.

The Group's working capital as of December 31, 2024, is negative by 3,540 thousand euros, due to a temporary situation caused by ongoing works on assets that are not generating income. As detailed in Note 13, the Group has a credit line of up to 16,000 thousand euros, maturing in 2028, which will be used in 2025 if necessary to meet its obligations.

2.4 IFRS Interpretation Committee and IFRIC modifications

Standards, modifications and mandatory interpretations for all years beginning on January 1, 2024:

- IFRS 16 (modification) – "Lease liability in a sale and leaseback transaction."
- IAS 1 (modification) – "Classification of liabilities as current or non-current."
- IAS 1 (modification) – "Non-current liabilities with covenants."
- IAS 7 (modification) y NIIF 7 (Modification) – "Supplier financing arrangements ("confirming")."

These amendments on the consolidated annual accounts of the company have not had a significant impact.

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NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

Standards, amendments and interpretations that have not yet entered into force, but may be adopted in advance:

- IAS 21 (modification) – “Lack of convertibility”.

Norms, modifications and interpretations to the existing norms that cannot be adopted in advance or that have not been adopted by the European Union:

At the date on which these consolidated financial statements are signed, the IASB and the IFRS *Interpretations Committee* had published the standards, modifications and interpretations detailed below can't be adopted in advance by the Group or that are pending adoption by the European Union.

- IFRS 10 (Modification) and IAS 28 (Modification) - "Sale or contribution of assets between an investor and its associates or joint ventures."
- IFRS 18 (modification) – “Presentation and disclosure in the financial statements.”.
- IFRS 19 (Modifications) – “Non-publicly accountable entities. Disclosures.”
- IFRS 9 y IFRS 7 (modification) – “Modifications to the classification and measurement of financial instruments.”.
- Annual improvements to IFRS Accounting Standards. Volume 11.

If any of the above standards were adopted by the European Union, the Group will apply them with the corresponding effects in its financial statements.

These amendments or interpretations on the consolidated financial statements of the Group will not have a significant impact.

2.5 Use of estimates

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, will rarely equal the corresponding actual results. The adjustments that occur when regularizing the estimates will be prospective. Below, we explain the estimates and judgments that have a significant risk of giving rise to a material adjustment in the carrying amounts of the assets and liabilities within the following financial year.

▪ Fair value of real estate investments

The Administrators of the dominant Company carry out an assessment of the fair value of each property taking into account the most recent independent valuations. The Administrators of the dominant Company determine the value of a property within a range of acceptable fair value estimates.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

The best evidence of the fair value of investment properties in an active market is the price of similar assets. When making such judgements, the Group uses a series of sources, including:

- i. The current prices in an active marketplace of different kinds of properties in varying states of repair and different locations, adjusted to reflect differences with the Group's own assets.
- ii. The recent prices paid for properties in other, less active marketplaces, adjusted to reflect changes in economic conditions since the transaction date.
- iii. The discounting of cash flows based on estimates resulting from the terms and conditions contained in current lease contracts and, where possible, evidence of the market prices of similar properties in the same location, through the use of discount rates that reflect the uncertainty of the time factor.

In view of the preparation of these consolidated annual accounts for the financial year ended on 31 December 2024, the Directors have requested valuations carried out by independent experts (Note 7) in order to book their fair value at this date.

▪ Fair value of derivatives and other financial instruments

The fair value of those financial instruments that are not traded in an active market (for example, off-exchange derivatives) is determined using valuation techniques. The Group uses its judgment to select several methods and makes assumptions that are based mainly on the market conditions at each balance sheet. The Group has used a discounted cash flow analysis for several interest rate contracts that are not traded in active markets.

As indicated in Note 3.1, the Group has signed several interest rate swap financial instruments, classified as hedging instruments and registered in accordance with the following registration and valuation policy:

Financial derivatives are measured at fair value both on initial entry and on subsequent measurement. The method used to enter any resulting gains or losses depends on whether the derivative is designated as a hedging instrument or not and, if so, the type of hedging applied.

Hedging instruments are valued and entered according to their characteristics, insofar as they do not provide, or cease to provide, effective coverage. In the case of derivatives that do not qualify for hedge accounting, gains or losses in their fair value are immediately entered in the consolidated income statement.

The Group designates certain derivatives as hedges for a specific risk associated with a recognised asset or liability or with a highly probable forecast transaction (cash flow hedges).

Upon initiating the transaction, the Group documents the relationship between the hedging instruments and hedged items and its risk management objectives and strategy for arranging various hedging transactions. The Group also documents its evaluation, both at the outset and continuously thereafter, as to whether the derivatives being used in the hedging transactions are expected to be highly effective in order to offset changes in fair value or in cash flows from hedged items.

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The total fair value of a hedging derivative is entered under non-current assets or liabilities if the time remaining to maturity of the hedged item is more than 12 months and under current assets or liabilities if the time remaining to maturity of the hedged item is less than 12 months. Derivatives held for trading are entered under current assets or liabilities.

- Cash flow hedges

The effective portion of changes in the fair value of a derivative designated as a cash flow hedge is entered under other comprehensive income. The profit or loss on the ineffective portion is entered immediately in the income statement under "other (losses)/gains - net".

Amounts accumulated in equity are reclassified to the income statement in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). Gains or losses on the effective part of interest rate swaps used to hedge loans at variable rates are entered in the income statement under "financial income/expenses". However, when the forecast transaction that is being hedged results in the entry of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial valuation of the cost of the asset. The deferred amounts are definitively entered as the cost of the assets sold, in the case of stocks, or as depreciation in the case of property, plant and equipment.

When a hedging instrument matures or is sold or when the requirements for the application of hedge accounting cease to be met, any gains or losses accumulated in equity to that date will remain in equity and will be entered when the forecast transaction is finally entered in the income statement. When it is expected that the scheduled transaction is not going to take place after all, the profit or loss accumulated in the equity is immediately transferred to the income statement under the heading "other net (losses)/profits".

- Income Tax

The dominant Company is subject to the regime established by law 11/2009, of October 26, amended by law 11/2021, of June 30, which regulates Real Estate Investment Trusts (SOCIMIs). This means that, under certain conditions, the dominant Company is subject to a Corporate Income Tax rate of 0% (Note 1). The amendment in Law 11/2021 imposes a 15% tax on profits not distributed through dividends, a circumstance that is not applicable to the Group in the year ended 31 December 2024.

The Directors monitor compliance with the requirements set out in the relevant legislation in order to secure the tax advantages offered. In this regard, the Directors consider that the necessary requirements will be met within the established terms and periods, and they have therefore not entered any income or expense in respect of Corporate Income Tax.

Although the aforementioned criteria are based on rational appreciations and elements of objective analysis, events that may take place in the future may make it necessary to adjust these estimates (upwards or downwards) in coming reporting periods or years. Changes in accounting estimates, if required, would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the consolidated income statements for the periods or years concerned.

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NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.6 Consolidation

(a) Subsidiaries

Subsidiaries are all the companies (including structured institutions) over which the Group has control. The Group controls a company or institutions when it obtains, or has the right to obtain, variable returns as the result of its involvement in the subsidiary and also has the ability to use its power over the company in order to influence these returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and deconsolidated on the date on which such control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts presented by subsidiaries have been adjusted to bring them into line with the Group's accounting policies.

(b) Changes to shareholdings held in subsidiaries without any change of control

Transactions involving non-controlling shareholdings that do not result in a loss of control are entered as equity transactions, i.e. as transactions with the owners in their capacity as such. The difference between the fair value of the consideration paid and the corresponding proportion of the book value of the subsidiary's net assets is entered under equity. Any gains or losses resulting from the disposal of non-controlling shareholdings are entered under equity.

(c) Disposal of subsidiary companies

When the Group ceases to have control, any shareholding retained in the company is remeasured at its fair value on the date on which control is lost, and the change is entered in the book value in the income statement. Fair value is the initial book value for the purposes of the subsequent entry of the shareholding maintained as an associate, joint venture or financial asset. In addition, any amount previously entered in respect of the company in question under other comprehensive income is accounted for as if the Group had directly sold the related assets and liabilities. This could mean that the amounts previously entered under other comprehensive income are moved to the income statement. (Note 4).

2.7 Financial information by segment

Information on business segments is reported on the basis of the internal information supplied to the body with ultimate authority to make decisions. The investments committee has been identified as the body with ultimate authority to make decisions, since it is responsible for allocating resources and assessing the performance of operating segments, as well as being in charge of strategic decision-making, with final approval from the Board of Directors.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.8 Investment properties

Property that is held in order to obtain long-term rent or capital gains or both and is not occupied by Group companies is classified as investment property. Investment properties include office buildings, logistics warehouses and other items owned by the Group. Investment property also includes property that is under construction or being developed for future use as investment property.

Investment properties are initially valued at cost, including related transaction costs and financing costs, if applicable. Following their initial entry, investment properties are accounted for at fair value.

The fair value of investment property reflects, inter alia, income from leasing and other assumptions that market players would take into account when valuing the property under current market conditions. Calculation of the fair value of such items is described in Note 7.

Subsequent expenses are capitalised at the asset's book value only when it is likely that future profits associated with these expenses will flow to the Group and the item's cost may be reliably measured. Any remaining costs are entered in the income statement when they are incurred. When part of an investment property is replaced, the book value of the replaced part is written down.

Any changes to fair value are entered in the income statement. When the Group disposes of a property at fair value in an arm's-length transaction, the book value immediately prior to the sale is adjusted to the transaction price and the adjustment is entered in the income statement as part of the net gain from the adjustment to the fair value of investment properties.

If an investment property becomes an owner-occupied property, it is reclassified as property, plant and equipment. Its fair value on the date on which it is reclassified becomes its cost for subsequent accounting purposes.

If a property item is no longer occupied by its owners, it becomes an investment property, due to a change of use. The resulting difference between the book value and fair value of that asset on the transfer date is treated in the same way as a restatement under IAS 16. Any resulting increase in the book value of the property is entered in the income statement, insofar as it reverses a previous loss due to impairment. Any remaining increase is entered under other comprehensive income, directly increasing equity in the revaluation reserve. Any resulting fall in the book value of the property is initially entered under other comprehensive income against any previously entered restatement reserve, and any remaining fall in value is entered in the income statement.

When an investment property is subject to a change of use, as demonstrated by the beginning of development work with a view to its sale, the property is transferred to stocks. The cost allocated to property for subsequent entry under stocks is its reasonable value on the date on which the change of use occurs.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.9 Intangible assets

Intangible assets are entered at their acquisition price or production and are subsequently measured at their net cost of their corresponding accumulated depreciation and the accumulated value of any recognised losses.

The depreciation of intangible fixed assets is systematically calculated by the straight-line method according to its estimated useful life, considering the depreciation actually suffered. The percentage of amortization based on estimated useful lives is.

	<u>Depreciation rate (%)</u>
Development	20%
Software Applications	20%

The useful life of all intangible assets is reviewed and, where applicable, adjusted on the date of each balance sheet.

When the book value of a fixed asset is higher than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

2.10 Property, plant and equipment

Property, plant and equipment items are entered at their acquisition price or production cost, minus accumulated depreciation and the accumulated value of any recognised losses. Subsequent expenses are capitalised at the asset's book value only when it is likely that future profits associated with these expenses will flow to the Group and the item's cost may be reliably measured. Maintenance and repair expenses are charged to the income statement when they are incurred.

The depreciation of property, plant and equipment (except for land, which is not depreciated) is systematically calculated by the straight-line method according to its estimated useful life, taking account of the actual depreciation caused by its operation, use and benefit. Depreciation rate based on estimated useful life figures are as follows.

	<u>Depreciation rate (%)</u>
Other Facilities	10%
Furnishings	10%
Data processing equipment	25%
Transport items	25%
Other fixed assets	10%

The useful life of all property, plant and equipment is reviewed and, where applicable, adjusted on the date of each balance sheet.

When the book value of a fixed asset is higher than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.11 Losses due to the value impairment of non-financial assets

Assets subject to depreciation are subjected to impairment reviews whenever some event or a change in circumstances indicates that the book value may not be recoverable. An impairment loss is entered in the amount by which the asset's book value exceeds its recoverable value. The recoverable value is calculated as either the fair value minus sale costs or the operational value, whichever is higher. In order to assess impairment losses, assets are grouped at the lowest level for which there are generally independent identifiable cash flows (cash generating units). Previous impairment losses on non-financial assets are reviewed for their possible reversal on each financial reporting date.

2.12 Inventories

Inventories arise when there is a change in the use of investment properties, as demonstrated by the beginning of development work with a view to its sale, and the properties are reclassified as stock at attributed cost, which is the fair value on the date on which they are reclassified. These are subsequently valued at either cost price or net realisable value, whichever is the lower. The realisable value is the estimated sale price in the normal course of business, minus the costs incurred in completing the development and sale costs. At year end, the Group did not have any stock.

2.13 Financial assets

Classification

Classification depends on the valuation category on the basis on the business model and the characteristics of the contractual cash flows, and only reclassifies the financial asset when, and only when, its model of business changes to manage those assets.

The Group classified its financial assets in these categories: financial assets at fair value with changes in results, financial assets at fair value with changes in other comprehensive income and financial assets at amortized cost.

Valuation

Acquisitions and disposals of investments are recognized on the trading date, i.e. the date on which the Group undertakes to acquire or sell the asset. Investments are initially recognized at fair value plus transaction costs for all non-fair financial assets with changes in results. Financial assets valued at fair value with changes in results are initially recognized at fair value, and transaction costs are debited to Profitability Analysis. Investments are decommissioned when the rights to receive cash flows from investments have expired or been transferred and the Group has substantially transferred all risks and advantages arising from their ownership.

For assets measured at fair value, gains and losses shall be recorded in results or other comprehensive income. For investments in equity instruments that are not maintained for trading, the Group has made an irrevocable choice at the time of initial recognition to account for all capital investment at fair value with changes in other comprehensive income.

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NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

Financial assets at amortized cost (Loans and receivables)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when the Group supplies money, goods or services directly to a debtor with no intention of trading with the receivables. They are included in current assets, except for maturities longer than 12 months from the balance sheet date on which they are classified as non-current assets.

In addition, this category includes deposits and bonds granted to third parties. Loans and receivables are then posted for their amortized cost according to the effective interest rate method. Receivables that do not explicitly accrue interest are valued by their nominal, provided that the effect of not financially updating cash flows is not significant. Subsequent valuation, if any, continues to be made at face value.

Financial assets at fair value with changes in other comprehensive income

Assets held for the collection of contractual cash flows and for the sale of financial assets, where cash flows from the assets represent only principal and interest payments, are measured at fair value with changes in other comprehensive income. Movements in book value are taken through another global result, except for the recognition of impairment gains or losses, interest income, and foreign exchange gains and losses that are recognized in profit and loss. Unrealized gains and losses arising from changes in fair value are recognized in the other overall result. When these financial assets are sold or suffer impairment losses, the accumulated fair value adjustments recognized in equity are included in the income statement as profit and loss.

The fair values of the trading investments are based on current purchase prices. If the market for a financial asset is not active (and for non-listed securities), the Group establishes fair value using valuation techniques including the use of recent free transactions between interested parties and duly informed, other substantially equal instruments and the analysis of discounted cash flows. In the event that none of the above techniques can be used to estimate fair value, investments are accounted for at their acquisition cost minus impairment losses, if applicable.

In the case of equity instruments falling into this category, the Group's management has chosen to present the fair value gains and losses of equity instruments in another overall result.

There is no subsequent reclassification of fair value gains and losses to results after investment decline. Impairment losses (and reversal of impairment losses) on equity instruments valued at fair value with changes in another overall result are not reported separately from other changes in fair value.

Dividends from such investments continue to be recognized in profit and loss when the Group is entitled to receive payments.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

Financial assets at fair value with changes in results

Assets that do not meet the amortized cost or fair value criteria with changes in other comprehensive income, are measured at fair value with changes in results. Realized and unrealized gains and gains arising from changes in the fair value of the category of financial assets at fair value with changes in results are included in the income statement in the financial year in which they arise.

Impairment

The impairment model requires recognition of impairment provisions based on the expected loss model rather than just the credit losses incurred.

The Group applies for its customer accounts, receivables and other assets, which correspond for the most part to customers of recognized solvency with which it has extensive experience, the simplified approach, recognizing the expected loss of credit for the entire life of assets.

For receivables and contract assets, provided they do not contain a significant financial component, the Group applies the simplified approach, which requires recognizing a loss allocation based on the expected lifetime loss model asset on each filing date. The Group's model considers internal information, such as the balance exposed in customers, external factors such as customer credit valuations and agency risk ratings, as well as the specific circumstances of customers considering the available information about past events, current conditions and forward-looking items.

2.14 Financial liabilities

Financial liabilities at amortized cost (Loans and receivables)

The financial debt is initially recognized at fair value, net of the transaction costs incurred. Subsequently, financial debts are valued for their amortized cost. Any difference between the income earned (net of transaction costs) and the repayment value is recognized in results over the life of the debt according to the effective interest rate method. The fees paid for obtaining loans are recognized as costs of the loan transaction to the extent that part or all of the line is likely to be available. In this case, the commissions are deferred until the provision occurs. To the extent that there is no evidence that all or part of the credit line is likely to be available, the commission is capitalized as an advance payment for liquidity services and amortized in the period to which the credit availability relates.

Financial debt is removed from the balance sheet when the obligation specified in the contract has been paid, cancelled, or expired. The difference between the carrying amount of a financial liability that has been cancelled or transferred to another party and the consideration paid, including any assigned assets other than the cash or liabilities assumed, is recognized in the outcome of the financial year as others income or financial expenses.

Financial debt is classified as current liabilities unless the Group has an unconditional right to defer its liquidation for at least 12 months after the balance sheet date.

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Financial liabilities at fair value with changes in results

Liabilities that are acquired for the purpose of selling them in the short term. Derivatives are considered in this category unless they are designated as hedging instruments (Note 15). These financial liabilities are measured, both at the initial and subsequent valuations, at fair value, allocating changes in that value to the Consolidated Income Statement for the financial year.

2.15 Offsetting financial instruments

Financial assets and financial liabilities are offset and are shown in the net amount on the balance sheet when there is a legally enforceable right to offset the amounts recognised and the Group intends to settle them for the net amount or realise the asset or cancel the liability simultaneously. The legally enforceable right should not be contingent on future events and should be enforceable in the normal course of business and in the event of a breach or the insolvency or bankruptcy of the company or counterparty.

2.16 Share capital, basic earnings and diluted earnings per share

The share capital consists of ordinary shares.

The costs of issuing new shares or options are entered directly in equity as a reduction in reserves.

In the event that the Company acquires treasury shares, the consideration paid including any incremental cost that is directly attributable, is deducted from equity until the shares are redeemed, issued again or otherwise disposed of. When treasury shares are subsequently sold or reissued, any amount received is moved to equity, net of any directly attributable incremental costs.

Basic earnings per share are calculated by dividing the profit attributable to the company's owners, excluding any cost of servicing equity other than ordinary shares, among the average number of ordinary shares outstanding during the year, adjusted for incentives in ordinary shares issued during the year and excluding treasury shares.

For diluted earnings per share, the figures used in determining basic earnings per share are adjusted, taking account of the effect after income tax of interest and other financial costs associated with potential ordinary shares with dilutive effects and the weighted average number of additional ordinary shares that would have been in circulation, assuming the conversion of all potential ordinary shares with dilutive effects.

2.17 Current and deferred income tax

In accordance with the SOCIMI tax rules, the dominant Company is subject to a Corporate Income Tax rate of 0%.

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As established in Article 9.2 in Law 11/2009, of October 26, with the amendments incorporated via Law 16/2012 of December 27, the Company shall be subject to a special rate of 19% on the overall sum of the dividends or profit distributions received by shareholders whose stake in the share capital of the Company is equal to or greater than 5%, when those dividends, in the possession of its shareholders, are exempt from or have a tax rate of less than 10% (to this effect, the tax due will be taken into consideration under the Non-Resident Income Tax Act).

However, that special rate will not apply when the dividends or profit shares are received by entities whose purpose is the ownership of interests in the share capital of other SOCIMIs or other companies that are not resident in Spain, that have the same corporate purpose, and that are governed by rules similar to those governing SOCIMIs as regards the compulsory, legal or statutory policy on profit distribution, with respect to companies that have a share that is equal to or greater than 5% of the share capital of the SOCIMIs and that pay tax on those dividends or profit shares at a rate of at least 10%.

Likewise, as detailed in the amendments incorporated in Law 11/2021, of July 9, the entity will be subject to a special tax of 15% on the amount of profits obtained in the year that is not subject to distribution, in the part that comes from income that has not been taxed at the general rate of current tax, or is an income covered by the reinvestment period regulated in the Article 6 (1) of this Act. This tax will be considered as a share of current tax.

For each Company in the Group that does not form part of the aforementioned tax rules, the income tax expense (income) is the sum that, for this concept, accrues in the financial year and comprises the expense (income) related to both current tax and deferred tax.

Both the current tax expense and deferred tax expense (income) is entered in the income statement. However, the tax effect related to entries that are directly registered in the equity have been entered in equity.

The assets and liabilities related to current tax will be valued at the amounts expected to be paid or recovered from the tax authorities, in line with the legislation in force or approved and pending publication at the end of the financial year.

Deferred taxes are calculated, in accordance with the liability method, on the time-period differences arising between the tax bases for assets and liabilities and their book values.

However, the deferred taxes will not be entered if they arise from the initial entry of an asset or liability in a transaction that is not a combination of businesses which, at the time of transaction, does not affect the accounting result or the tax base. The deferred tax is determined by applying the regulation and tax rates approved or about to be approved at the date of the balance sheet, and that are expected to be applied when the relevant deferred tax asset is realised, or the deferred tax liability is paid.

As regards assets due to deferred taxes, these are only recognised to the extent that it is probable that the company will earn future taxable profits that will allow these time-period differences to be offset.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

2.18 Leases

a) When the Group is the lessee

Leases are recognized as an asset, by right of use and the corresponding liability, on the date the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially valued on a current value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including fixed payments in essence), minus any lease incentives to be receivable.
- Variable lease payments that depend on an index or rate, initially valued according to the index or rate on the start date.
- Amounts expected by the group to pay for residual value guarantees.
- The exercise price of a purchase option if the group is reasonably certain that it will exercise that option, and
- Lease termination penalty payments, if the lease term reflects the exercise by the group of that option.

Lease payments to be made under reasonably certain extension options are also included in the liability valuation.

Lease payments are deducted using the interest rate implied in the lease.

The Directorate has carried out an analysis taking into account that the Group only acts as a tenant in the contract in which it rents the offices where it carries out its activity and the terms of it (duration square meters rented, extensions, amounts, etc.) has concluded that the impact of the recognition of the asset and liability discounted at the implied interest rate is not significant based on its consolidated balance sheet structure and financial obligations included in the financings. Minimum total future payments for non-cancellable leases are 72 thousand euros at 31 December 2024 (236 thousand euros at December 2023).

b) When the Group is the lessor

Properties let out under operating lease are included with investment property on the balance sheet. Income earned from the leasing of property is entered on a straight-line basis over the lease period.

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2.19 Employee benefits

a) Share based payments

On 26 September 2018, the Annual General Shareholders Meeting approved a new remuneration plan based on the Company's own shares, granted to the Árima Real Estate team, which was corroborated at the General Shareholders' Meeting held on 5 November 2019 and subsequently modified and corroborated at the General Shareholders' Meeting on 29 June 2021. This Remuneration Policy replaced in all its terms the Remuneration Policy approved on 21 March 2019 and amended on 5 November 2019. The aforementioned proposal, the full text of which is published on the Company's website, mainly modifies the aspects of the Remuneration Policy in relation to the following points:

- i. Modification of the defined terms and calculation formula given the Company's growth phase, the impact that capital increases may have on the calculation of shareholder return over a period is introduced into the formula.
- ii. Modification of the minimum compliance thresholds: 8% instead of 10%, and inclusion of the "watermark" concept (minimum profitability to be considered in the calculation of shareholder return, establishing a floor for subsequent periods, preventing a fall in the market in one period from leading to an increase in profitability in the following period).
- iii. Modification of the lock-up procedure for the delivery of accrued shares: beneficiaries must continue to be employees of the Company at the end of each lock-up period to receive the accrued shares.

b) Short term obligations and bonus

Wage and wage liabilities, which are expected to be settled within twelve months of the end of the financial year in which employees provide the corresponding services, are recognized in the reporting financial year and valued at the amounts expected to be paid when liabilities are settled. Liabilities are presented on the consolidated balance sheet as current obligations for employee benefits.

c) Severance payments

Severance payments are made to employees as a result of the Group's decision to terminate their employment contract before the normal retirement age, or when the employee voluntarily agrees to resign in exchange for such benefits. The Group recognizes these benefits when it has demonstrably committed to terminating the employment of workers in accordance with a detailed formal plan, with no possibility of withdrawal. Benefits that will not be paid within twelve months from the balance sheet date are discounted to their present value.

2.20 Provisions

Provisions are set when the Group has a present legal or implied obligation as a result of past events; when it is likely that an outflow of resources will be required to settle the obligation; and when the amount has been reliably estimated. No provisions are set aside for future operating losses.

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Provisions are valued at the current value of the payments that are expected to be required to settle the obligation, using a pre-tax rate that reflects the current market assessment of the time value of money and the specific risks of the obligation. The adjustments to provisions as the result of their restatement are entered as a financial expense as they accrue.

Provisions that mature in one year or less and have non-significant financial effects are not discounted. When it is expected that a portion of the payment necessary to cancel the provision will be reimbursed by a third party, this reimbursement is entered as an independent asset, provided that its receipt is practically certain.

2.21 Revenue recognition

Income is stated at the fair value of the consideration to be received and it represents the amounts to be collected for the services rendered during the ordinary course of the Group's activities, minus returns, discounts, rebates and VAT.

Rendering of services

The Group provides leasing services. The income received from the leasing of property is entered as it accrues, and profits are distributed on a straight-line basis with regard to incentives and initial lease agreement costs. When the Group offers incentives to its tenants, the cost of the incentive is entered during the lease period on a linear basis, as a reduction in rental income. The costs associated with each rental payment are entered as an expense.

Interest income

Interest income is entered using the effective interest method.

2.22 Dividend distribution

The payment of dividends to the Company's shareholders is entered as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. The dominant Company falls into the special category of SOCIMI (Spanish Real Estate Investment Trust), and is thus governed by the special tax rules established under Law 11/2009 of October 26, with the amendments introduced by Law 16/2012 of December 27, under which SOCIMIs are governed. They are required to distribute the profits they obtain over the course of the year to their shareholders in the form of dividends, after complying with the relevant corporate obligations. Distribution must be approved within the six months following the year end, in the following way:

- a) 100% of the profits resulting from dividends or profit shares received from the companies referred to in Article 2.1 of this Act.

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- b) At least 50% of the profits earned from the transfer of the property, shares or ownership interests referred to in Article 2.1. of the Act, where this occurs after the deadlines referred to in Article 3.3 of the Act have expired, when the property, shares or interests are used to comply with the Company's primary corporate purpose. The remainder of these profits must be reinvested in other property or investments related to the performance of this corporate purpose within three years of the transfer date. Otherwise, these profits must be distributed in full together with any profit earned, where applicable, in the year in which the reinvestment period expires. If the items in which the reinvestment has been made are transferred prior to the end of the holding period, profits must be distributed in full, together, where applicable, with the part of the profits attributable to the years in which the Company was not taxed under the special tax scheme provided for in the aforementioned Act.
- c) At least 80% of the remaining profits obtained.

The dividend must be paid within one month of the distribution agreement.

When dividends are distributed with a charge to reserves originating from profits for a year in which the special tax rules were applied, the distribution must compulsorily be approved by means of the resolution referred to above.

2.23 Cash and cash equivalents

Cash and cash equivalents include cash holdings, instantly accessible deposits with credit institutions, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to various financial risks: market risk (including interest rate risk), credit risk, liquidity risk, tax risk and other risks. The Company's risk management programme focuses on uncertainty in financial markets and seeks to minimise any potential adverse impact on its financial profitability.

Risk management is overseen by the Company's Finance Department, which identifies, evaluates and hedges financial risks in accordance with the policies approved by the Board of Directors of the dominant Company. The Board provides policies for overall risk management and policies covering specific areas such as interest rate risk, liquidity risk, the use of derivatives and non-derivatives and investing excess liquidity.

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3.1 Financial risk factors

a) Market risk

The Group's interest rate risk arises from the financial debt. Loans issued at variable rates expose the Group to interest rate risk of cash flows. During the financial year ended at 31 December 2024, the Group formalized A bilateral operation with a prestigious financial entity, new bank financing in addition to the existing one. This is a financing contract with a mortgage guarantee at a variable market interest rate for an amount of up to 37 million euros. This loan has been classified as 'green' by the financial entity due to the sustainable characteristics of the financed property. The loans are remunerated at an interest rate referenced to EURIBOR plus a spread between 1.40% and 2.10%. At 31 December 2024, the amount drawn down in nominal terms from this variable rates financial agreements amounts to 67,217 thousand euros (64,805 thousand euros at 31 December 2023).

The Group analyses exposure to interest rate risk dynamically. Several scenarios are simulated taking into account the alternatives of financing and coverage. Based on these scenarios, the Group calculates the impact on the result for a given change in the interest rate (scenarios are used only for liabilities that represent the most significant positions subject to interest rates).

These analyses take into account:

- Economic environment in which it carries out its activity: design of different economic scenarios modifying the key variables that may affect the group (interest rates, share price, % occupancy of real estate investments, etc.).
- Identification of those interdependent variables and their level of linkage.
- Temporary framework in which the evaluation is being carried out: the time frame for the analysis and its possible deviations will be taken into account.

Based on the simulation carried out, the Group manages the cash flow interest rate risk through variable to fixed interest rate swap. These interest rate swaps have the economic effect of converting loans at variable interest rates into loans at fixed interest rates. Generally, the Group obtains foreign long-term resources with variable interest and exchanges them for a fixed interest rate lower than those that would be available if the Group had obtained the external resources directly at fixed interest rates. Under interest rate swaps, the Group undertakes with third parties to exchange, on a regular basis, the difference between the fixed interest and the variable interest based on the principal nationals contracted.

b) Credit risk

Credit risk is managed at the Group level. The Group defines the credit risk management and analysis policy of its new clients before proceeding to offer them the usual payment terms and conditions.

Credit risk originates, mainly from customers for sales and services, as well as from various debtors. The Group's risk control establishes the credit quality that the client must possess, taking into account its financial position, past experience and other factors. The Group considers that it does not have significant concentrations of credit risk, this being understood to refer to the possible impact that a default on receivables could have on the income statement.

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The Group maintains its cash and other equivalent liquid assets in entities with the best credit quality.

c) Liquidity risk

Cash flow predictions are carried out by the Group's Finance Department. This Department monitors forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet its operational needs while maintaining sufficient available liquidity at all times to ensure that the Group continues to comply with its financing limits and covenants (Note 13).

d) Tax risk

As mentioned in Note 1, the Company is subject to the special tax regime of the rules governing Spanish Real Estate Investment Trusts (SOCIMIs). As established in Article 6 of Law 11/2009 of October 26, with the amendments introduced by Law 16/2012 of December 27, companies that have opted for said regime are obliged to distribute dividends to its shareholders, once the pertinent mercantile obligations have been fulfilled, the benefit obtained in the year, having to arrange their distribution within the six months following the end of each year and be paid within the month following the date of the agreement of distribution. Additionally, as detailed in the amendments included in Law 11/2021, of July 9, the entity will be subject to a special tax of 15% on the amount of the profits obtained in the year that are not subject to distribution.

In the event that the Shareholders' Meeting of such companies does not approve the distribution of dividends proposed by the Board of Directors, which has been calculated in accordance with the requirements set forth in the aforementioned law, they would not be complying with it, and therefore they should be taxed under the general tax regime and not the one applicable to the SOCIMIs.

3.2 Capital management

The main objectives of the Group's capital management are to ensure financial stability in the short and long term, the positive performance Árima Real Estate SOCIMI, S.A.'s share and the appropriate financing of investments. The financial leverage ratios, calculated as: (Financial debt / (Financial debt + Net equity)) as of 31 December 2024 and 31 December 2023 are as follows:

	31.12.2024	31.12.2023
Financial debt	106,654	112,364
Equity	262,181	293,652
Leverage	28.92%	27.67%

The Board of Directors consider the Group's level of indebtedness as low. At 31 December 2024, the leverage amounted to 28.92% (27.67% at 31 December 2023).

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3.3 Estimation of fair value

In accordance with IFRS 13, the hierarchical level at which an asset or liability is classified in its entirety (Level 1, Level 2 or Level 3) is determined based on the relevant input data used in the lowest valuation within the hierarchy of fair value. In case the input data used to measure the fair value of an asset or liability can be classified within the different levels, the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the data input level that is significant for the value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for assets or liabilities identical to those that the entity can access on the date of valuation.
- Level 2: Distinguished data of quoted prices included in Level 1 that are observable for assets or liabilities, directly or indirectly through valuation techniques that use observable market data.
- Level 3: Input data not observable in the market for the asset or liability.

The above levels are reflected in IFRS 13 Market Valuations. These valuations have a subjective component as they are made on the basis of the valuator's assumptions, which may not be accurate. For this reason, and in accordance with the EPRA recommendations, we have classified the valuations of investment property in Level 3 as set out in IFRS 13.

The following table shows the financial assets and financial liabilities of the Group valued at fair value:

31 December 2024

	Thousand euros			
Assets	Level 1	Level 2	Level 3	Total
Financial hedging instruments				
- Financial hedging instruments (Note 16)	-	536	-	536
Total assets	-	536	-	536

	Thousand euros			
Liabilities	Level 1	Level 2	Level 3	Total
Financial hedging instruments				
- Financial hedging instruments (Note 16)	-	153	-	153
Total liabilities	-	153	-	153

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31 December 2023

	Thousand euros			
Assets	Level 1	Level 2	Level 3	Total
Financial hedging instruments				
- Financial hedging instruments (Note 16)	-	1,318	-	1,318
Total assets	-	1,318	-	1,318

	Thousand euros			
Liabilities	Level 1	Level 2	Level 3	Total
Financial hedging instruments				
- Financial hedging instruments (Note 16)	-	22	-	22
Total liabilities	-	22	-	22

At 31 December 2024 and 2023, investment property is classified as level 3.

The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves.

4. FINANCIAL INFORMATION BY SEGMENT

The Board of Directors of the dominant Company is the highest level of decision-making in operations. The Management has defined the operating segments, based on the information reviewed by this body in order to assign resources and evaluate the Group's performance. The management identifies three segments that must be reported: offices, logistics and corporate (Note 20.f). The office and logistics segments have their own characteristics, making it relevant to separate them in order to interpret the financial information correctly. The corporate segment includes everything that is not attributable to the assets in the portfolio.

Revenues and expenses are directly attributable to each property given the nature and accruals that give rise to them, as well as the place where they occur. This makes them identifiable, establishing a clear criterion of association. Subsequently, the properties are grouped into segments according to the activity carried out therein. Income and expenses that are not directly attributable to the properties are treated as corporate income and expenses.

All the assets are located in the Community of Madrid, so the segments are not disaggregated by geographical area.

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31 December 2024

	Office			Thousand euros
	Offices	Logistics	Corporate	Total
Net amount of turnover	10,534	1,647	-	12,181
Changes in the estimated fair value of investment properties	(13,106)	(177)	-	(13,283)
Operating costs	(3,588)	(350)	(22,190)	(26,128)
Fixed assets amortization	-	-	(73)	(73)
Losses on disposal of fixed assets	-	-	(259)	(259)
Operating Results	(6,160)	1,120	(22,522)	(27,562)
Financial income	960	28	600	1,588
Financial expenses	(3,906)	(526)	(244)	(4,676)
Financial Result	(2,946)	(498)	356	(3,088)
Pre-tax result	(9,106)	622	(22,166)	(30,650)
Income tax				
Profit (loss) for the period	(9,106)	622	(22,166)	(30,650)

31 December 2023

	Office			Thousand euros
	Offices	Logistics	Corporate	Total
Net amount of turnover	7,853	2,220	-	10,073
Changes in the estimated fair value of investment properties	(22,473)	(4,075)	-	(26,548)
Operating costs	(3,242)	(160)	(9,497)	(12,899)
Fixed assets amortization	-	-	(76)	(76)
Losses on disposal of fixed assets	(857)	-	-	(857)
Operating Results	(18,719)	(2,015)	(9,573)	(30,307)
Financial income	1,030	4	769	1,803
Financial expenses	(3,502)	(520)	(72)	(4,094)
Financial Result	(2,472)	(516)	697	(2,291)
Pre-tax result	(21,191)	(2,531)	(8,876)	(32,598)
Income tax	-	-	-	-
Profit (loss) for the period	(21,191)	(2,531)	(8,876)	(32,598)

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100% of the income corresponds to transactions carried out in Spain in both year ended 31 December 2024 and year ended 31 December 2023.

The amounts that are provided to the Investment Committee and the Board of Directors in respect of the total assets and liabilities are valued in accordance with criteria that are uniform to those applied in the Consolidated Financial Statements. These assets and liabilities are allocated on the basis of segment activities.

Assets and liabilities are directly attributable to each property given the nature and accruals that give rise to them, as well as their place of occurrence. This makes them identifiable, establishing a clear criterion of association. Subsequently, the properties are grouped into segments according to the activity carried out therein. On the other hand, those assets and liabilities that are not directly attributable to the properties are considered corporate assets and liabilities.

31 December 2024

	Office			Thousand euros
	Offices	Logistics	Corporate	Total
Non-current assets	332,579	31,236	609	368,568
Investments properties	330,621	30,900		361,521
Other non-current assets	6,102	336	609	7,047
Current assets	11,555	704	3,307	15,566
Non-current liabilities	94,496	8,272	58	102,826
Current liabilities	10,192	1,134	7,779	19,106

31 December 2023

	Office			Thousand euros
	Offices	Logistics	Corporate	Total
Non-current assets	332,165	31,000	3,118	366,283
Investments properties	330,342	31,000	-	361,342
Other non-current assets	1,823	-	3,118	4,941
Current assets	21,343	1,244	27,179	49,766
Non-current liabilities	91,194	8,811	(268)	99,737
Current liabilities	9,088	2,463	11,095	22,646

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5. INTANGIBLE ASSETS

The following table contains a breakdown of the entries shown for "Intangible assets" and the relevant movements:

	Thousand euros	
	Development and Software	Total
Balance at January 2023	246	246
Cost	277	277
Accumulated depreciation	(31)	(31)
Net book value	246	246
Added	-	-
Allocation to depreciation	(22)	(22)
Balance at December 2023	224	224
Cost	277	277
Accumulated depreciation	(53)	(53)
Net book value	224	224
Allocation to depreciation	(22)	(22)
Value impairment	(202)	(202)
Balance at December 2024	-	-
Cost	277	277
Accumulated depreciation	(75)	(75)
Accumulated impairment	(202)	(202)
Net book value	-	-

a) Losses due to impairment

During the year ended December 31, 2024, an intangible asset impairment of 202 thousand euros has been recorded, mainly due to the obsolescence in the programming of an application. For the year ended December 31, 2023, no impairment losses were recognized or reversed for any intangible asset.

b) Fully depreciated intangible assets

No intangible asset had been fully depreciated at 31 December 2024 neither at 31 December 2023.

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6. PROPERTY, PLANT AND EQUIPMENT

The following table contains a breakdown of the entries shown for “Property, plant and equipment” and the relevant movements:

		Thousand euros
	Property, plant and equipment	Total
Balance at January 2023	212	212
Cost	355	355
Accumulated depreciation	(143)	(143)
Net Book value	212	212
Added	2	2
Allocation to depreciation	(54)	(54)
Balance at December 2023	160	160
Cost	357	357
Accumulated depreciation	(197)	(197)
Net Book value	160	160
Disposals	(56)	(56)
Allocation to depreciation	(51)	(51)
Disposals of allocation to depreciation	52	52
Value impairment	(62)	(62)
Balance at December 2024	43	43
Cost	301	301
Accumulated depreciation	(196)	(196)
Accumulated impairment	(62)	(62)
Net Book value	43	43

c) Impairment losses

During the year ended December 31, 2024, an impairment of property, plant and equipment amounting to 62 thousand euros has been recorded. With respect to the year ended December 31, 2023, no impairment losses were recognized or reversed for any item of property, plant and equipment.

d) Fully depreciated property, plant and equipment

No item had been fully depreciated at 31 December 2024 neither at 31 December 2023.

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7. INVESTMENT PROPERTIES

Investment properties include office buildings and other items owned by the Company that are held to obtain long-term rental income and are not occupied by the Company.

Movement and breakdown of investment properties are shown below:

	Thousand euros
	Investment properties
Balance at January 2023	379,700
Acquisitions	32,818
Disposals	(30,800)
Subsequent capitalised disbursements	6,172
Gain / (loss) net of adjustments at fair value	(26,548)
Balance at December 2023	361,342
Acquisitions	3,125
Subsequent capitalised disbursements	10,337
Gain / (loss) net of adjustments at fair value	(13,283)
Balance at December 2024	361,521

During the financial year 2024, the Group has made an additional disbursement of 3,125 thousand euros for the turnkey project formalised in 2020. With this transaction, ownership of the asset is acquired, allowing greater control over the work to adapt it to the needs of demand in the area. The property is in Manoteras, 28 and will comprise an office building with a surface area of 12.842sqm and 241 parking spaces. In addition, costs, refurbishment projects and improvements amounting to 10,337 thousand euros were incurred, as part of the corporate strategy of value creation.

In 2023 the Group acquired one office buildings for a total of 29,750 thousand euros (not including acquisition costs). The property is located in Madrid, in the business district M30-A2, and has an area of 11,174sqm and 303 parking spaces. Furthermore, a binding acquisition commitment was formalized for an initial amount of 2,142 thousand euros for the purchase of an office property in the M30-A2 business urban axis, which will have an area of 11,600 sqm and 300 parking spaces. Additionally, rehabilitation and improvement projects worth 6,172 thousand euros have been continued.

During the year 2023, the Group has sold the office building located at María de Molina 39, Madrid, for an amount of 30,400 thousand euros (excluding selling costs), resulting in a negative disposal gain of 857 thousand euros being recognized in the consolidated income statement as a consequence of this transaction.

As of December 31, 2024, a new mortgage guarantee has been constituted on the Pradillo Street property. As of 31 December 2023, a new mortgage guarantee has been established on the property acquired during the year at Torrelaguna Street, 75.

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a) Income and expenses on investment properties

The following income and expenses on investment properties have been detailed in the income statement:

	Thousand euros	
	31.12.2024	31.12.2023
Rental income (Note 14)	12,181	10,073
Expenses for the operations resulting from investment properties that generate rental income	(3,338)	(2,226)
Expenses for the operations resulting from investment properties that do not generate rental income	(600)	(1,180)
	8,243	6,667

b) Operating leases

The total amount of future minimum receivables from non-cancellable operating leases is as follows:

	Thousand euros	
	31.12.2024	31.12.2023
Less than one year	11,057	7,573
Between one and two years	10,273	5,924
Between two and three years	8,569	5,965
Between three and four years	7,843	4,840
Between four and five years	6,967	4,317
More than five years	5,931	6,554
	50,640	35,173

c) Insurances

The Company sign all the insurance policies necessary to cover any possible risk that might affect any aspect of its investment properties. The coverage in these policies is deemed to be sufficient.

d) Liabilities

The Group has no contractual obligations at year-end for the acquisition, construction or development of investment property, or for repairs, maintenance or insurance, in addition to those already included in these notes to the consolidated financial statements, except for contracts for rehabilitation and improvement projects.

The commitments arising from these ongoing refurbishment projects and the right to acquire an office property amount to 59,395 thousand euros. The outflows are expected to occur in the years 2025 and 2026 and are thus reflected in the cash flows of the respective assets. They will be financed through a combination of equity and debt with credit institutions that allows for an appropriate balance.

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e) Valuation process

The cost and fair value of the real estate investments as of 31 December 2024 and 31 December 2023 are detailed below:

	31 December 2024		31 December 2023	
	Net book value	Fair value	Net book value	Fair value
Investment properties	301,338	361,521	297,827	361,342

The valuations of these real estate assets have been carried out under the "market value" assumption, being these valuations carried out in accordance with the Professional Valuation Standards of the Royal Institution of Chartered Surveyors of January 2022 - Red Book. The "market value" of the properties owned by the Group has been determined on the basis of valuation carried out by independent valuation experts (CBRE Valuation Advisory, S.A.).

The "Market Value" is defined as the estimated amount for which an asset should be able to be exchanged at the valuation date, between a willing seller and a willing buyer, after a reasonable sales marketing period, and in which both parties have acted with knowledge, prudence and without any coercion.

The valuation methodology adopted by the independent appraisers in relation to the determination of fair value was basically the 10-year discount cash flow method and the income capitalization method (reflecting net income, capitalized expenses, etc.), besides comparing the information with comparables. The residual amount at the end of year 10 is calculated by applying a rate of return ('Exit yield' or 'cap rate') of the projections of net income for year 11. Cash flows are discounted at an internal rate of return for reach the current net value. This internal rate of return is adjusted to reflect the risk associated with the investment and the assumptions adopted. The key variables are, therefore, the income and the exit yield.

The estimated yields depend on the type and age of the properties and their location. The properties have been valued individually, considering each one of the lease agreements in force at the end of the year and, if applicable, the foreseeable ones, based on the current market rents for the different areas, supported by comparables and transactions carried out for your calculations.

As provided in Note 2.4, the Directors requested an assessment on 31 December 2024 of all real estate investments, except for the acquisition right with an initial value of 2,142 thousand euros for the purchase of an office property in the M30-A2 business district. Derived from this valuation, there has been a change in the fair value of the investment properties in the consolidated income statement of 13,283 thousand euros (positive amount 26,548 thousand euros at 31 December 2023).

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This negative variation is mainly driven by the changes that have taken place in the office real estate sector over the last few years. Since 2020, the pandemic brought about by the COVID virus raised doubts about the need for office space. Over time, companies mostly established hybrid schedules that mix face-to-face and remote working. More recently, many have returned to a 100% face-to-face situation. However, there has been a noticeable shift in demand for space, with companies now seeking more central office locations and higher quality facilities. While the majority of the Group's portfolio is comprised of Class A assets, or with the potential to be Class A and with the highest quality standards, the location of most of these buildings is in established but secondary office areas.

Based on the simulations performed on these valuations, the recalculated impact on the fair value of the properties in the portfolio at 31 December 2024, of a variation of 0.25% in the exit yield, would produce:

- in the event that the exit yield was reduced by 0.25%, the market value of these properties would be 372,300 thousand euros.
- in the case that the exit yield was increased by 0.25%, the market value of these properties would be 347,500 thousand euros.

The effect of a variation of 10% on the income increases considered in the valuations of these assets has the following impacts on the consolidated asset and, by difference with the fair value of the asset, on the summarized interim consolidated income statement, with regarding real estate investments:

- in the event that the market rents increased by 10%, the market value of these properties would be 327,200 thousand euros.
- in the case that the market rents were reduced by 10%, the market value of these properties would be 392,700 thousand euros.

As of 31 December 2023, the following simulations were carried out, in yields and market income increases, on the valuations of the same, as well as the recalculated impact on the fair value of properties acquired from a variation of 0.25% in the exit yield, would produce:

- in the event that the exit yield was reduced by 0.25%, the market value of these properties would be 374,000 thousand euros.
- in the case that the exit yield was increased by 0.25%, the market value of these properties would be 345,200 thousand euros.

The effect of a variation of 10% on the income increases considered in the valuations of these assets has the following impacts on consolidated assets with respect to real estate investments,

- in the event that the market rents increased by 10%, the real estate investments would amount to 326,000 thousand euros.
- in the event that market rents were reduced by 10%, real estate investments would amount to 392,200 thousand euros.

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As of 31 December 2024, the exit yields used in the valuations of offices located in the prime area would be between 4.25% and 4.90% (between 4.10% and 4.75% in December 2023) and for those that are decentralized the yields would be between 5.25% and 5.85% (between 4.75% and 5.65% respectively in December 2023). The discount rates used would be between 6.25% and 8.25% (between 6.10% and 8.00% in December 2023).

At 31 December 2024, the exit yields used in the logistical valuations located would be 5.60% (5.95% in December 2023). The discount rates used would be around 7.90% (8.20% in December 2023).

On the other hand, the effect of a 0.25% variation in the required rate of return (hereinafter, the "IRR") on consolidated assets and on the consolidated statement of income, with respect to investment property, would be as follows:

- in the event that the IRR was reduced by 0.25%, the market value of such real estate would be 367,000 thousand euros.
- If the IRR were to increase by 0.25%, the market value of these properties would be 351,700 thousand euros.

The valuation of real estate investments has been framed within level 3 according to the definition described in Note 3.3 above. In this sense, the fair value of the investment properties has been carried out by independent valuation experts through the use of valuation techniques observable in the market and that are available based to a lesser extent on specific estimates of the entities.

8. FINANCIAL INSTRUMENTS ANALYSIS

a) Analysis by category

The book value of each of the categories of financial instruments, excluding cash and cash equivalents, is as follows:

Thousand euros					
	Non-current financial assets				
	Fair value with changes in comprehensive income		Amortized cost		Fair value with changes in the income statement
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024 31.12.2023
Loans to third parties	-	-	-	1,573	- -
Derivatives	536	1,128	-	-	- -
Other long-term financial liabilities	-	-	5,658	1,188	- -
Prepayments for non-current assets	-	-	810	668	- -
Total long-term financial assets	536	1,128	6,468	3,429	- -

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Under the heading of Prepayments for non-current assets, contributions granted to tenants for the conditioning of the properties are recorded.

Thousand euros						
	Current financial assets					
	Fair value with changes in comprehensive income		Amortized cost		Fair value with changes in the income statement	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Trade receivables for sales and services (Note 9) and other assets	-	-	2,386	40,198	-	-
Derivatives	-	190	-	-	-	-
Prepayments for current assets	-	-	1,393	1,070	-	-
Total short-term financial assets	-	190	3,779	41,268	-	-

Thousand euros						
	Non-current financial liabilities					
	Debts with credit entities		Debentures and other marketable securities		Financial hedging instruments and other liabilities	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debts and other financial liabilities (Note 13)	101,072	98,556	-	-	1,775	1,181
Total non-current financial liabilities	101,072	98,556	-	-	1,775	1,181

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Thousand euros						
Current financial liabilities						
	Debts with credit entities		Debentures and other marketable securities		Financial hedging instruments and other liabilities	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debts and other payables (Note 13)	5,582	13,808	-	-	12,877	8,485
Total current financial liabilities	5,582	13,808	-	-	12,877	8,485

b) Analysis by maturity date

At 31 December 2024 and 31 December 2023, the value of financial instruments with a specific maturity date or with a maturity date falling within a specific year was as follows:

Thousand euros							
Financial liabilities							
	2025	2026	2027	2028	2029	Subsequent years	Total
Trade receivables:							
- Trade receivables	2,336	-	-	-	-	-	2,336
Non-current investments:							
- Loans to third parties	-	-	-	-	-	-	-
- Derivatives	-	-	536	-	-	-	536
- Other financial assets	1,443	2,406	1,074	996	847	1,145	7,911
	7,923	2,406	1,610	996	847	1,145	10,783

Thousand euros							
Financial liabilities							
	2025	2026	2027	2028	2029	Subsequent years	Total
Debts:							
- Debts with credit entities	4,918	50,509	22,899	1,297	20,816	6,939	107,378
- Derivatives	-	58	-	-	-	95	153
Trade payables:							
- Trade and other payables	12,518	-	-	-	-	-	12,518
- Other financial liabilities	605	570	19	58	325	650	2,227
	18,041	51,137	22,918	1,355	21,141	7,684	122,276

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At 31 December 2023

	Thousand euros						
	Financial assets						
	2024	2025	2026	2027	2028	Subsequent years	Total
Trade receivables:							
- Trade receivables	3,632	-	-	-	-	-	3,632
Non -current investments:							
- Loans to third parties	-	-	-	1,573	-	-	1,573
- Derivatives	190	-	1,128	-	-	-	1,318
- Other financial assets	37,636	685	201	141	193	636	39,492
	41,458	685	1,329	1,714	193	636	46,015

	Thousand euros						
	Financial liabilities						
	2024	2025	2026	2027	2028	Subsequent years	Total
Debts:							
- Debts with credit entities	13,498	14,159	62,992	22,575	-	-	113,224
Trade payables:							
- Trade and other payables	-	-	22	-	-	-	22
- Other financial liabilities	8,077	-	-	-	-	-	8,077
Debts:	408	478	64	-	58	559	1,567
	21,983	14,637	63,078	22,575	58	559	122,890

The debts shown in the previous break downs are expressed at their nominal value.

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9. FINANCIAL ASSETS AT AMORTIZED COST AND FINANCIAL DERIVATIVES

	Thousand euros	
	31 December 2024	31 December 2023
Non-Current financial investments:	536	2,701
- Loans to third parties	-	1,573
- Financial hedging instruments	536	1,128
Guarantees ("Other long-term financial assets")	5,658	1,188
Trade receivables and other accounts receivable:	2,336	3,632
- Trade receivables for sales and services	1,968	3,411
- Other accounts receivable	368	221
Current financial investments:	-	190
- Financial hedging instruments	-	190
Other short-term financial assets:	50	36,566
- Short-term guarantees	-	336
- Short-term deposits	50	36,230
	8,580	44,277

Long-term loans to third parties relate to loans granted to personnel (including executive directors) and other associated companies (Note 19) of the dominant Company at market interest rates. As of 31 December 2024, these loans granted are cancelled.

In connection with the financing of investment property, the Group entered into three interest rate hedging transactions, one of which matured on 31 March 2024. The amount recorded under 'Long-term derivative financial instruments' corresponds to the valuations of part of these derivative financial instruments at 31 December 2024 (Note 16). There are also two implicit interest rate hedging transactions associated with the financing of certain assets. The effective portion of changes in the fair value of derivatives that are designated and qualify as hedges is recognised in the hedging reserve within the Group's equity.

The amounts recorded under "Other Long-Term Financial Assets" relate mainly to the amounts pending accrual of the straight-line deficiencies maturing in more than 12 months, amounting to 4,144 thousand euros. Additionally, the amount of the guarantees associated with the lease contracts deposited with the corresponding public bodies is recorded, amounting to 1,391 thousand euros at 31 December 2024 (1,397 thousand euros at 31 December 2023) and other long-term assets.

Other short-term financial assets" at 31 December 2023 included a deposit of 20,000 thousand euros arranged by the Group in the previous year, which was associated with a credit facility agreement. In the year ended 31 December 2024, this liquidity deposit accrued financial income of 282 thousand euros, maturing in June 2024. Also, at 31 December 2024 and 31 December 2023, the amounts receivable in respect of the sale of the María de Molina property described in Note 7 have been recognised under this heading.

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The carrying amount of loans and receivables approximates their fair value, as the effect of discounting is not significant.

Trade receivables as of December 31, 2024, include 1,194 thousand euros relating to invoices to be issued (3,378 thousand euros at 31 December 2023) mainly as a result of the linearisation of rental income.

The book value of loans and receivables is denominated in euros.

The following table contains a breakdown of the age of receivables for sales and services:

		Thousand euros
	At 31 December 2024	At 31 December 2023
Up to 3 months	775	33
Between 3 and 6 months	-	-
More than 6 months	-	-
	775	33

10. CASH AND CASH EQUIVALENTS

		Thousand euros
	At 31 December 2024	At 31 December 2023
Cash and banks	11,437	7,076
	11,437	7,076

The current accounts are denominated in euros and accrue a market interest rate.

11. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

a) Share capital and share premium

As of 31 December 2024, and 31 December 2023 the breakdown of share capital is as follows:

		Thousand euros
	At 31 December 2024	At 31 December 2023
Share capital	259,829	284,294
Share premium	5,769	5,769
	265,598	290,063

At 31 December 2024, the share capital of the Parent Company amounts to 259,829 thousand euros, represented by 25,982,941 shares with a par value of 10 euros each, all belonging to the same class and fully subscribed and paid up. All shares have the same voting and dividend rights.

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As of 31 December 2023, the share capital of the dominant Company is 284,294 thousand euros and is represented by 28,429,376 shares with a par value of 10 euros each, all belonging to the same class and fully subscribed and paid. All the shares carry the same voting and dividend rights.

The share premium is considered a freely distributable reserve.

All the dominant company's shares are listed on the Spanish Stock Market.

On 16 May 2024, the takeover bid launched by JSS Real Estate SOCIMI, S.A. for all the shares representing the share capital of the Parent Company was published in the CNMV. Subsequently, on 21 June 2024, the CNMV reported that it had accepted the application for authorisation of the takeover bid submitted by this company. JSS Real Estate SOCIMI, S.A. is a Spanish company which at that time was 97.59% owned by JSS Global Real Estate Fund Master Holding Company, S. à. r. l., a Luxembourg company.

The terms of the offer, including the consideration, were identical for all Árima shares to which it was addressed. The consideration offered by JSS Real Estate SOCIMI, S.A. to the shareholders of the Parent Company was 8,61 euros in cash per share. The offer was subject to (i) acceptance orders comprising 50% plus one share of Árima's share capital - discounting treasury stock, and (ii) the general shareholders' meeting of JSS Real Estate SOCIMI, S.A. authorizing the offer, the latter condition being met on June 28, 2024. The Parent Company of the Group undertook not to accept the offer with respect to 2,446,435 shares (representing 8.605% of the capital) that it held in treasury stock and to propose to the Shareholders' Meeting their redemption prior to the settlement of the offer. Consequently, once this redemption was formalized, the offer was directed to all the remaining shares outstanding, i.e. 25,982,941 shares, representing 91.395% of the share capital prior to the capital reduction. On June 20, 2024, the General Shareholders' Meeting approved this capital reduction. On September 25, 2024, the cancellation of the Parent Company's treasury stock was registered with the Madrid Mercantile Registry, reducing the capital stock by 24,464,350 euros. On November 6, 2024 the CNMV published the acceptance of the tender offer.

At 31 December 2024, the companies that held 3% or more in the share capital are as follows:

Entity	% voting rights allocated to shares	% voting rights held through financial instruments	Total %
JSS Real Estate SOCIMI, S.A.	99.560	-	99.560
Total	99.560	-	99.560

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At 31 December 2023, the companies that held 3% or more in the share capital were as follows:

Entity	% voting rights allocated to shares	% voting rights held through financial instruments	Total %
Ivanhoe Cambridge, INC.	20.293	-	20.293
Asua de Inversiones, S.L.	7.951	-	7.951
Rodex Asset Management	5.020	-	5.020
TR Property Investment Trust PLC	5.008	-	5.008
Torrblas, S.L.	5.000	-	5.000
Fidelity Select Portfolios	3.548	-	3.548
Total	46.820	-	46.820

b) Treasury shares

Movements in treasury shares over the year have been as follows:

	31 December 2024		31 December 2023	
	Number of treasury shares	Thousand euros	Number of treasury shares	Thousand euros
At the beginning of the financial year	2,590,365	20,712	2,022,249	17,072
Additions / purchases	65,238	412	649,023	4,335
Reductions	(182,197)	(1,737)	(80,907)	(695)
Amortized	(2,446,435)	(19,150)	-	-
At the end of the financial year	26,971	237	2,590,365	20,712

The General Shareholders' Meeting of the Parent Company resolved on 23 May 2023 to authorise, for a period of 5 years, the derivative acquisition of shares of Árima Real Estate SOCIMI, S.A. by the Company itself, pursuant to the provisions of articles 146 and related articles of the Spanish Companies Act, in compliance with the requirements and limitations established in the legislation in force at any given time, all in the following terms: (i) the acquisitions may be made directly by the Company or indirectly through companies in its Group, and may be formalised, on one or more occasions, by purchase and sale, swap or any other legal transaction valid in law. This authorisation is currently in force.

On 6 November 2023 Árima Real Estate SOCIMI, S.A renewed a liquidity contract with the manager JB Capital Markets for 12 months with tacit renewal, unless either party gives notice to that effect, in order to increase liquidity and promote the regularity of the parent company's share price. However, this liquidity contract, which had been suspended since the entry into force of the repurchase plan in July 2022, was cancelled in the first half of the year. Furthermore, the repurchase plan was temporarily suspended due to the takeover bid launched by JSS Real Estate SOCIMI, S.A. announced on 16 May 2024.

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In addition, there was a compensation plan based on the delivery of the Company's own shares, approved by the General Meeting of Shareholders on 26 September 2018, which was corroborated at the General Meeting of Shareholders held on 5 November 2019 and subsequently amended and corroborated at the General Meeting of Shareholders held on 29 June 2021. This plan had an initial term of 6 years, with the right to receive incentive shares vesting when, for each calculation period - one year between July and June of the following year - the conditions set out in the plan were met (Note 2.18). This plan expired on 30 June 2024.

The breakdown of the number of shares relating to the Compensation Plan is shown below:

Annuality	Shares at start	Shares to be consolidated	Shares cancelled	Granted	Shares at end
2023	306,584	-	-	102,196	204,388
2024	204,388	-	-	204,388	-

The fair value of the shares delivered is the closing price on the day before the date of application for delivery of the shares. The weighted average fair value of the shares granted in the year ended 31 December 2024 is 7.47 euros per share (7.10 euros per share for those granted in the year ended 31 December 2023).

At 31 December 2024 the Company holds 26,971 treasury shares representing 0.10% of the share capital (at 31 December 2023 the Parent Company's treasury shares represented 9.11% of the share capital and totalled 2,590,365 shares). The average cost of treasury shares was 8.79 euros per share in 2024 (8.61 euros per share in 2023). These shares were recorded as a reduction of the parent company's equity at 31 December 2023 in the amount of 20,712 thousand euros.

The Parent Company has complied with the obligations deriving from article 509 of the Capital Companies Act, which establishes, in relation to shares listed on an official secondary market, that the par value of the shares acquired, added to those already held by the Parent Company and its subsidiaries, must not exceed 10% of the share capital. Subsidiary companies do not hold either their own shares or those of the parent company.

c) Profit (losses) per share

Basic earnings per share are calculated by dividing the net gain / (loss) for the financial year attributable to the owners of the dominant Company by the weighted average number of ordinary shares outstanding during the financial year, excluding the weighted average number of treasury shares held as throughout the period.

Diluted earnings per share are calculated by dividing the net gain / (loss) for the financial year attributable to the owners of the dominant Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued in the conversion of all potentially dilutive instruments.

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The following breakdown reflects the income and information of the number of shares used to calculate basic and diluted earnings per share:

Basic and diluted earnings per share:

	Financial year ended at 31 December 2024	Financial year ended at 31 December 2023
Net income (thousand euros)	(30,650)	(32,598)
Weighted average number of issued shares (shares)	27,727,530	28,429,376
Weighted average number of common shares (shares)	25,898,690	26,231,394
Basic earning per share (euros)	(1,18)	(1,24)
Diluted earning per share euros)	(1,18)	(1,24)

In relation to the calculation of earnings per share, there have been no transactions on ordinary shares or ordinary potential shares between the closing date of the consolidated annual accounts and the preparation thereof, which have not been taken into account in said calculations for the financial year ended on 31 December 2024 and 31 December 2023.

12. RESERVES AND PROFIT (LOSS) FOR THE FINANCIAL YEAR

Reserves

		Thousand euros
	At 31 December 2024	At 31 December 2023
Others reserves:		
- Voluntary reserves	27,087	54,802
- Legal reserve	-	-
- Hedging transactions reserves	383	1,296
	27,470	56,098

Legal reserve

Appropriations to the legal reserve should be made in compliance with Article 274 of the Spanish Companies which stipulates that 10% of the profits for each year must be transferred to this reserve until it represents at least 20% of share capital.

The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits.

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Distribution of the profit and loss

The proposed distribution for the profit and loss for the period obtained by the dominant Company and the reserve amount to be submitted to the General Shareholders Meeting, is as follows

	Thousand euros	
	2024	2023
<u>Base for distribution:</u>		
Profit and loss for the financial year	(26,966)	(7,705)
<u>Application:</u>		
Legal reserve	-	-
Net losses obtained from prior financial years	(26,966)	(7,705)
	(26,966)	(7,705)

On 20 June 2024, the General Shareholders' Meeting approved, without modification, the proposal to distribute the 2023 result.

13. DEBTS AND OTHER PAYABLES

	Thousand euros	
	31 December 2024	31 December 2023
Debts and non-current liabilities:		
- Debts with credit entities	101,072	98,556
- Financial hedging instruments	153	22
- Guarantees	1,601	1,159
	102,826	99,737
Debts and current liabilities:		
- Debts with credit entities	5,582	13,808
- Other payables	5,599	5,734
- Remuneration payable (Note 14)	6,919	2,343
- Guarantees	359	408
- accrued expenses	246	-
	18,705	22,293

The book amounts of debts and payables approximate their fair values, since the effect of discounting is not significant.

The heading "Guarantees" in the balance sheet includes the guarantees granted by the tenants of real estate registered in real estate investments (Note 7).

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The book value of loans and receivables to be paid by the Company is denominated in euros.

During the year ended 31 December 2024, a credit facility granted in 2022 in the amount of 20 million euros has expired and at 31 December 2023 had a drawn down amount of 6,705 thousand euros.

During the financial year ended at 31 December 2024, the Group formalized a bilateral operation with a prestigious financial entity. This is a financing contract with a mortgage guarantee at a variable market interest rate for an amount of up to 37 million euros, by December 31, 2024, 7 million euros have been drawn.

Additionally, during the 2023 financial year, a financing arrangement was signed with a prestigious financial institution, secured by a mortgage, for an amount of 16,000 thousand euros at a variable interest rate. As of December 31, 2024, and December 31, 2023, no amount has been drawn from this financing.

At 31 December 2024 and 31 December 2023, 100% of the financing of the dominant Company has been classified as 'green' by the financial institutions given the sustainable characteristics of the properties financed, meeting the objective set by the Group in this respect. Non-compliance with the conditions for the sustainable rating of financing could have an impact on the interest rate of an increase of up to 0.15%.

The long-term debt of the Group is recorded at amortized cost in the long-term liabilities under the heading "Debts with credit entities". On 31 December 2024, the amount of the amortized cost is 1,378 thousand euros (at 31 December 2023 it amounted 857 thousand euros). Their nominal maturities have been included in Note 8. The real estate assets that guarantee the aforementioned loans, through mortgage commitment, have a market value on 31 December 2024 of 332,400 thousand euros (at 31 December 2023 it amounted 280,900 thousand euros).

Under the heading "Short-term debt with credit entities" the amount of unpaid accrued interest and principal repayments in the amount of 654 thousand euros and 4,928 thousand euros, respectively, at 31 December 2024 (946 thousand euros and 12,862 thousand euros, respectively, at 31 December 2023) has been recognised.

These loans are subject to compliance with certain financial ratios, which are common in the sector in which the Company operates and are calculated annually at the end of the year.

Deferred payments to suppliers

Payments on business operations carried out during the financial year which are outstanding at the year end, with respect to the maximum terms allowed by Act 15/2010, amended by Act 31/2014, are as follows:

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	2024	2023
	Days	Days
Average payment period to suppliers	24	26
Ratio of transactions paid	24	26
Ratio de transactions pending payment	50	52

	Amount (thousand euros)	
Total payments made	14,755	13,314
Total payments pending	154	382

The calculation of the figures in the table above agrees with that established in the ICAC resolution of 4 February 2016. For the purposes of this Note, trade payables include sundry suppliers and creditors for debts with suppliers of goods and services included in the scope of the regulation with respect to the legal payment periods.

According to the new regulations required by Article 9 of Act 18/2022, of 28 September, in addition to the previous information, the following information is indicated:

Number (units)	2024	2023
Invoices paid before the deadline for payment to suppliers	832	751
Percentage of total supplier invoices	99%	98%

Amount (thousand euros)	2024	2023
Invoices paid before the deadline for payment to suppliers	14,747	12,217
Percentage of total supplier invoices	99.9%	91.8%

14. INCOME AND EXPENSES

a) Net turnover figure

The net turnover figure corresponding to the Company's ordinary business activities broke down in geographical terms as follows:

Market	Percentage		Thousand euros	
	2024	Percentage 2023	2024	2023
Domestic	100%	100%	12,181	10,073
	100%	100%	12,181	10,073

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The net turnover figure breaks down as follows:

	Thousand euros	
	2024	2023
Revenue		
Rents	9,886	8,366
Reinvoicing of costs	2,295	1,707
	12,181	10,073

The lease agreements signed by the Group companies are in normal market conditions in terms of their duration, maturity dates and rent.

Of the Group's total revenues as at 31 December 2024, within the office segment, the 4 tenants that individually account for more than 10% of the Group's revenues together represent revenues of 8,200 thousand euros (31 December 2023: 5,548 thousand euros), and within the logistics segment, the tenants that individually account for more than 10% of the Group's revenues together represent revenues of 1,647 thousand euros (31 December 2023: 2,220 thousand euros).

The amount of income relating to re-invoicing expenses at 31 December 2024 and 2023 relates mainly to taxes and general services for the buildings occupied by the tenants.

b) Personnel costs

	Thousand euros	
	Financial year ended on 31 December 2024	Financial year ended on 31 December 2023
Wages, salaries and associated costs	(15,954)	(7,348)
Welfare charges:		
- Other welfare charges	(488)	(285)
	(16,442)	(7,633)

Under personnel expenses, there has been recorded the remuneration to the dominant Company's team, both fixed and prospective.

As of December 31, 2024, 8,343 thousand euros of severance indemnities are included, with 4,820 thousand euros pending payment (Note 13). On December 31, 2023 there were no severance indemnities.

Under the heading Wages, salaries and similar items, a provision has been made for a bonus expense of 2,904 thousand euros at December 31, 2024 (2,343 thousand euros at December 31, 2023). Also, for the incentive plan period from January 1, 2024 to December 31, 2024, a personnel expense of 726 thousand euros has been recorded (1,018 thousand euros for the period from January 1, 2023 to December 31, 2024).

The average number of people employed in the various companies comprising the Group in the year ended December 31, 2024 is 13. In the previous year it was 14 people.

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NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

The average number of employees during the financial years ended on 31 December 2024 and 31 December 2023 is as follows:

Categories	31 December 2024	31 December 2023
Management	8	8
Employees with degrees	4	4
Administrative personnel and others	1	2
	13	14

In addition, at 31 December 2024, Company personnel details broken down by gender were as follows:

	31 December 2024		
Categories	Men	Women	Total
Management	5	-	5
Employees with degrees	2	2	4
Administrative personnel and others	-	-	-
	7	2	9

At 31 December 2023, Company personnel details broken down by gender were as follows:

	31 December 2023		
Categories	Men	Women	Total
Management	5	2	7
Employees with degrees	2	1	3
Administrative personnel and others	-	1	1
	7	4	11

c) External services

The following table gives a breakdown of the external services:

	Thousand euros	
	2024	2023
External services directly attributable to real estate assets	(3,938)	(3,405)
Other external services	(5,750)	(1,862)
	(9,688)	(5,267)

The increase in 'Other external services' for the year ended December 31, 2024, is mainly due to advisory expenses related to the takeover bid detailed in Note 11.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

d) Financial expenses

Financial expenses accrued in the financial year ended on 31 December 2024 are associated with the financing obtained (Note 13).

15. INCOME TAX AND TAX POSITION

Income tax expense is recognised on the basis of management's estimate of the expected weighted average tax rate for the full financial year. The estimated annual average tax rate for the financial year ended at 31 December 2024 is 0%, according to Law 11/2009, of October 26, and the amendments incorporated to it by Law 16/2012, of December 27, and by Law 11/2021, of June 30, by which the SOCIMIs are regulated.

31 December 2024	Thousand euros					
	Consolidated Income Statement		Income and expenses charged directly to Equity			
	Increase	Decrease	Total	Increase	Decrease	Total
Profit (loss) for the financial year	-	(30,650)	(30,650)	-	-	-
Income tax	-	-	-	-	-	-
Permanent differences	8,334	(3)	8,331	5,314	(429)	4,885
Temporary differences (**)	8,418	(2,343)	6,075	563	(2,843)	(2,280)
Tax base	16,752	(32,996)	(16,244)	5,877	(3,272)	2,605

The increases in "Permanent differences" affecting the 'Income Statement' are mainly due to the amount of severance payments accrued during the year that are not tax-deductible according to Article 15.i) of Law 27/2014, of November 27, of the Corporate Tax Law. As for the increases in permanent differences affecting "Income and expenses directly to Equity", it refers to the impact against "Reserves" due to the capital reduction through "Treasury shares" detailed in Note 11.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

31 December 2023	Thousand euros					
	Consolidated Income Statement			Income and expenses charged directly to Equity		
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Profit (loss) for the financial year	-	(32,598)	(32,598)	-	-	-
Income tax	-	-	-	-	-	-
Permanent differences	106	-	106	-	(120)	(120)
Temporary differences (**)	3,361	(960)	2,401	1,221	(3,244)	(2,023)
Consolidation adjustment (*)	24,848	-	24,848	-	-	-
Tax base	28,315	(33,558)	(5,243)	1,221	(3,364)	(2,143)

(*) Consolidation adjustments include the adjustments made for IFRS standardisation.

(**) Notes 16 and 18.

Tax inspections

Under current law, taxes cannot be understood to have been effectively settled until the tax authorities have reviewed the tax returns submitted or until the time-bar period of four years has elapsed. All tax years affecting the Group are open for inspection.

As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional tax assessments may be raised in the event of a tax inspection. In any case, the Directors believe that any such liabilities, in the event that they arise, will not have any significant effect on the condensed consolidated balance sheet or the condensed consolidated income statement neither for the financial year ended on 31 December 2024 nor 31 December 2023.

At 31 December 2024 and 31 December 2023, the amounts receivable and the amounts payable by the Group in respect of the Public Authorities broke down as follows:

	Thousand euros	
	31 December 2024	31 December 2023
Accounts receivable		
Receivables from Spanish Tax Authorities (VAT)	350	1,232
	350	1,232
Payment commitments		
Payables to Spanish Tax Authorities (withholdings collected)	(384)	(331)
Payables to Social Security Bodies	(17)	(22)
	(401)	(353)

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

16. FINANCIAL HEDGING DERIVATIVES

		Thousand euros				
		2024				
		Non-current		Current		
	Covered principal	Maturity	Asset(*)	Liability(*)	Asset(*)	Liability
Interest rate swap	22,051	2026	536	-	-	-
Interest rate swap	7,000	2026	-	58	-	-
Interest rate swap	4,900	2031	-	95	-	-
			536	153		

		Thousand euros				
		2023				
		Non-current		Current		
	Covered principal	Maturity	Asset(*)	Liability	Asset	Liability
Interest rate swap	22,700	2026	1,128	-	-	-
Interest rate swap	21,626	2024	-	-	190	-
Interest rate swap	7,000	2026	-	22	-	-
			1,128	22	190	-

(*) See Note 8.b

The fair value of financial hedging derivatives is registered as a non-current asset or non-current liability if its maturity is beyond 12 months, and as a current asset or current liability if its maturity is prior to 12 months.

The interest rate swap derivative (financial swap) allows to change a variable interest rate to a fixed interest rate in bank loans signed by the Group. The cashflow covered is the foreseen future payments of interests related to the financial debts (Note 13). Changes in fair value of the interest rate swap are registered in "Adjustments for changes in value" inside Equity.

Furthermore, there are two implicit interest rate hedging transactions associated with the financing of certain assets. The valuation of these swaps as of December 31, 2024, is 1,916 thousand euros (4,055 thousand euros as of December 31, 2023).

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

In relation to these implicit interest rate hedging transactions, the financial institutions, in order to determine the fixed interest rate, reference a swap in which a fixed interest rate is exchanged for a variable interest rate, with an amortization schedule similar to that of the financing. This swap is financially equivalent to a transaction where the borrower would have simultaneously entered into a swap as described with the lender, along with financing having the same characteristics as the loan but with a variable interest rate. Therefore, since the implicit derivatives are closely related to the financing agreements, their recognition in the financial statements is not applicable.

17. PROVISIONS, CONTINGENCIES AND BANK GUARANTEES

Contingent liabilities and contingencies

At 31 December 2024 and 31 December 2023 the Group has no contingent liabilities and contingencies.

Bank Guarantees

At 31 December 2024 the Group has contracted a bank guarantee in the amount of 129 thousand euros with a prestigious financial institution (129 thousand euros at 31 December 2023).

18. BOARD OF DIRECTORS AND OTHER PAYMENTS

Positions and ownership interests held by members of the Board of Directors

In the duty to avoid situations of conflict with the interest of the Company, during the year the directors who have held positions in the management body have complied with the obligations provided at article 228 of the consolidated corporation law. Likewise, both they and the persons related to them have refrained from incurring in the cases of conflict of interest provided at article 229 of said law, except in cases where the corresponding authorization has been obtained.

Remuneration of members of the Board of Directors

During the financial year ended on 31 December 2024 and 31 December 2023, the remuneration (salaries, wages, and allowances) of the members of the Board of Directors of the dominant Company has amounted to:

	Thousand euros	
	Financial year ended on 31 December 2024	Financial year ended on 31 December 2023
Remuneration of executive members	7,483	2,860
Allowance of non-executive members	378	425
	7,861	3,285

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

During the 2024 financial year, the Parent Company paid a variable bonus to executive directors amounting to 1,007 thousand euros, which had been provisioned in the financial year ended December 31, 2023.

For the fiscal year ended December 31, 2024, under 'Remuneration of executive members' is included: (i) the accrued bonus for the 2024 financial year amounting to 1,174 thousand euros, which has been paid during the year (1,007 thousand euros for the 2023 financial year paid in 2024 as indicated in the previous paragraph), (ii) 4,637 thousand euros in severance payments accrued (0 thousand euros in the 2023 financial year). Of the amount accrued in 2024, 2,762 thousand euros have been paid during this year, and the remaining 1,875 thousand euros will be paid in the 2025 and is recorded under the 'Personnel' heading, (iii) 1,252 thousand euros in fixed salary and other concepts (1,264 thousand euros in the 2023 fiscal year), and (iv) 420 thousand euros in accrual of the incentive plan (589 thousand euros in the 2023 fiscal year).

Furthermore, during the 2024 financial year, the Parent Company paid 70 thousand euros in premiums for civil liability insurance (71 thousand euros as of December 31, 2023), covering the members of the Parent Company's Board of Directors in the performance of their duties.

The members of the Parent Company's Board of Directors do not have pension funds or similar obligations for their benefit. During the financial years ended December 31, 2024, and December 31, 2023, there were no senior management personnel who were not part of the Parent Company's Board of Directors.

The non-executive members of the Parent Company's Board of Directors have not received shares or share options during the financial years ended December 31, 2024, and December 31, 2023, nor have they exercised options or held any outstanding options.

Additionally, there is a share-based compensation plan included in the Parent Company's IPO, whose beneficiaries are the Company's team (Note 11.b). This plan is accrued annually when, for each calculation period (between July 1 to June 30 of the following year), certain value generation conditions are met. On February 13, 2024 and September 3, 2024, in accordance with the delivery schedule set forth in the plan, the Parent Company delivered the shares corresponding to the fulfilment of the plan in its second period of validity, which ended on June 30, 2022. The number of shares delivered amounted to 204,388 shares.

According to the share delivery schedule described in Note 11.b, the parent company provisioned 726 thousand euros during the 2024 financial year (1,1018 thousand euros provisioned as of December 31, 2023). For the fourth period of the compensation plan, which ended on June 30, 2024, the parent company evaluated the fulfilment of the value generation conditions and, as a result, no associated cost has been recorded.

The Group records the share plan provision under the heading "Other equity instruments". Below, we break down the net impact of 801 thousand euros: (i) Additions (provision) of 726 thousand euros and (ii) Reductions (granted) of 1,527 thousand euros

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

19. OTHER RELATED PARTY TRANSACTIONS

As of December 31, 2024, the balance with the related company "Rodex Asset Management, S.L." has been settled for the amount for the formalization of a loan for the transfer of debt of a member of the Board of Directors of the Parent Company (859 thousand euros as of December 31, 2023) as well as the balance with said member of the Board of Directors of the Parent Company for the arrangement of a credit of 125 thousand euros during the financial year 2024 to meet the tax cost arising from the additional remuneration received within the framework of the Company's incentive plan. This balance was recorded under the Consolidated Balance Sheet heading "Loans to third parties". The loan was formalized taking into account market conditions between independent parties, for which the Group took into account the financial cost of its financing operations.

During the year ended December 31, 2024 there have been transactions with the related party "Rodex Asset Management, S.L." for the accrual of interest on the loan explained above.

During the year ended December 31, 2023 there have been transactions with the related party "Rodex Asset Management, S.L." as accrual of interest on the loan explained above.

20. INFORMATIVE REQUIREMENTS DERIVED FROM THE CONDITION OF SOCIMI, LAW 11/2009, AS AMENDED BY LAW 16/2012 AND LAW 11/2021.

- a) Reserves from fiscal years prior to the application of the tax regime established in this Law.

Not applicable.

- b) Reserves from years in which the tax regime established in this Law has been applied, differentiating the part that comes from income subject to the 0%, 15% or 19% tax rate, with respect to those that, if applicable, have been taxed at the general tax rate.

Not applicable.

- c) Dividends distributed with a charge to profits for each year in which the tax regime established in this Law has been applicable, differentiating the part that comes from income subject to a tax rate of 0%, 15% or 19%, with respect to those that, if applicable, have been taxed at the general tax rate.

Not applicable.

- d) In the case of distribution of dividends charged to reserves, designation of the year from which the reserve was applied and whether they have been taxed at 0%, 15%, 19% or at the general rate.

Not applicable.

- e) Date of agreement to distribute the dividends referred to in letters c) and d) above.

Not applicable.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

f) Date of acquisition of the real estate intended for lease and of the shares in the capital of entities referred to in paragraph 1 of Article 2 of this Law.

Property	Location	Date of acquisition	Segment
Paseo de la Habana	Confluencia de Paseo de la Habana y Avenida de Alfonso XIII, Madrid	December 21, 2018	Offices
Edificio Botanic	Calle Josefa Valcárcel, 42, Madrid	January 29, 2019	Offices
Edificio Play	Vía de los Poblados, 3 - Parque Empresarial Cristalia, Edificio 4B, Madrid	January 29, 2019	Offices
Nave Guadalix	Barranco Hondo, San Agustín de Guadalix	April 12, 2019	Logistics
Ramírez de Arellano, 21	Calle Ramírez de Arellano, 21, Madrid	June 28, 2019	Offices
Cadenza	Vía de los Poblados, 7, Madrid	December 30, 2019	Offices
Manoteras, 28	Calle Manoteras, 28, Madrid	June 11, 2020	Offices
Pradillo	Calle Pradillo, 54-58, Madrid	October 27, 2020 September 28, 2021 September 30, 2021	Offices
Torrelaguna, 75	Calle de Torrelaguna, 75, Madrid	June 12, 2023	Offices

g) Identification of the assets that compute within the 80% referred to in Article 3.1 of this Law.

The assets included in the 80% referred to in section 1 of Article 3 of the SOCIMI Law are those shown in the table above.

h) Reserves from years in which the special tax regime applicable in this Law has been applicable, which have been disposed of in the tax period, other than for distribution or to offset losses, identifying the year from which said reserves originate.

Not applicable.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2024

21. AUDITORS' FEES

The fees accrued during the years ended December 31, 2024 and December 31, 2023 by PricewaterhouseCoopers Auditores, S.L. and its network are as follows:

	Thousand euros	
	2024	2023
Audit services	120	112
Other non-audit services (*)	13	10
	133	122

* There are no tax services or services required by other legal regulations.

22. ENVIRONMENTAL INFORMATION

The Group develops a sustainable environmental management in its office buildings and logistics warehouse, aimed at minimizing the possible impact on the environment derived from its activity, and maximizing the welfare of its occupants.

Árma Group maintains its commitment to investors and ESG transparency by continuing with the assessments by GRESB and EPRA. Árma reinforces its leadership by obtaining for the third consecutive year four stars in the GRESB benchmark and the EPRA Gold award in sustainability. During the year, meetings have been held with both institutions to evaluate the Company's performance. Árma works every day to adapt to the increased competitiveness in the market and the new requirements of the evaluating bodies.

The Group also outstands for its commitment to sustainability in the portfolio by achieving 100% of operating assets with LEED/BREEAM certifications by 2024 and continuing to obtain pre-certifications for assets in the process of refurbishment. In addition, all portfolio assets have an EPC A or B, proving the high quality regarding efficient energy use and low carbon emissions in operation.

The Group continues analysing its consumptions, both in its headquarters and in its portfolio, in order to calculate its footprint and finding ways to reduce it. All these initiatives in the portfolio are framed within the Group's Decarbonization Policy whose objective is to achieve a 55% reduction in emissions by 2030¹ and carbon neutrality by 2050.

All of this represents the Group's firm commitment to environmental conservation, asset quality, and the health and well-being of tenants.

¹ With respect to 2019 for the portfolio's operational carbon in terms of CO₂/sqm occupied.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR
ENDED ON 31 DECEMBER 2024**

23. SUBSEQUENT EVENTS

From December 31, 2024 to the date of preparation of these consolidated financial statements, there have been no significant subsequent events that require disclosure.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

1. ORGANIZATION STRUCTURE AND FUNCTIONING

Árma Real Estate SOCIMI, S.A. (hereinafter Árma, or the Company or the dominant Company) is the dominant Company of a Group whose main objective is the creation of a real estate portfolio focused mainly on the office and logistics sector in Madrid, with the aim of obtaining income from rents through an active management of the assets. The ultimate goal is to create value for shareholders, offer the best quality spaces for tenants and ensure the construction of a sustainable and technologically advanced environment.



The Group's strategy responds, with a clear focus on value creation, to the lack of quality (Class A) and environmentally friendly office space. Relying on the competitive advantage of its highly experienced team, it is able to identify excellent investment opportunities to reposition assets through intelligent refurbishments.

Árma is built on the proven experience of its management team members and their in-depth knowledge of the sector combined with corporate values such as transparency, excellence, sustainable profitability and tangible revaluation.

On 16 May 2024 JSS real Estate SOCIMI, S.A. launched a takeover bid for Árma offering a price of €8.61/share. The Offer was accepted by shareholders holding 25,807,076 Árma shares representing 99.56% of its share capital following the capital reduction carried out during the year ended 31 December 2024 (Note 11 to these Consolidated Financial Statements). The takeover bid was successfully completed in November. JSS Real Estate SOCIMI, S.A. is the new majority shareholder of Árma, and a reverse merger is expected in the first half of 2025.

The dominant Company has a suitable governmental structure that guarantees the proper functioning of the governing bodies and compliance with the standards and regulations governing its activity.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

GENERAL SHAREHOLDERS' MEETING

BY-LAWS	REGULATION OF THE GENERAL MEETING OF SHAREHOLDERS	GOOD GOVERNANCE CODE OF LISTED COMPANIES	INTERNAL CODE OF CONDUCT FOR STOCK EXCHANGES
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BOARD OF DIRECTORS

REGULATIONS OF THE BOARD OF DIRECTORS	
Audit and Control Committee	Appointments and Remuneration Committee
> General Policy for Corporate Social Responsibility > Policy for Communication > ESG Committee/ Environmental Policy > Ethics Committee/ Whistleblower channel > Selection Policy and Supplier Recruitment > Risk Management Model > Data Protection Policy > Employee Safety Manual > Handbook on the Prevention of Money Laundering and Terrorist Financing	> Board Member Remuneration Policy > Code of Conduct > Policy for Selecting Candidates for Membership of the Board

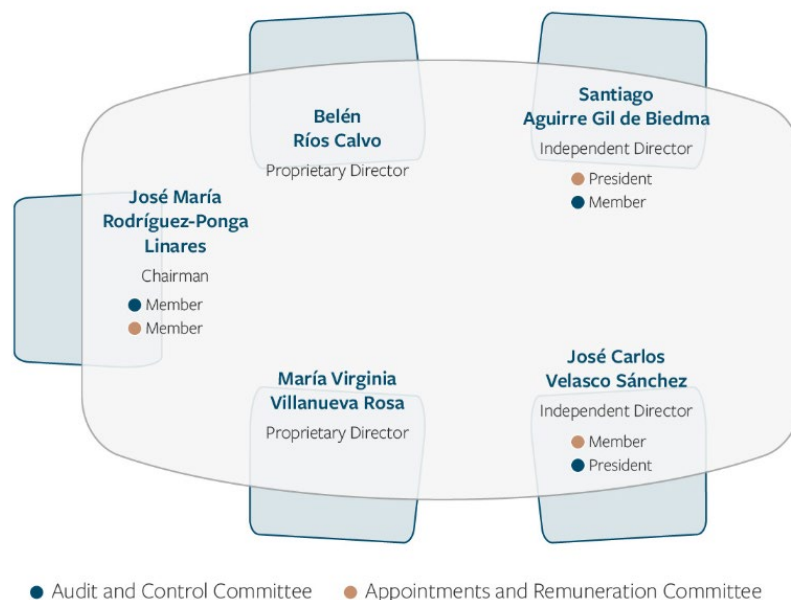
The General Shareholders' Meeting is the Company's highest decision-making body. Its designated powers include the appointment of directors, the approval of the remuneration policy and the distribution of dividends, all of which are set forth in the Regulations of the General Shareholders' Meeting.

The Board of Directors reports to the Shareholders' Meeting, overseeing the Company's daily business operations. The members of the Board are responsible for reviewing the Company's strategy and objectives, always adapting them to the needs and trends of the market. Following the takeover bid completed in November, the new members of the Board of Directors were appointed by co-option and include both independent and proprietary directors who bring together years of experience and expertise in the real estate, international, financial and legal sectors. Thanks to their extensive track record holding senior roles in multinational companies, they also have extensive knowledge of environmental, social and corporate governance issues. The co-opted appointment of the new directors will be submitted for ratification at the next Annual General Meeting.

The Board of Directors carries out its activities in accordance with the rules of corporate governance contained mainly in the Company's Bylaws, the Regulations of the Shareholders' Meeting and the Regulations of the Board of Directors, also following the recommendations of the Good Governance Code with the maximum commitment to compliance. It also has two fundamental committees, whose essential function is to support this body in its tasks of supervision and control of the ordinary management of the Group: The Audit and Control Committee and the Appointments and Remuneration Committee.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024



2. EVOLUTION AND RESULTS OF BUSINESS

Since its IPO in October 2018, the Group has made several acquisitions and disposals of real estate assets. During financial year 2024, the Group made an additional disbursement of 3,125 thousand euros for the turnkey project formalised in 2020. With this transaction, ownership of the asset is acquired, allowing greater control over the project to adapt it to the needs of demand in the area. The property is located at street Manoteras, 28 and will include an office building with a surface area of 12,842 sqm and 241 parking spaces.

These investments have resulted in the composition of a diversified portfolio, consisting of 9 plus a right to purchase for an additional asset located in the urban business axis M30-A2 with a surface area of 11,600 sqm and 167 parking spaces, formalised in 2023 for an initial value of 2,142 thousand euros. These assets provide stability and high growth potential and bring the market value of the portfolio at 31 December 2024 to 361,521 thousand euros. The Group has recorded a lower asset value adjustment – as established by international financial regulations (IFRS) – of 13,283 thousand euros, with a negative consolidated result of 30,650 thousand euros as of December 31, 2024.

This negative variation is mainly driven by the changes that have taken place in the office real estate sector over the last few years. Since 2020, the pandemic brought about by the COVID virus raised doubts about the need for office space. Over time, companies mostly established hybrid calendars that mix face-to-face and remote working. More recently, many have returned to a 100% face-to-face situation. However, there has been a noticeable shift in demand for space, with companies now seeking more central office locations and higher quality facilities. While the majority of the Group's portfolio is comprised of Class A assets, or with the potential to be Class A, and with the highest quality standards, the location of most of these buildings is in well-established but secondary office areas.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

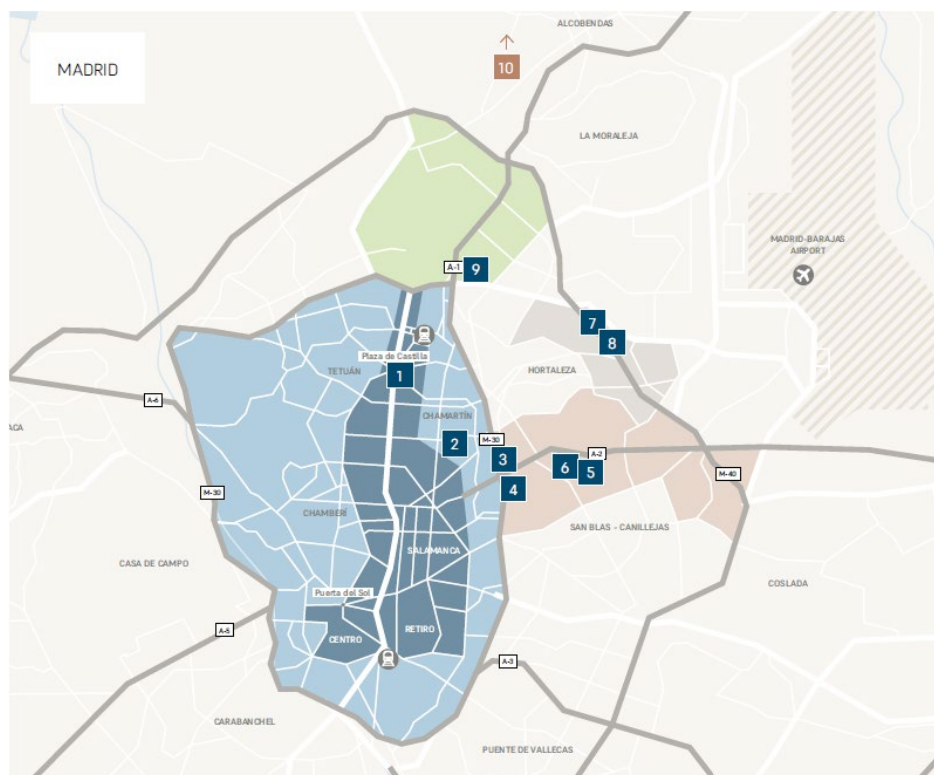
Despite the current market situation, Árima consolidated its solid strategy and defensive portfolio in 2024 thanks to quality tenants and active portfolio management. Annualised gross rental income amounted to €12m at the end of the year.

As of December 31, 2024, the Group has two refurbishment projects ongoing that continue to progress, and that will allow significant increases in value and income thanks to the contracts signed once the work is completed.

The Group has continued to reinforce its commitment to its stakeholders, strengthening communication and continuous contact. In addition, it pays special attention to ensuring that its impact on society is positive, through its engagement programs and its well-being surveys.

After the 2024 operation, the portfolio totals 109,336 leasable sqm and 1,643 parking spaces². The properties are faithful to the investment model of the listed company. They make up a balanced portfolio of rental assets and buildings with great potential for revaluation for the shareholders of the SOCIMI, always looking for a product with great potential for generating value in highly consolidated areas of the metropolitan area and bordering Madrid, as shown in the following map.

The properties that currently make up the Group's portfolio are the following³:



² Not taking into consideration the asset for which a purchase option was formalised as of 31/12/2023.

³ Number 6 of the map refers to the asset for which a purchase option was formalised as of 31/12/2023.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024



1 Habana



2 Pradillo



3 RMA



4 Torrelaguna



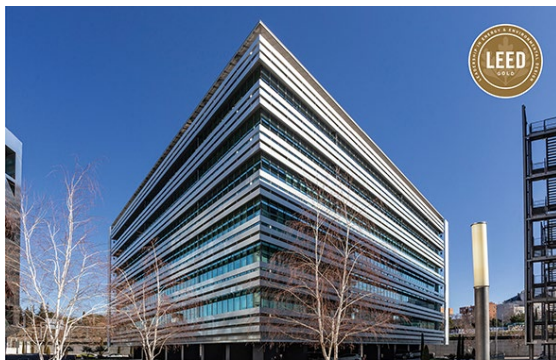
5 Botanic



6 New Asset

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024



7 Cristalia



8 Cadenza



9 Dune



10 Guadalix

The revenue derived from the lease of real estate assets amounted to 12,181 thousand euros during the financial year 2024 (31 December 2023: 10,073 thousand euros). EBITDA - earnings before interest, taxes, depreciation and amortisation - amounting to (27,230) thousand euros.

The market value of the Group's assets at 31 December 2024, amounting to 359,300 thousand euros (31 December 2023: 659,200 thousand euros), represents a revaluation of 3 bps on a like-for-like basis compared to 31 December 2023. In addition, under the investment properties, the group includes the amount associated with the right of purchase formalised in 2023 for an amount of 2,142 thousand euros.

Following the reverse merger, which is expected to be completed in the first half of 2025, the Group will have a combined portfolio of 578.6 million euros (representing an increase in GAV of +61% taking into account valuations as at 31 December 2024) and a portfolio of 172,653 sqm. With this merger, annual gross revenues are expected to increase to approx. 29 million euros.

3. EPRA INFORMATION

Árma Real Estate has been a member of the European Public Real Estate Association (EPRA) since its inception and has adopted its best practice recommendations (BPR). The European Public Real Estate Association (EPRA) defines three different metrics for calculating the Net Asset Value (NAV) in its Best Practices guide: Net Reinstatement Value, Net Tangible Assets and Net Disposal Value.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

The following definitions are detailed in the February 2022 EPRA Best Practices Recommendations Guidelines:

Net asset value (NAV) is a key performance measure used in the real estate industry. However, the NAV reported in IFRS financial statements may not provide stakeholders with the most relevant information about the fair value of assets and liabilities. As real estate companies have evolved into actively managed companies, including non-real estate operating activities, more active ownership has evolved, asset turnover has increased, and balance sheet financing has shifted from traditional bank lending to the capital markets.

The following guidelines are intended to reflect this nature of real estate companies.

EPRA Net Reinstatement Value: The objective of this indicator is to highlight the value of long-term net assets. Assets and liabilities that are not expected to crystallise under normal circumstances, such as fair value movements on financial derivatives and deferred taxes on the revaluation of real estate are therefore excluded. Since the objective of the metric is to reflect also what would be needed to recreate the company through investment markets based on its current capital and financing structure. Costs such as taxes on asset sales should be included.

EPRA Net Tangible Assets: The assumption behind this indicator is that companies are assumed to buy and sell assets, thus crystallising certain levels of unavoidable deferred tax.

EPRA Net Disposal Value: Shareholders are interested in understanding the full extent of liabilities and the resulting value to shareholders if the company's assets are sold and/or if liabilities are not held to maturity. To this end, this indicator provides the reader with a scenario in which deferred taxes, financial instruments and certain adjustments are calculated based on the full extent of its liabilities, including off-balance sheet tax exposure, net of any resulting taxes. This measure should not be viewed as a 'Net Asset Value net asset value' because, in many cases, fair values do not represent liquidation values.

Considering the Group's activity and usual market practice, the metric that best represents the nature of the Company is Net Tangible Asset (assumes that companies buy and sell assets).

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

EPRA Net Asset Value Metric: Net Tangible Assets

	Thousand euros	
	31/12/2024	31/12/2023
NAV Consolidated under IFRS	262,181	293,666
Effect of options, convertibles bonds and other interest	-	-
Diluted NAV	262,181	293,666
Excluded:		
Fair value of financial instruments	383	1,296
Intangible assets	-	224
EPRA NTA	261,798	292,146
Number of issued shares (without treasury shares)	25,955,970	25,839,011
EPRA NTA per share (euros)	10.1	11.3
Non-recurring revenues and expenses	16,212	3,168
EPRA NTA per share adjusted (euros)	10.7	11.4

The NTA adjusted per share stands at €10.7/share, 24% higher than the takeover bid price.

4. EVOLUTION OF THE SHARES

The share price at December 31, 2024 was 8.10 euros per share. The share price at December 31, 2023 was 6.35 euros per share.

5. TREASURY SHARES

Following the General Shareholders' Meeting held in 2024, Árima amortised 2,446,435 treasury shares (8.6% of Árima's share capital). Thus, at 31 December 2024, the Company holds shares representing 0.10% of the dominant Company's share capital and totalling 26,971 shares (as at 31 December 2023 they represented 9.11% and totalled 2,590,365 shares). The average cost of treasury shares was 8.79 euros per share in 2024 (8.61 euros per share in 2021).

These shares are registered reducing the value of the Group equity on 31 December 2024 by 237 thousand euros (at 31 December 2023 by 20,712 thousand euros).

The movement of treasury shares in the year is as follows:

	31 December 2024		31 December 2023	
	Number of treasury shares	Thousand euros	Number of treasury shares	Thousand euros
At the beginning of the period/year	2,590,365	17,072	2,022,249	17,072
Additions/purchases	65,238	4,335	1,096,182	4,335
Reductions	(182,197)	(695)	(80,907)	(695)
Amortizations	(2,446,435)	(19,150)		
At the end of the period/year	26,971	237	2,590,365	20,712

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

The dominant Company has complied with its obligations under Article 509 of the Spanish Capital Companies Act, which establishes that the par value of acquired shares that are listed on official secondary markets, added to the value of those that are already held by the dominant Company and its subsidiaries, must not exceed 10% of the share capital. The subsidiary does not hold either treasury shares or shares in the dominant Company.

6. DIVIDEND POLICY

The Company is governed by the special tax rules established under Act 11 of 26 October 2009, with the amendments introduced by Act 16 of 27 December 2012, under which SOCIMIs are governed. They are required to distribute the profits they obtain over the course of the year to their shareholders in the form of dividends, after complying with the relevant corporate obligations. Distribution must be approved within the six months following the year end, in the following way:

- a) 100% of the profits resulting from dividends or profit shares received from the companies referred to in Article 2.1 of this Act.
- b) At least 50% of the profits earned from the transfer of the property, shares or ownership interests referred to in Article 2.1 of the Act, where this occurs after the deadlines referred to in Article 3.3 of the Act have expired, when the property, shares or interests are used to comply with the Company's primary corporate purpose. The remainder of these profits must be reinvested in other property or investments related to the performance of this corporate purpose within three years of the transfer date. Otherwise, these profits must be distributed in full together with any profit earned, where applicable, in the year in which the reinvestment period expires. If the items in which the reinvestment has been made are transferred prior to the end of the holding period, profits must be distributed in full, together, where applicable, with the part of the profits attributable to the years in which the Company was not taxed under the special tax scheme provided for in the before mentioned Act.
- c) At least 80% of the remaining profits obtained.

The dividend must be paid within one month of the distribution agreement. When dividends are distributed with a charge to reserves originating from profits for a year in which the special tax rules were applied, the distribution must compulsorily be approved by means of the resolution referred to above. Additionally, the amendment to Law 11/2021 imposes a 15% tax on undistributed profits through dividends.

The Company is required to allocate 10% of its profits for the year to the legal reserve until the balance held in this reserve amounts to 20% of its share capital. The balance of this reserve is not available for distribution to the shareholders until it exceeds the 20% limit. The articles of association of these companies may not establish any restricted reserve other than the foregoing.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

The following table shows a reconciliation between the result under Spanish Gaap and the result under IFRS:

	Thousand euros	
	31/12/2024	31/12/2023
Result of the period - Spanish GAAP	(26,966)	(7,705)
Adjustments:		
(I) Consolidation	(355)	(3,179)
(II) Amortization/impairment of investment property	9,954	4,834
(II) Value adjustment. Investment property	(13,283)	(26,548)
Profit for the period - IFRS	(30,650)	(32,598)

7. THE TEAM

Árma bases its activity on professional solvency, deep knowledge of the sector and the high level of connection of its management team with the market.

To continue building Árma's achievements, the management team works to distinguish the best investment operations. The team oversees all phases of the value creation chain from the identification of assets for investment to the management of assets and their potential repositioning or enhancement and addressing issues such as regulatory compliance and sustainability. In turn, the management team is under the umbrella of the Board of Directors, whose members oversee the Company's activities.

In Árma we always work with the focus on the interests of the Company and its relevant stakeholders. The goal is to create value for shareholders, offer the best quality spaces for tenants and ensure the construction of a sustainable and technologically advanced environment.

These objectives go hand in hand with corporate values. Commitment, transparency and rigor govern day-to-day actions and ensure the best management of the Company, minimizing potential conflicts of interest and solving any unforeseen event.

For Árma, the key to the success of any project is people. To continue promoting best practices and ensure the best welfare of our team and their professional development, the Company relies on its Employee Engagement Plan.



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CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

The evolution of the Group's average number of employees in 2024 and 2023, broken down by categories is shown below:

Categories	31 December 2024	31 December 2023
Management	8	8
Employees with degrees	4	4
Administrative personnel and others	1	2
	13	14

The number of employees at 31 December 2024 and 31 December 2023 is as follows:

Categories	At 31 December 2024	At 31 December 2023
Management	5	7
Employees with degrees	4	3
Administrative personnel and others	-	1
	9	11

The gender distribution as at 31 December 2024 is as follows:

Categories	31 December 2024		
	Men	Women	Total
Management	5	-	5
Employees with degrees	2	2	4
Administrative personnel and others	-	-	-
	7	2	9

8. ALTERNATIVE PERFORMANCE MEASURES

On 5 October 2015, the European Securities and Markets Authority (ESMA) published a set of Guidelines (2015/1415) on Alternative Performance Measures (APM). Compliance with these guidelines is mandatory for all issuers whose securities are admitted for trading on a regulated market and who are required to publish regulatory information under Directive 2004/109/EC on transparency.

Árима's financial information contains figures and measures that have been prepared in accordance with the applicable accounting regulations, together with a further series of measures prepared in accordance with the reporting standards that the company has established and developed internally ("Medidas Alternativas de Rendimiento – MAR").

A. Identification, definition, relevance of use and consistency

The Group considers as alternative performance measures those detailed in section 8 of the Directors' Report, on which this information is reflected as set out below.

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CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

Alternative performance measures related to the income statement:

EBITDA

'Earnings Before Interest, Tax, Depreciation and Amortisation: an indicator that measures the Group's operating profit before interest, tax, impairment and depreciation.

As it excludes financial and tax magnitudes, as well as accounting expenses that do not involve cash outflows, it is used by management to evaluate results over time, allowing comparison with other companies in the real estate sector.

Alternative performance measures related to the balance sheet:

GAV

Gross Asset Value: the value of the portfolio according to the latest external valuation by an independent expert. This measure is used to determine the generation of value as a result of the management of the Group's asset portfolio.

Financial leverage ratio

Calculated as financial debt / (financial debt plus equity). This figure allows management to assess the Group's level of indebtedness, given that the main objectives of the Group's capital management are to ensure short and long-term financial stability, the positive evolution of the shares of Árima Real Estate SOCIMI, S.A. and the adequate financing of investments.

Leverage (Loan to Value)

Calculated as the percentage of debt / market value of assets in portfolio. Management monitors this ratio in order to assess the appropriate level of indebtedness of the Company.

Net debt

This ratio is calculated by subtracting cash and cash equivalents from the amount of debt drawn down in nominal terms at that date. Management considers this ratio to be relevant for the analysis of net effective debt.

B. Reconciliation and comparison

For the detailed alternative performance measures, we expand on their reconciliation and comparative information below.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

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EBITDA

Section 2 states that EBITDA - earnings before interest, taxes, depreciation and amortisation - amounts to (27,230) thousand euros.

	31/12/2024	31/12/2023
Operating result	(27,562)	(30,307)
Amortization and depreciation	(332)	(933)
EBITDA	(27,230)	(29,374)

GAV

Section 2 of this Consolidated Management Report and note 7 of these Consolidated Annual Accounts establishes the market value of the Group's assets at 31 December 2024, which amounts to 361,521 thousand euros (361,342 thousand euros at 31 December 2023), representing a revaluation of 0.05% like for like.

Financial leverage ratio

The following information is detailed in note 3.2 of the Consolidated Annual Accounts as at 31 December 2024:

	31/12/2024	31/12/2023
Financial debt	106,654	112,364
Equity	262,202	293,666
Leverage	28.91%	27.67%

At 31 December 2024, 100% of the financing obtained by the Company is classified as "green" by the financial institutions, given the sustainable characteristics of the properties financed.

With regard to the measures referred to in point 2, the Group considers leverage over LTV and net debt to be important magnitudes for evaluation and monitoring, as reflected in this Management Report and the Consolidated Financial Statements. In addition, these aggregates are detailed below:

Leverage (Loan to Value)

The leverage figure reflects the % of debt over the market value of the assets in the portfolio. Management monitors this ratio in order to assess the appropriate level of indebtedness of the Company. The calculation is made by dividing the debt drawn down in nominal terms at 31 December by the market value of the portfolio at the same date.

	31/12/2024	31/12/2023
Investment Properties	361,521	361,342
Nominal debt	107,378	113,224
LTV	30%	31%

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Net debt

This ratio is calculated by subtracting cash and cash equivalents at 31 December from the amount of debt drawn down in nominal terms at that date. Management considers this to be relevant for the analysis of net effective debt.

	31/12/2024	31/12/2023
Nominal debt	107,378	113,224
Cash and banks	11,437	7,076
Net debt	95,933	106,148

9. USE OF DERIVATIVES

The coverage of cash flows through interest rate swaps (financial swap) allows to exchange debt at variable interest rate for fixed-rate debt, where future cash flows to be covered are future interest payments on contracted loans. Changes in the fair value of derivatives are reflected in "Hedging Reserve" in equity. See Note 16 of these Consolidated Annual Accounts.

10. RISK MANAGEMENT

Árима is subject to a wide range of regulations and good practices in compliance and reporting. In response to these requirements, the Group has carried out an analysis and adaptation of the following Risk Management Systems:

- Risk Management System, defined and developed through the Risk Management Policy and Manual, in order to establish the basic principles, key risk factors and the general framework of action for the control and management of all types of risks faced by the Company (Compliance, Environment, Sustainability, Strategic, Financial and Operational).
- Criminal Compliance Policy, which defines the main guidelines of the Crime Prevention and Detection Model (CPDM), which are developed in the Management Manual issued for this purpose.
- Management Manual of the Internal Control over Financial Reporting System (ICFRS) with the objective of establishing the basis for the maintenance, review, reporting and supervision of the ICFR, ensuring that risks due to errors, omissions or fraud in financial information are adequately controlled, either by prevention, detection, mitigation, compensation or correction, providing assurance that internal controls operate effectively and contribute to ensuring the reliability of the Company's financial information.

In order to:

- Comply with applicable regulations.
- Benefit from models adapted to Árима's specific characteristics.
- Aid decision-making internally and with third parties through the reporting of these areas.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

The Board of Directors considers risk management and internal control to be essential factors for the achievement of the Company's objectives. In order to implement these measures, the Company benefits from an Audit and Control Committee which, in turn, relies on the Risk Control and Management Function. Árima has therefore established a risk management model based on the Risk Management and Control Policy, which is detailed in greater detail in the Risk Management and Control Manual. This management model includes, in line with its commitment to integrate sustainability at all levels of the Company, an ESG risk analysis (Environmental, Social, Governance).

The Group's objective is to establish systematic and preventative procedures, aligned with renowned international risk management standards (COSO⁴ ERM 2017 - Business Risk Management Framework) and led by management, to forecast, prevent and detect risks.

Risk management and control is an ongoing process based on (i) the identification and assessment of potential Company risks based on strategic and business objectives, (ii) the determination of critical risk action plans and controls, (iii) monitoring the effectiveness of the controls and residual risk developments put in place, to report to the Company's governing bodies.

In addition, the Risk Management System operates in a comprehensive, continuous, and cross-cutting way, and serves the management of all priority risks, both internal and external.



Note 3 of the consolidated financial statements gives details of the Group's risk management activities.

⁴ The "Committee of Sponsoring Organizations" (COSO) is a voluntary private sector organization founded in 1985 whose mission is to provide intellectual leadership in relation to three interrelated issues: corporate risk management, internal control and fraud deterrence.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

11. PRINCIPAL RISKS AND UNCERTAINTY

The Group's activity is subject to various risks inherent to the sector, such as changes in tax regulations, the evolution of the real estate market, defaults, environmental risks, the search for potential acquisitions of new prime assets in the domestic market and the availability of financing and resources to undertake these acquisitions.

Therefore, the Group carries out its work with committed risk management, as described in the previous section, with the aim of acquiring real estate investments that are in line with its strategy and that provide maximum value to its shareholders in the medium and long term. Árima has investment resources that result from its cash flows associated with the ability to finance assets, which will enable it to continue with its investment strategy focused on real estate assets in Spain.

From a financial point of view, Árima has a reduced leverage (30% LTV) and a cash position and equivalents of EUR 11.4 million at 31 December 2024, which translates into a net debt amount (positive) of 95 million euros at that date.

12. DEFERRED PAYMENTS TO SUPPLIERS

Payments on business operations carried out during the financial year which are outstanding at the year end, with respect to the maximum terms allowed by Act 15/2010, amended by Act 31/2014, are as follows:

	2024	2023
	Days	Days
Average payment period to suppliers	24	26
Ratio of transactions paid	24	26
Ratio de transactions pending payment	50	52
	Amount (thousand euros)	
Total payments made	14,755	13.314
Total payments pending	154	382

The calculation of the figures in the table above agrees with that established in the ICAC resolution of 4 February 2016. For the purposes of this Note, trade payables include sundry suppliers and creditors for debts with suppliers of goods and services included in the scope of the regulation with respect to the legal payment periods.

According to the new regulations required by Article 9 of Act 18/2022, of 28 September, in addition to the previous information, the following information is indicated:

Number (units)	2024	2023
Invoices paid before the deadline for payment to suppliers	832	751
Percentage of total supplier invoices	99%	98%
Amount (thousand euros)	2024	2023
Invoices paid before the deadline for payment to suppliers	14,747	12.217
Percentage of total supplier invoices	99.9%	91.8%

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

13. TECHNOLOGY, SUSTAINABILITY & HEALTH

The Group develops a sustainable environmental management in its office buildings and logistics warehouse, aimed at minimising the possible impact on the environment derived from its activity, and maximising the well-being of its occupants.

Árma Group maintains its commitment to investors and ESG transparency by continuing with the assessments by GRESB and EPRA. Árma consolidates its leadership by obtaining five stars in the GRESB benchmark and the EPRA Gold award in sustainability, both being the highest award of these institutions. Árma works every day to adapt to the increased competitiveness in the market and the new requirements of the assessment bodies.

The Group also consolidates its commitment to sustainability at portfolio level, achieving 100% of assets in operation with LEED/BREEAM certifications in 2024 and continuing to obtain pre-certifications for assets undergoing refurbishment. In addition, all assets in the portfolio have Energy Efficiency Certification (EEC) A or B, demonstrating their quality in terms of energy use and low emissions in operation.

The Group also continues to analyse the consumption of both the corporate headquarters and its assets in order to calculate its carbon footprint and identify measures to reduce it. All these initiatives in the portfolio are part of the Group's Decarbonisation Policy, which aims to achieve a 55% reduction in emissions by 2030⁵ and carbon neutrality by 2050.

All of this represents the Group's firm commitment to environmental conservation, asset quality, and tenant health and well-being.

14. SUBSEQUENT EVENTS

From 31 December 2024 to the date of preparation of these Consolidated Financial Statements there have been no material subsequent events requiring disclosure.

⁵ Compared to 2019 for the portfolio's operational carbon in terms of CO₂/sqm occupied.



ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED 2024

ANNEX: Annual Corporate Governance Report and Annual Report on the Remuneration of Directors.



ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED
PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DATA

Financial year end date

[31/12/2024]

Company Tax ID No. (CIF):

[A88130471]

Company name:

[ARIMA REAL ESTATE SOCIMI, S.A.]

Registered office:

[TOREE SERRANO. C/SERRANO, 47 - 4ª PL. 28001 MADRID]

A. OWNERSHIP STRUCTURE

- A.1.** Complete the following table on the company's share capital and voting rights attributed, including, if applicable, those corresponding to loyalty voting shares, as of the closing date of the fiscal year:

Indicate whether the Company's bylaws contain a provision for double voting
for loyalty: ☐ Yes
☒ No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
05/09/2024	259,829,410.00	25,982,941	25,982,941

Indicate whether there are different types of shares with different
associated rights: ☐ Yes
☒ No

- A.2.** List the direct and indirect holders of significant ownership interests at year-end, including board members with a significant ownership:

Personal or corporate name of shareholder	% voting rights allocated to shares		% voting rights held through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.	0.00	99.56	0.00	0.00	99.56

Breakdown of indirect holdings:

Personal or corporate name of indirect holder	Personal or corporate name of direct holder	% voting rights allocated to shares	% voting rights held through financial instruments	% of total voting rights
J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.	JSS REAL ESTATE SOCIMI, S.A.	99.56	0.00	99.56

Please indicate the most significant movements in shareholding structure during the year:

Most significant movements

On May 16, 2024, JSS Real Estate SOCIMI, S.A. announced the formulation of a voluntary public takeover bid for the entire share capital of Árima. The bid was authorized by the CNMV on October 16, 2024 and was settled on November 11, 2024 after obtaining a positive result. Together with the shares acquired in execution of the forced sales, as of December 31, 2024, JSS Real Estate SOCIMI, S.A. owned 99.56% of the share capital of Árima. As of December 31, 2024 and the date of this report, JSS Real Estate SOCIMI, S.A. is majority-owned, at 51.89%, by JSS Global Real Estate Fund FCP-SIF (the "Fund"). J. Safra Sarasin Fund Management (Luxembourg) S.A. is the management company of the Fund.

A.3. List, regardless of the percentage, the shareholding at year-end of the members of the Board of Directors who hold voting rights attributed to shares of the Company or through financial instruments, excluding the Board Members identified in section A.2 above:

Personal or corporate name of board member	% voting rights allocated to shares		% voting rights held through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
No data							

% of total voting rights held by members of the board of directors

0.00

Breakdown of indirect holdings:

Personal or corporate name of board member	Personal or corporate name of direct holder	% voting rights allocated to shares	% voting rights held through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
No data					

Please indicate the total percentage of voting rights represented by the Board of Directors:

% of total voting rights represented by the board of directors

99.56

The Board of Directors is composed of 5 members, 2 independent and 3 proprietary members representing the majority shareholder, which represents 99.56% of the Company's shares.

A.4. Indicate, where applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, and excluding those reported in section A.6:

Related-party name or corporate name	Type of relationship	Brief description
No data available		

- A.5.** Indicate, where applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities:

Related-party name or corporate name	Type of relationship	Brief description
No data available		

- A.6.** Describe the relationships (unless insignificant for both parties) that exist between significant shareholders or shareholders represented on the Board, and directors, or their representatives in the case of proprietary directors.

Explain, where applicable, how significant shareholders are represented. Specifically, name the directors who have been appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or links. In particular, and where applicable, mention the existence, identity and position of directors of the listed company, or their representatives, who are in turn members of the board of directors or the representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Personal or corporate name of linked board member or representative	Name or corporate name of linked significant shareholder	Name of the significant shareholder's group company	Description relationship/position
MR. JOSÉ MARÍA RODRÍGUEZ-PONGA LINARES	JSS REAL ESTATE SOCIMI, S.A.	J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.	Proprietary Director (Chairman)
MS. BELÉN RÍOS CALVO	JSS REAL ESTATE SOCIMI, S.A.	J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.	Proprietary Director
MS. MARÍA VIRGINIA VILLANUEVA ROSA	JSS REAL ESTATE SOCIMI, S.A.	J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.	Proprietary Director

- A.7.** Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Spanish Capital Companies Act. Provide a brief description and list of the shareholders bound by the agreement, as applicable:

☐ Yes
☒ No

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. If so, give a brief description:

☐ Yes
☒ No

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year, where applicable:

Not applicable

A.8. Indicate whether any individuals or legal entity currently exercises control or could exercise control over the company in accordance with article 5 of the Spanish Securities' Market Act. If so, give details:

[☒] Yes
[☐] No

Name or Company name
J. SAFRA SARASIN FUND MANAGEMENT (LUXEMBOURG), S.A.

A.9. Complete the following tables on the company's treasury stock:

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
26,971		0.10

(*) Held through:

Personal or corporate name of direct shareholder	Number of shares held directly
No data available	

Please indicate the most significant movements in shareholding structure during the year:

Most significant movements

On May 16, 2024, JSS Real Estate SOCIMI, S.A. announced the formulation of a voluntary public acquisition offer for all the shares into which the share capital of Árima was divided: 28,429,376 shares. Árima undertook not to accept the offer with respect to 2,446,435 shares (representing 8.605% of the capital) held in treasury stock and to propose to the General Shareholders' Meeting their redemption prior to settlement of the offer. The amortization of shares was reflected in the deed of capital reduction dated 5 September 2024, and was registered in the Madrid Mercantile Register on 18 September 2024. Following this amortization, Árima's treasury shares amounted to 26,971 shares, representing 0.10% of its share capital.

A.10. Give details of the applicable conditions and time periods governing any resolutions by the general shareholders' meeting allowing the board of directors to issue, buy back and/or transfer treasury stock:

The Ordinary General Shareholders' Meeting held on 23 May 2023 agreed to authorise the acquisition of treasury stock by the Company over a period of 5 years, leaving the authorization dated 28 June 2022 without effect.

A.11. Estimated free float:

	%
Estimated free float	0.44

A.12. Give details of any restriction (statutory, legislative or of any other kind) on the transfer of securities and/or any restriction on voting rights. In particular, state whether there is any type of restriction that may make it difficult to take over control of the company through the acquisition of its shares on the market, or any rules governing prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

☐ Yes
☒ No

A.13. Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid under the terms of Act 6/2007.

☐ Yes
☒ No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted:

A.14. Indicate whether the company has issued securities that are not traded in a regulated European

Union market. ☐ Yes
☒ No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate and detail the differences, if any, between the required quorum for convening the General Shareholders' Meeting and the quorum required in the Spanish Capital Companies Act (LSC):

☐ Yes
☒ No

B.2. Indicate and, where applicable, describe any differences between the company's system of adopting corporate resolutions and the framework established in the Spanish Capital Companies Act (LSC):

☐ Yes
☒ No

B.3. Indicate the rules governing amendments to the company's Bylaws. In particular, indicate the majorities required to amend the articles of association and, if applicable, the rules for protecting shareholders' rights when changing the articles of association.

The system for the adoption of resolutions refers to the LSC.

B.4. Indicate the attendance figures for the general shareholders' meetings held during the year to which this report relates and during the preceding two years:

Attendance Data					
Date of General Meeting	% attending in person	% attending by proxy	Electronic vote	% remote voting	
				Others	Total
28/06/2022	10.39	67.83	0.00	0.00	78.22
Of which, free float	3.17	32.80	0.00	0.00	35.97
23/05/23	25.86	57.27	0.00	0.00	83.13
Of which, free float	3.00	27.69	0.00	0.00	30.69
26/04/2024	14.89	61.28	0.00	0.00	76.17
Of which, free float	3.71	24.60	0.00	0.00	28.31

B.5. State whether any point on the agenda of the general shareholders' meetings during the year has not been approved by the shareholders for any reason:

☐ Yes
☒ No

B.6. State whether the articles of association impose any minimum requirement on the number of shares required to attend the general shareholders' meetings or to vote remotely:

☐ Yes
☒ No

B.7. State whether it has been established that certain decisions (other than those established by law) that entail an acquisition, disposal, the contribution of essential assets to another company or other similar corporate transactions, must be subject to the approval of the general shareholders' meeting:

☐ Yes
☒ No

B.8. Indicate the address of your company's website and the way in which corporate governance content may be accessed, along with any other information on general meetings which must be made available to shareholders on the Company website.

www.arimainmo.com

C. COMPANY MANAGEMENT STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of association and the number set by the general meeting:

Maximum number of Directors	9
Minimum number of Directors	5
Number of directors set by the general meeting	9

Following the settlement on November 11, 2024, of the voluntary public offer for the acquisition of Árima shares presented by JSS Real Estate SOCIMI, S.A., the board of directors was renewed, and it was decided to reduce the number of directors to five.

C.1.2 Complete the following table with board members' details:

Personal or corporate name of board member	Representative	Category of board member	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MR. JOSÉ MARÍA RODRÍGUEZ PONGA LINARES		Proprietary	CHAIRMAN	19/11/2024	19/11/2024	RESOLUTION OF THE BOARD OF DIRECTORS
MS. BELÉN RÍOS CALVO		Proprietary	DIRECTOR	19/11/2024	19/11/2024	RESOLUTION OF THE BOARD OF DIRECTORS
MS. MARÍA VIRGINIA VILLANUEVA ROSA		Proprietary	DIRECTOR	19/11/2024	19/11/2024	RESOLUTION OF THE BOARD OF DIRECTORS
MR. SANTIAGO AGUIRRE GIL DE BIEDMA		Independent	DIRECTOR	19/11/2024	19/11/2024	RESOLUTION OF THE BOARD OF DIRECTORS
MR. JOSÉ CARLOS VELASCO SÁNCHEZ		Independent	DIRECTOR	19/11/2024	19/11/2024	RESOLUTION OF THE BOARD OF DIRECTORS

Total number of board members	5
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State if any directors have left the board of directors during the period forming the subject of this report, whether through resignation, dismissal or for any other reason:

Personal or corporate name of board member	Category of director at the time of leaving	Date of last appointment	Leaving date	Specialist committees of which he/she was a member	Indicate whether the director left before the end of their term
MR. LUIS LÓPEZ DE HERRERA-ORIA	Executive	20/06/2024	19/11/2024	N/A	YES
MS. CHONY MARTÍN VICENTE-MAZARIEGOS	Executive	23/05/2023	19/11/2024	N/A	YES

MS. CARMEN BOYERO-KLOSSNER	Executive	23/05/2023	19/11/2024	N/A	YES
MR. STANISLAS HENRY	Proprietary	23/05/2023	19/11/2024	Audit and Control Committee and Appointment and Remunerations Committee	YES
MS. PILAR FERNANDEZ PALACIOS	Proprietary	23/05/2023	19/11/2024	N/A	YES
MR. LUIS MARÍA ARREDONDO MALO	Independent	20/06/2024	19/11/2024	N/A	YES
MR. FERNANDO BAUTISTA SAGÜÉS	Independent	20/06/2024	19/11/2024	Appointment and Remunerations Committee	YES
MR. DAVID JIMÉNEZ-BLANCO CARRILLO DE ALBORNOZ	Independent	20/06/2024	19/11/2024	Audit and Control Committee	YES
MR. CATO HENNING STONEX	Independent	20/06/2024	19/11/2024	Audit and Control Committee and Appointment and Remunerations Committee	YES

C.1.3 Complete the following tables on the members of the board and their specific category:

EXECUTIVE DIRECTORS		
Personal or corporate name of board member	Position in company's organisational structure	Profile
No data available		

EXTERNAL PROPRIETARY DIRECTORS		
Personal or corporate name of board member	Individual or corporate name of the significant shareholder that he/she represents or that proposed his/her appointment	Profile
MR. JOSÉ MARÍA RODRÍGUEZ PONGA LINARES	JSS REAL ESTATE SOCIMI, S.A.	Mr. Rodríguez-Ponga currently serves as Chairman of JSS Real Estate SOCIMI and Investment Director at J. Safra Sarasin Asset Management. He is responsible for acquisitions and transactions of the JSS Global Real Estate Fund, overseeing deal analysis, acquisition negotiations, due diligence processes, and financial structuring. As Chairman of the Board of Directors of JSS Real Estate SOCIMI, Mr. Rodríguez-Ponga has played a key role in consolidating the company and leading its IPO on Spain's BME Growth market. He has also spearheaded major acquisitions and asset management, ensuring compliance with SOCIMI regulations and aligning shareholder interests. He holds a Law degree from the Universidad Autónoma de Madrid and is a member of the Madrid Bar Association.

MS. BELÉN RÍOS CALVO	JSS REAL ESTATE SOCIMI, S.A.	Ms. Ríos has extensive experience in the asset management industry in Spain. She is currently Managing Director and Head of Institutional and Wholesale Iberia at J. Safra Sarasin, where she leads commercial strategy and business development for sustainable asset management in the Iberian market. Her role also includes developing marketing and communication plans, as well as managing relationships with key institutional clients in the region, including high-net-worth clients and business partners. Previously, Ms. Ríos served as Head of Institutional Sales Iberia at Amundi, where she coordinated relationships with institutional clients in Spain and Portugal, including private banks, investment and pension fund managers, insurance companies, and state entities. She also held senior positions at Tendam as Head of Investor Relations, managing financial communications and preparing annual and quarterly business reports. Additionally, she worked at Morgan Stanley as a Private Banking Analyst, overseeing a portfolio of high-net-worth clients. Ms. Ríos holds a degree in Business Administration and Management from ICADE (Universidad Pontificia de Comillas), specialising in Finance.
MS. MARÍA VIRGINIA VILLANUEVA ROSA	JSS REAL ESTATE SOCIMI, S.A.	Ms. Villanueva is a highly experienced lawyer with over 15 years of professional experience in the corporate, legal, and banking sectors. She currently serves as Senior Legal Counsel in the Legal Department of Bank J. Safra Sarasin, focusing on regulatory processes and restructuring management. Ms. Villanueva began her legal career in 2003 in Montevideo, Uruguay, and has worked as in-house legal counsel, providing legal support on corporate matters across different entities within the group. Her responsibilities have included the drafting and updating of legal documentation and contracts, company incorporations, and compliance matters. She holds a Doctor of Law degree from the Universidad Católica “Dámaso Antonio Larrañaga” in Uruguay.

Total number of proprietary directors	3
% of the Board	60.00

INDEPENDENT EXTERNAL DIRECTORS	
Personal or corporate name of board member	Profile
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	Mr. Aguirre has 40 years of experience in the real estate consultancy industry and has been a pioneer in developing innovative services across various segments, including offices, retail, logistics, hotels, and residential properties. Throughout his career, he has gained extensive expertise in services and solutions related to urban development, architecture, and the planning of future cities. He is a Fellow Member of the Royal Institution of Chartered Surveyors (RICS) and a founding member of the governing board of the Asociación de Consultoras Inmobiliarias (ACI). Additionally, Mr. Aguirre is committed to civil society initiatives and plays a key role in projects aimed at building a better world. He serves as a trustee of the Transforma España Foundation, which focuses on the country's transformation to address future challenges, and collaborates with the Lealtad Foundation, an organisation dedicated to the independent assessment of NGOs. He is also a trustee of the Pan y Peces Foundation.
MR. JOSÉ CARLOS VELASCO SÁNCHEZ	Mr. Velasco is currently Managing Partner at Fuster-Fabra Abogados, where he co-leads the Litigation Department and has been a pioneer in the development and implementation of corporate compliance programmes in criminal law. In addition to his leadership role at the firm, he advises companies across various industries, providing his expertise and legal insights. Mr. Velasco has been named Professor Honoris Causa by the Higher Institute of Law and Economics (ISDE) and collaborates as a lecturer at various universities and business schools. He is also a co-author of legal publications and specialised articles, contributing to the advancement of knowledge in his field. He holds a Law degree from the Universidad Autónoma de Madrid and a Master's in Legal Advisory Services from Instituto de Empresa (IE), complemented by various specialised courses in his area of expertise.

Total number of proprietary directors	2
% of the Board	40.00

List any Independent Directors who receive any amount or payment from the company or its corporate group other than standard director remuneration, or who maintain or have maintained during the last financial year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior officer of an entity, which maintains or has maintained such a relationship.

Where applicable, include a reasoned statement from the Board detailing why it believes that the said director will be able to perform his/her duties as an independent director.

Personal or corporate name of board member	Description of the relationship	Reasoned statement
No data available		

OTHER EXTERNAL DIRECTORS			
Give details of any other external directors and list the reasons why they cannot be considered proprietary or independent directors. Give details of their relationships with the company, its executives or shareholders:			
Personal or corporate name of board member	Reasons	Company, manager or shareholder to whom he/she is linked	Profile
No data available			

Total number of other external directors	N.A.
% of the Board	N.A.

List any changes in the category of each director that have occurred during the period reported:

Personal or corporate name of board member	Date of change	Previous category	Current category
No data available			

C.1.4 Complete the following table with information on the number of female board members at the close of the last 4 financial years and their category:

	Number of female board members				% of the total number of directors of each type			
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2024	FY 2023	FY 2022	FY 2021
Executive		2	1	1	0.00	67.00	50.00	50.00
Proprietary	2	1			66.67	50.00	0.00	0.00
Independent					0.00	0.00	0.00	0.00
Others					0.00	0.00	0.00	0.00
Total	2	3	1	1	40.00	33.33	14.29	14.29

C.1.5 State whether the company has diversity policies that apply to its board of directors on such questions as age, gender, disability and professional training and experience. Small and medium-sized enterprises, as these are defined in the Accounts Audit Act, must at least report the policy they have implemented in relation to gender diversity.

- ☒ Yes
☐ No
☐ Partial Policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also describe the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse group of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved.

The Company has a Director Selection Policy, approved by the Board of Directors and in force, through which it ensures that director selection procedures favour diversity of gender, experience and knowledge, and do not suffer from implicit biases that could imply any discrimination. It also ensures that candidates for non-executive directors have sufficient time available for the proper performance of their duties.

C.1.6 Explain the measures agreed by the appointments committee, where applicable, to ensure that selection processes are not subject to any implicit bias that would make it difficult to select female directors, and to ensure that the company makes a conscious effort to search for and include female candidates who have the required professional profile, thus allowing for a balanced presence between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

Explanation of measures

The Company has a Director Selection Policy, approved by the Board of Directors and in force, through which it ensures that the procedures for selecting directors promote gender diversity, diversity of experience and knowledge, and are not subject to implicit biases that may imply any discrimination. In line with this commitment, and due to the resignation of the Company's then directors, which took place at the meeting of the Board of Directors on November 19, 2024, two female directors (40%) were appointed by co-optation.

When, in spite of the measures taken (where applicable), there are few or no female directors, please give the reasons why this is the case:

Explanation of reasons

As indicated in the previous section, it is the Society's objective to continue to ensure gender diversity, assessing all applications on a needs basis in each case.

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance verification of compliance with the policy aimed at favouring an appropriate composition of the board of directors.

The Company has established a Director Selection Policy based on an analysis of the Company's needs. Candidates for Directors shall be persons of recognised prestige, solvency, competence, qualifications, training, availability and commitment to the function. Furthermore, they must be professionals of integrity whose conduct and professional career are in line with the mission, vision and values of the Company. Likewise, it is the Company's will to achieve the diversity policies and fulfil the objectives set with regard to the participation of women on the boards of directors. In this respect, the Board of Directors, in its renewal on 19 November 2024, appointed two female directors (40%).

C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 3% of the share capital:

Personal or corporate name of shareholder	Reasons
No data available	

Provide details of any rejections of formal requests for board representation from shareholders whose shareholding interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. Where applicable, explain the reasons why they were rejected.

[] Yes
[v] No

C.1.9 Where applicable, give details of the powers and duties delegated by the board of directors to directors or board committees, including those related to the possibility of issuing or repurchasing shares:

Personal or corporate name of board member or committee	Brief description
No data available	

C.1.10 List the directors, if any, who hold office as directors, directors' representatives or executives in other companies belonging to the listed company's group:

Personal or corporate name of board member	Name of the group company	Position	Does he/she have executive powers?
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	Árma Investments, S.L.	Representative of the Sole Administrator	YES
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	Árma Investigación, Desarrollo e Innovación, S.L.U.	Representative of the Sole Administrator	YES

C.1.11 Where applicable, list any directors or directors' representatives that are legal entities and are members of the board of directors or the representatives of members of the board of directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Personal or corporate name of board member	Name of the listed company	Position
MS. MARÍA VIRGINIA VILLANUEVA ROSA	SNBNY Holdings Limited.	DIRECTOR
MS. MARÍA VIRGINIA VILLANUEVA ROSA	JSI Holdings (Switzerland) AG	DIRECTOR
MS. MARÍA VIRGINIA VILLANUEVA ROSA	SIHL Finance Holdings (Switzerland) AG	DIRECTOR
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	RIOS ROSAS 24 MADRID SL	DIRECTOR
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	TC 6 MADRID SL	DIRECTOR
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	LAS TABLAS 40 MADRID, SL	DIRECTOR
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	JSS REAL ESTATE SOCIMI SA	DIRECTOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	ZAPHIR LOGISTICS SL	DIRECTOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	VALDIVIA INVERSIONES SL	JOINT ADMINISTRATOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	ALTAN REAL ESTATE SA	CHAIRMAN
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	HEARTELIUS SL	JOINT ADMINISTRATOR

MR. SANTIAGO AGUIRRE GIL DE BIEDMA	ZITYHUB SL	DIRECTOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	BOYTON INVEST SL	CHAIRMAN
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	AGUIRRE NEWMAN INTERNATIONAL SL	JOINT ADMINISTRATOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	RESTAURANTES BERLANGA SL	CHAIRMAN
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	INMOBILIARIA CAMINO SL	SOLE ADMINISTRATOR
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	ALTAN CAPITAL S G I I C SA	CHAIRMAN
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	GLOBAL BUSHVELD SL	JOINT ADMINISTRATOR
MS. MARÍA VIRGINIA VILLANUEVA ROSA	The Galleon SCI	OTHER
MS. MARÍA VIRGINIA VILLANUEVA ROSA	Bois de la Dive SCI	OTHER

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Personal or corporate name of board member	Other remunerated activities
MS. BELÉN RÍOS CALVO	Managing Director, Head of Institutional and Wholesale Sales Iberia, Banque J. Safra Sarasin (Luxembourg), S.A. Spain branch
MS. MARÍA VIRGINIA VILLANUEVA ROSA	In house lawyer, Bank J. Safra Sarasin A.G.
MR. JOSE MARÍA RODRÍGUEZ-PONGA LINARES	Investment Director, J. Safra Sarasin Asset Management (Europe) Ltd.
MR. JOSE CARLOS VELASCO SÁNCHEZ	Representative, Harvest Legal, S.L.P.
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	Advisor, Savills Spain, S.A.

C.1.12 State and, where applicable, explain whether the company has established rules on the maximum number of company boards on which its directors may hold seats, identifying, where appropriate, where this is regulated:

[☒] Yes
[☐] No

Explanation of the rules and identification of the document where this is regulated.

In accordance with Article 21, section 2.a of the Board of Directors Regulations, under no circumstances may a director be a member of more than 5 Boards of Directors.

C.1.13 Give details of the following amounts paid in relation to the overall remuneration received by the board of directors:

Amount of remuneration accrued by the board (thousands of euros)	5,565
Value of rights accumulated by current board members in respect of pensions with vested economic rights (thousands of euros)	
Value of rights accumulated by current board members in respect of pensions with non-consolidated economic rights (thousands of euros)	
Value of rights accumulated by former board members in respect of pensions (thousands of euros)	

C.1.14 List any members of senior management who are not executive directors and indicate the total remuneration paid to them during the financial year:

Name or corporate name	Position/s
No data available	

C.1.15 Indicate whether any changes have been made to the board regulations during the year:



☒

Yes

☐

No

Description of changes
On 14 May 2024, the Board of Directors, following a proposal by the Audit and Control Committee, which was accompanied by the corresponding explanatory report, unanimously approved the amendment of article 31.6 of the Board of Directors' Regulations in order to increase the number of votes in favour required for the approval of resolutions requiring a qualified majority. The Board of Directors reported on this amendment at the General Meeting of Shareholders held on 20 June 2024.

C.1.16 Give details of the procedures for selecting, appointing, re-electing and removing Directors. List the competent bodies and the processes and criteria used for each procedure.

The Company's director selection policy is governed by the following principles:

1. The aim will be to ensure that the Board of Directors comprises a balanced membership with the majority being Non-Executive Directors and with a reasonable ratio of Proprietary and Independent Directors.
2. The Board of Directors shall ensure that the procedures for the selection of Directors favour diversity of gender, experience and knowledge and are free from any implicit bias that might lead to discrimination. It will also ensure that candidates for Non-Executive Directors have sufficient time available to properly perform their duties.
3. Additionally, the process of selecting candidates for the position of Director will begin with a preliminary analysis of the needs of the Company and its Group. This analysis will be carried out by the Company's Board of Directors, with advice and a mandatory prior supporting report from the Appointments and Remuneration Committee.
4. The supporting report from the Appointments and Remuneration Committee shall be published when convening the General Shareholders' Meeting to which the ratification, appointment or re-election of each Director is to be submitted.
5. The Appointments and Remuneration Committee will annually verify compliance with the Board Member Selection Policy and will detail its findings in the Annual Corporate Governance Report.

C.1.17 Explain the extent to which the annual appraisal of the Board has given rise to significant changes in its internal organisation and the procedures applicable to its activities:

Description of changes

No data available

Describe the appraisal process and the areas assessed by the Board of Directors with the help, where required, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been subject to appraisal.

Description of the appraisal process and areas assessed

The Board of Directors shall carry out an annual self-assessment of its operation and that of its Committees and Commissions, assessing especially the diversity in the composition and competencies of the Board of Directors, as well as the performance of the Chairman of the Board of Directors, the chief executive of the Company and the different Directors, paying special attention to the heads of the different Committees and Commissions of the Board, and shall adopt the appropriate measures for their improvement. The result of the evaluation shall be recorded in the minutes of the meeting or shall be annexed thereto. The evaluation of the different Committees and Commissions shall be based on the report they submit to the Board of Directors, and for the evaluation of the Board of Directors, on the report prepared by the Nomination and Remuneration Committee. Every three years, the Board of Directors shall be assisted in the evaluation by an external consultant, whose independence shall be verified by the Nomination and Remuneration Committee. Thus, in the financial year 2021, the Board of Directors was assisted in its evaluation by an external expert. This advice will not take place in financial year 2024 since, following the settlement of the voluntary public tender offer for the acquisition of Árima shares by JSS Real Estate SOCIMI, S.A., which took place on 11 November 2024, the Board of Directors has been changed. Any business relationships that the consultant (or any company from its group) maintains with the Company (or any company within the Group) must be listed in the Annual Corporate Governance Report. The process and the areas assessed will be described in the aforementioned Annual Corporate Governance Report.

C.1.18 For financial years in which the assessment has been assisted by an external advisor, give details of the business relationships that the external advisor or any company in its group maintains with the company or any company in its group.

No data available.

C.1.19 Indicate the cases in which Directors are obliged to resign.

Article 12 of the Board of Directors' Regulations regulates the dismissal and removal of Directors:

1. Directors must relinquish their post and formalise their resignation whenever any of the grounds set out in law for incompatibility or disqualification from holding the position of director become apparent, and also in the following cases:

- a) In the case of proprietary directors, when the shareholder at whose request they were appointed transfers the entire holding that it had in the Company or reduces it to such a level that this requires a reduction in the number of its proprietary directors.
 - b) When the Board itself requests this by a majority of at least two thirds (2/3) of its members, due to the director having infringed his/her obligations, following a proposal or report from the Appointment and Remuneration Committee, or when his/her remaining on the Board could endanger the Company's credit and reputation.
2. In the event that a private individual representing a legal entity that holds a position of the board becomes affected by any of the grounds set out in law for incompatibility or disqualification from office, the legal entity that holds the position on the board must immediately replace that person.

3. The Board of Directors may not propose the removal of any independent director prior to the end of the statutory period for which he/she was appointed, unless there are fairgrounds as assessed by the Board following a report from the Appointments and Remuneration Committee. In particular, it shall be understood that just cause exists when the director has failed to comply with the duties inherent in his/her post, has failed to comply with any applicable recommendation on the subject of corporate governance or has become bound by any of the circumstances preventing his/her appointment as an independent director. Notwithstanding the foregoing, the Board may also propose the removal of independent directors resulting from takeover bids, mergers or other similar corporate operations that imply a change in the Company's capital structure, when such changes in the structure of the Board are supported by the criterion for proportionality set out in article 9, section 3, above.
4. When a director leaves his/her post before the end of his/her term, whether through resignation or due to any other cause, he/she shall explain their reasons in a letter sent to all members of the Board, notwithstanding the resignation being notified as a significant event and the reason for the resignation being noted in the Annual Corporate Governance Report. In particular, in the event that the resignation of the Director is due to the Board having adopted significant or repeated resolutions regarding which the director has set down on record his/her reservations and as a consequence of this has decided to resign, this circumstance shall be expressly stated in his/her resignation letter. This provision also applies to the secretary of the Board, even if he/she is not a director.
5. Notwithstanding the above, the removal of directors may be approved by the General Shareholders' Meeting at any moment, even when not provided for in the meeting's agenda.

C.1.20 Are enhanced majorities required for any type of decision, other than those that are stipulated in law?

☒ Yes
☐ No

Where applicable, describe the differences.

Description of differences

Article 31 of the Regulations of the Board of Directors establishes in section 6 that the favourable vote of a qualified majority of directors will be necessary for (i) the approval of the report necessary for the General Meeting to approve the establishment of the compensation system for directors and management of the Company, consisting of the delivery of shares or rights over them, for (ii) the modifications with respect to the Company's business and for (iii) the modification of article 31.6 itself.

Likewise, article 4.3. of the Board Regulations establishes a 2/3 majority of the Board to be able to modify the Regulation itself, and 12.1. b) of the Board Regulations establishes a 2/3 majority of the Board in order to request termination or resignation of the Directors.

C.1.21 Indicate whether there are any specific requirements, other than those that apply to directors, to be appointed chairman of the board of directors:

☐ Yes
☒ No

C.1.22 Indicate whether the articles of association or the board regulations set any age limit for

directors: ☐ Yes
☒ No

C.1.23 State whether the articles of association or the board regulations establish any term limits or other stricter requirements for independent directors in addition to those that are required by law:

☐ Yes
☒ No

C.1.24 Indicate whether the articles of association or the board regulations stipulate specific rules for delegating voting rights on the board of directors, how this is done and, in particular, the maximum number of times that voting rights may be delegated to a board member, as well as whether there is any limitation on the categories of director to whom proxies can be delegated, beyond the restrictions imposed by law. Where applicable, detail these briefly.

Article 31.2 of the Board of Directors' Regulations states that directors must attend board meetings in person, notwithstanding the contents of paragraph 8 of Article 30. However, directors may be represented by another director in accordance with the legislation in force from time to time. The power of representation shall be granted especially for the board meeting in question, and it may be notified using any of the means provided for in paragraph 5 of Article 30 of the Regulations.

C.1.25 Indicate the number of board meetings held during the year. Indicate how many times the board has met without the chairman in attendance. Attendance will also include proxies appointed with specific instructions.

Number of board meetings	14
Number of board meetings held without the chairman's attendance	2

State the number of meetings held by the coordinating director with the other directors when no executive director was present either in person or by proxy:

Number of meetings	0
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Indicate the number of meetings held of the various board committees during the year:

Number of meetings of the AUDIT COMMITTEE	4
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	5

C.1.26 State the number of meetings held by the board of directors during the year and details of the number of members in attendance:

Number of meetings held with at least 80% of board members present in person	12
% of personal attendance over total votes during the year	86.00
Number of meetings at which all board members were present in person or represented by proxy with specific instructions	9
% of votes issued at meetings in person or by proxy with specific instructions over total votes during the year	64.00

C.1.27 State whether the consolidated and individual financial statements submitted for authorisation by the board are previously certified:

☐ Yes
☒ No

Identify, where applicable, the person(s) who certified the company's individual and consolidated annual accounts prior to their authorisation for issue by the board:

C.1.28 Explain the mechanisms, if any, put in place by the board of directors to ensure that the individual and consolidated financial statements prepared by the board are not presented at the general shareholders' meeting with a qualified audit report.

Continuing with the development of a rigorous internal control system, the Company prepared a Financial Information Internal Control System (SCIIF) Management Manual, which was approved by the Board of Directors of the Company in fiscal year 2021. This SCIIF Manual establishes the bases for the maintenance, review, reporting and supervision of Árima's financial information, ensuring that the risks of errors, omissions or fraud are adequately controlled, whether by prevention, detection, mitigation, compensation or correction, providing reasonable assurance that internal controls operate effectively and contribute to guaranteeing the reliability of the Company's financial information. The Company's SCIIF was verified by the external auditor, obtaining a satisfactory result. On the other hand, the annual accounts are subject to an audit process. In this sense, article 40 of the Regulations of the Board of Directors regulates the relations with external auditors in the following terms:

1. The relations of the Board of Directors with the external auditors of the Company shall be channelled through the Audit and Compliance Committee.
2. The Board of Directors shall refrain from engaging audit firms whose fees that the company and the companies in its group expect to pay, for all concepts, are greater than five (5%) per cent of the revenues of the audit firm in Spain during the immediately preceding year.
3. The Board of Directors shall endeavour to definitively formulate the accounts in such a way that there are no qualifications or reservations in the audit report, and in the exceptional cases in which they do exist, both the chairman of the Audit and Compliance Committee and the auditors shall clearly explain to the shareholders the content and scope of such reservations or qualifications. In accordance with the foregoing, the Audit Committee supervises both the conclusions and financial statements obtained by the financial department once the financial closing process has been executed, as well as the conclusions obtained by the external auditor following its audit process, both verifying the application of the accounting regulations in force at any given time. This supervisory work is carried out prior to the Board of Directors' meeting at which the annual accounts are drawn up, so that the level of assurance over the financial statements issued is total.

C.1.29 Is the board secretary also a member of the board?

☐ Yes
☒ No

If the Secretary does not have the status of director, please complete the following table:

Personal or corporate name of board secretary	Representative
MR. ENRIQUE GONZALO NIETO BRACKELMANN	

C.1.30 Give details of the specific measures established by the company to ensure the independence of its external auditors and, where applicable the mechanisms implemented to maintain the independence of financial analysts, investment banks, and rating agencies, including how the provisions set out in law have been implemented in practice.

Section five of Article 35 of the Board of Directors' Regulations establishes the following duties for the Audit and Control Committee in relation to the external auditor:

- (i) to bring before the Board of Directors proposals for the selection, appointment, re-election and replacement of the external auditor (which must be international firms of acknowledged standing), along with the terms of their engagement;
 - (ii) to receive information from the external auditor on a regular basis regarding the audit plan and the results of its execution, and to check that the management takes its recommendations into account;
 - (iii) to ensure the independence of the external auditor and, to that end, ensure that the Company informs the CNMV (Spanish Securities Market Commission) of the change of auditor as a significant event, enclosing a declaration on the possible existence of disagreements with the outgoing auditor and their content, where applicable; and in the event that the external auditor resigns, to examine the circumstances that caused its resignation.
- The Audit and Control Committee must establish the appropriate relations with the account's auditors or auditing companies in order to receive information on those questions that could endanger their independence, so that these can be examined by the Audit and Control Committee, along with any other questions relating to the process of conducting the accounts audits and any other communications provided for in the legislation on accounts audits and auditing standards. In all cases, they must receive written confirmation each year from the account's auditors or the auditing companies regarding their independence from the company and any companies directly or indirectly related to it, along with information on additional services of any kind that have been provided to these companies by the said auditors or companies or parties related to them, in accordance with the provisions of Spanish Accounts Auditing Act 22 of 20 July 2015;

(iv) to aid the Company's auditor so that it can accept responsibility for the audits of the companies belonging to the group, where applicable;
(v) in the event of the external auditor's resignation, to examine the circumstances that have caused it;
(vi) to ensure that the payment of the external auditor does not compromise its quality or independence;
(vii) to ensure that the external auditor has a yearly meeting with the Board of Directors in full session to inform it of the work undertaken and developments in the Company's risk and accounting positions;
(viii) to ensure that the Company and its external auditor respect the regulations in force on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, all other regulations governing the independence of auditors.
In addition, prior to the issue of the accounts audit report, the Audit and Control Committee must produce an annual report in which it gives an opinion on the independence of the account's auditors or auditing companies. This report must, in all cases, include a statement regarding the provision of the additional services referred to in section b), point (iii), above.

C.1.31 State whether the Company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

☐ Yes
☒ No

If there have been disagreements with the outgoing auditor, explain the reasons:

☐ Yes
☒ No

C.1.32 Indicate whether the auditing firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group:

☒ Yes
☐ No

	Company	Group companies	Total
Fees for non-audit work (thousands of euros)	13	0	13
Amount invoiced for non-auditing work / Amount for auditing work (as a %)	11.00	0.00	11.00

C.1.33 Indicate whether the audit report on the previous year's annual accounts is qualified or includes reservations. If so, please explain the reasons given by the chairman of the audit committee to shareholders at the General Shareholders' Meeting to explain the content and extent of these qualified opinions or reservations.

☐ Yes
☒ No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the company's individual and/or consolidated annual financial statements. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the annual accounts have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
Number of years audited by the current audit firm / number of years the company or its group have been audited (as a %)	100.00	100.00

C.1.35 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies and, where applicable, give details:

☒ Yes
☐ No

Details of the procedure

Section 5 of Article 30 of the Board of Directors' Regulations establishes the following:

Meetings of the Board of Directors will be notified by letter, fax, telegram, email or any other means that provides proof of receipt, and notification will be authorised with the signature of the chairman, or with the signature of the secretary or deputy secretary, by order of the chairman. Such notifications shall be sent sufficiently in advance so that they are received by board members no later than the third day before the date set for the meeting, except in the case of urgent meetings, which may even be convened and held immediately. This shall exclude those cases in which the Regulations require a specific period of advance notice. Notifications shall always include the place, date and time at which the meeting is to be held and, unless duly justified, the meeting's agenda, and they shall be accompanied by any information deemed necessary in order to debate and adopt resolutions on the items to be discussed, unless the Board of Directors has been constituted or exceptionally convened for reasons of urgency. In this respect, the Company's policy is to make all information available to the directors at least one week before the meetings are held.

C.1.36 Indicate and, where applicable, give details of whether the company has established regulations obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, resigning as the case may be:

☒ Yes
☐ No

Details of the regulations

Article 21 of the Board of Directors' Regulations governs the duty of notification on the part of directors:

1. Directors shall inform the Company of any stake that they or their Related Parties hold in the capital of any company with the same or a similar or complementary kind of business activity to the one forming the corporate purpose, giving details of any positions held or duties performed at the company in question. They shall also inform the Company of any activity that they engage in, either for themselves or for others, that is complementary to the one forming the Company's the corporate purpose. All such information shall be included in the notes to the annual accounts and in the Annual Corporate Governance Report, in accordance with legal requirements.
2. Directors must also notify the Company:
 - a) of all the posts held and the activities carried out in other companies or organisations, along with any other professional obligations. In particular, and prior to accepting any appointment as a director or executive in another company or organisation, directors must consult the Appointments and Remuneration Committee. No Director may, under any circumstances, sit on more than five (5) Boards of Directors;
 - b) of any material change in their professional situation that may affect the nature or condition by virtue of which they had been appointed as directors;
 - c) of any judicial, administrative or other proceedings that they may be involved in and that, due to their characteristics or importance, could have a serious impact on the Company's reputation. In particular, all directors must inform the Company, through its Chairman, of any cases in which they are arraigned, or if a court decides to hold a trial involving them in connection with any of the crimes listed in Article 213 of the Spanish Capital Companies Act. In such cases, the Board of Directors shall examine the matter as promptly as possible and adopt any resolutions it deems appropriate in the Company's best interests;
 - d) of any holding taken directly or indirectly in the Company's share capital by the director or any of his/her Related Parties, and of any change to that holding, and of any transaction that is engaged in directly or indirectly by the director or any of his/her Related Parties in relation to the Company's share capital. For these purposes, the term "Related Parties" shall be understood to include any other persons who are deemed to have close ties with directors, pursuant to the terms of Article 3 of Regulation (EU) 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse (market abuse regulation); and
 - e) in general, of any fact or situation that may be of relevance to their actions as a director of the Company.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her performance in the company, which could damage the credit and reputation of the company:

[] Yes
[v] No

C.1.38 List any significant agreements entered into by the company which come into force, will be amended or will be terminated in the event of a change of control of the company due to a takeover bid, and the effects thereof.

No data available

C.1.39 Identify and provide detailed information, individually in respect of directors and in aggregate form in all other cases, regarding any agreements between the company and its administrative officers, executives and employees that offer compensation, guarantees or protection clauses in the event of their resignation or unfair dismissal, or that provide for their contractual termination as a result of a takeover bid or other kinds of operations.

Number of beneficiaries	0
Type of beneficiary	Description of the agreement
No data available	No data available

Indicate whether, beyond the cases provided for in law, these contracts have been notified to and/or approved by the company's or the group's management bodies. If they have, specify the procedures and events provided for and the nature of the bodies responsible for their approval or for making this notification:

	Board of directors	General Shareholders' Meeting
Body that authorises clauses		
	Yes	No
Is the General Shareholders' Meeting informed of such clauses?		√

C.2. Board committees

C.2.1 Give details of all of the fees paid to the board of directors, its members, and the proportion of executive, proprietary, independent and other external directors that they represent:

AUDIT COMMITTEE		
Name	Position	Category
MR. JOSÉ CARLOS VELASCO SÁNCHEZ	CHAIRMAN	Independent
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	MEMBER	Independent
MR. JOSÉ MARÍA RODRÍGUEZ-PONGA LINARES	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the duties exercised by this committee, including, where applicable, any duties that are additional to those set out in law, and describe the rules and procedures it follows for its organisation and function. For each of these duties, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the duties attributed to it, either by law or pursuant to the articles of association or other corporate resolutions.

Articles 44 of the Articles of Association and 35 of the Regulations of the Board of Directors of ÁRIMA REAL ESTATE SOCIMI, S.A. (the 'Company') regulate the organisation and competence of the Audit and Compliance Committee (the 'Committee'). The aforementioned precepts establish, in summary, the following:

Composition: the Committee shall be composed of a minimum of three (3) and a maximum of five (5) directors. All the members of the Committee shall be external or non-executive directors, the majority of whom shall be independent directors.

Appointment: the members of the Committee shall be appointed, at the proposal of the Appointments and Remuneration Committee, by the Board of Directors for a period not exceeding three (3) years and without prejudice to their re-election for periods of the same duration, insofar as they are also directors. The members of the Audit and Compliance Committee shall resign when they cease to be directors or when so resolved by the Board of Directors. Unless otherwise stipulated in the regulations in force from time to time, the members of the Committee, and especially its chairman, shall be chosen on the basis of their knowledge and experience in accounting, auditing or risk management matters.

Functions: the powers of this Committee are regulated in article 44.3 of the Articles of Association and developed in articles 35.5 of the Board of Directors' Regulations. The main function of the Committee shall be to support the Board of Directors in its supervisory duties, by periodically reviewing the process of preparing the economic and financial information, its internal controls and the independence of the external auditor, its internal controls and the independence of the external auditor. In particular, by way of example, and without prejudice to other duties that may correspond to it in accordance with the Capital Companies Act or the Regulations of the Board of Directors or that may be entrusted to it by the Board of Directors, the Committee shall be responsible for:

- To report at the General Shareholders' Meeting on questions raised thereat by shareholders on matters within its competence.
- Relations with the external auditor, independence and reporting.

- Supervise the effectiveness of internal control, of the risk management systems, if any, and of the Company's compliance function, which ensure the proper functioning of the internal control and information systems.
- Be familiar with and periodically review the financial reporting process and the internal risk control and management systems associated with the Company's significant risks so that these are properly identified, managed and disclosed.
- Approve the appointment of the external valuator.
- Receive from employees, confidentially but not anonymously, and in writing, communications on possible irregularities of potential importance, especially financial and accounting irregularities.
- Issue the reports and proposals provided for in the Articles of Association and in the Regulations of the Board of Directors and such others as may be requested by the Board of Directors or by the chairman of the Board of Directors.
- To ensure compliance with the internal codes of conduct and the rules of corporate governance.

Functioning: the Committee shall meet at least quarterly, reviewing the financial information to be sent periodically to the relevant authorities, as well as any information that the Board must approve for inclusion in the annual accounts and, in any event, whenever convened by its chairman, or at the request of the Board of Directors or the chairman of the Board of Directors.

Each year, the Audit and Compliance Committee shall draw up an action plan for the year, which it shall report to the Board of Directors. Any member of the management team and staff of the Company who is required to attend the meetings of the Committee, as well as the auditors of the Company, are obliged to attend the meetings of the Committee and to cooperate with it and provide it with access to the information available to them.

Identify the board members who are members of the audit committee and have been appointed considering their knowledge and experience of accounting or auditing or both and state the date that the Chairman of this committee was appointed.

Names of directors with experience	MR. JOSÉ CARLOS VELASCO SÁNCHEZ / MR. SANTIAGO AGUIRRE GIL DE BIEDMA / MR. JOSÉ MARÍA RODRÍGUEZ-PONGA LINARES
Date of appointment of the Chairman	05/12/2024

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	CHAIRMAN	Independent
MR. JOSÉ CARLOS VELASCO SÁNCHEZ	MEMBER	Independent
MR. JOSÉ MARÍA RODRÍGUEZ-PONGA LINARES	MEMBER	Proprietary
% of executive directors	0.00	
% of proprietary directors	33.33	
% of independent directors	66.67	
% of other external directors	0.00	

Explain the duties exercised by this committee, including, where applicable, any duties that are additional to those set out in law, and describe the rules and procedures it follows for its organisation and function. For each of these duties, briefly describe the most important actions taken during the year and how, in practice, the committee has performed each of the duties attributed to it, either by law or pursuant to the articles of association or other corporate resolutions.

Articles 45 of the Articles of Association and 36 of the Regulations of the Board of Directors of ÁRIMA REAL ESTATE SOCIMI, S.A. (the 'Company') regulate the organisation and competence of the Appointments and Remuneration Committee (the 'Committee'). The aforementioned precepts establish, in summary, the following:

Composition: The Committee shall be composed of a minimum of three (3) and a maximum of five (5) directors. All the members of the Committee shall be external directors, the majority of whom shall be independent directors. At least one of the members of the Nomination and Remuneration Committee shall have experience in remuneration matters.

Appointment: the members of the Committee shall be appointed by the Board of Directors upon proposal of the Chairman of the Board. The term of office of the members of the Nomination and Remuneration Committee may not exceed their term of office as directors, although they may be re-elected indefinitely, insofar as they are also re-elected as directors.

Functions: The powers of the Appointments and Remuneration Committee are regulated in article 45.3 of the Company's Articles of Association and are further developed in article 36.4 of the Board of Directors' Regulations. The Committee shall focus its functions on supporting and assisting the Board of Directors in relation essentially to proposals for the appointment, re-election, ratification and removal of directors, the establishment and control of the remuneration policy for directors and executives of the Company, the control of compliance with their duties by directors, particularly in relation to situations of conflict of interest and related-party transactions, and the supervision of compliance with the Internal Codes of Conduct and the rules of Corporate Governance. In particular, by way of example, and without prejudice to other duties that may correspond to it in accordance with the Capital Companies Act or that may be entrusted to it by the Board of Directors, the Committee shall be responsible for the following:

- Establish criteria to determine the composition of the Company's management team and the selection of directors, and report to the Board of Directors in relation to gender diversity and the qualifications of candidates.
- Evaluate the skills, knowledge and experience required on the Board, defining, accordingly, the functions and aptitudes required of the candidates to fill each vacancy and assessing the time and dedication required for them to perform their duties properly.
- Propose to the Board the appointment, ratification, re-election and removal of independent directors so that the Board may, in turn, propose them to the General Meeting, and report on the remaining proposals for appointment, ratification, re-election and removal of directors submitted to the General Meeting, as well as proposals for appointment by co-option. Report on situations in which the Board considers that there is just cause to remove an independent director before the expiry of the statutory period for which he/she was appointed.
- To report on the appointment of the Secretary and, where appropriate, Deputy Secretary of the Board of Directors.
- Propose to the Board the appointment of the members of the Audit and Compliance Committee.
- To ensure compliance with the remuneration policy established by the Company and, in particular, to propose to the Board of Directors the remuneration policy for directors, the distribution among the directors of the remuneration agreed by the General Meeting as per diems and the individual remuneration of the executive directors and other conditions of their contracts, and submit to the Board, at the request of the chairman of the Committee, any proposals on the remuneration policy for directors and the basic conditions of their contracts, including, if appropriate, the proposal and calculation of the delivery of shares in the Company to such directors in accordance with the incentive plans they have entered into with the Company.
- Monitor compliance with their duties by directors, particularly in relation to situations of conflict of interest and related-party transactions.
- Prepare and submit to the Board an annual evaluation of the functioning of the Board of Directors, the performance of the duties of the Chairman of the Board and, where appropriate, the chief executive officer or chief executive of the Company, as well as the functioning of the Committee itself.
- Periodically review the remuneration policy applied to directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual remuneration is proportionate to that paid to other directors and senior officers of the Company.

Functioning: the Committee shall meet at least once a year, and at the request of any of its members or its Chairman. The Chairman of the Committee shall call a meeting of the same body at the request of the Board of Directors, as well as in any case in which the Chairman needs a report, requires the adoption of a proposal, and as many times as he deems necessary for the effective fulfilment of the Committee's functions.

The Committee shall regulate its own functioning in all matters not provided for in the Articles of Association and in the Regulations of the Board of Directors of the Company, being applicable, on a supplementary basis and to the extent that its nature and functions make it possible, the provisions thereof relating to the functioning of the Board of Directors of the Company.

C.2.2 Complete the following table with information on the number of female board members sitting on the board's committees at the close of the last four financial years:

	Number of female board members							
	FY 2024		FY 2023		FY 2022		FY 2021	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CONTROL COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00
APPOINTMENTS AND REMUNERATION COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00

- C.2.3 Indicate, where appropriate, whether the board committees are subject to regulations, the place where they are available for consultation and any amendments made during the financial year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The rules of organization and operation of the Board Committees are set forth in Articles 34, 35 and 36 of the Regulations of the Board of Directors. The Regulations of the Board of Directors are available for consultation on the Company's website. Voluntary annual reports on the activities of each committee have been prepared and published on the Company's website.

D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS

- D.1.** Explain, where applicable, the procedures for approving related party or inter-group transactions and the bodies with the competence to grant this approval. Explain, if applicable, the procedure and competent bodies for the approval of transactions with related-parties and intra-group transactions, indicating the criteria and general internal rules of the company that regulate the abstention obligations of the affected directors or shareholders and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Article 22 of the Board of Directors Regulations establish the following procedure for the approval of related party transactions:

1. Related-party transactions carried out by the Company or its subsidiaries with directors, with significant shareholders holding 10% or more of the voting rights or represented on the Board of Directors of the Company, or with any other persons who should be considered related parties in accordance with International Accounting Standards, are subject to the authorisation of the Board of Directors, subject to a favourable report from the Audit and Compliance Committee, provided such transactions are not reserved for approval by the General Shareholders' Meeting, or with any other persons who must be considered related parties in accordance with International Accounting Standards, provided that the approval thereof is not reserved for the approval of the General Meeting of Shareholders, in accordance with the provisions of Article 529u of the Capital Companies Act. .
2. The Audit and Compliance Committee and the Board of Directors, before authorising transactions of this nature to be carried out by the Company, shall assess the transaction from the point of view of equal treatment of shareholders and market conditions. In its report, the Audit and Compliance Committee shall assess whether the transaction is fair and reasonable from the point of view of the company and, where appropriate, of the shareholders other than the related party, and shall give an account of the assumptions on which the assessment is based and the methods used. The directors concerned may not participate in the preparation of the report.
3. If the related-party transaction involves a director, he shall not be provided with additional information on the transaction or operation in question, and if he is present at the meeting of the Board of Directors or the Audit and Compliance Committee, in addition to not being able to exercise or delegate his voting rights, he must leave the meeting room while the transaction is being discussed and, if appropriate, voted on, both in the Board of Directors and in the Audit and Compliance Committee.

- D.2.** List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, indicating which body was competent for their approval and whether any shareholder or director affected abstained. In the event that the competence has been that of the board, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Significant shareholder's name or corporate name	% of participation	Name or corporate name of the group company or dependent entity	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained from voting.	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it.
No data available						

Name or corporate name of administrators or directors	Nature of the relationship	Nature of the operation and other information necessary for its evaluation
No data available		

- D.3.** List individually the significant operations due to their amount or subject matter carried out by the company or its dependent entities with the administrators or directors of the company, including those carried out with entities that the administrator or director directs individually or jointly, indicating which body was competent to approve them and whether any director or executive concerned abstained from voting. In the event that the competence has been that of the board, indicate whether the proposed resolution has been approved by the board without the vote against of the majority of the independent directors:

Name or corporate name of administrators or directors or of their controlled entities or jointly controlled entities	Name or corporate name of the related party	Relationship	Amount (thousand euros)	Approving body	Identification of the significant shareholder or director who abstained from voting.	The proposal to the board, if any, has been approved by the board without a majority of independent directors voting against it.
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	RODEX ASSET MANAGEMENT, S.L.	SOLE ADMINISTRATOR	872	Board of Directors		NO
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	N/A	DIRECTOR	125	Board of Directors		NO

Name or corporate name of administrators or directors or of their controlled entities or jointly controlled entities	Nature of the operation and other information necessary for its evaluation
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	The sole administrator, who ceased to be a director on 19 November 2024, on 22 December 2022 assigned a loan granted by the Company to a related company in which he holds a ninety per cent interest: Rodex Asset Management, S.L. This loan was cancelled in the current financial year on 14 December 2022. S.L. This loan was cancelled in the current financial year on 14 November 2024.
MR. LUIS ALFONSO LÓPEZ HERRERA-ORIA	The director, who ceased to be a director on 19 November 2024, was granted a loan on 15 March 2024 to meet the tax burden arising from long-term variable remuneration (delivery of shares), in line with the loan granted in the previous year. This loan has been cancelled in the current financial year, on 14 November.

- D.4.** List any intra-group operations significant due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent's group, including the entities dependent on the listed company, except that no other related party of the listed company has interests in said dependent entities or they are wholly owned, directly or indirectly, by the listed company.

In any case, information shall be given regarding any intra-group transactions carried out with entities established in countries or territories that have the status of tax haven:

Name of the group company	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
Árima Investments, S.L.	On the occasion of the participating loan granted to the company of the Árima Investments, S.L., the Company has made funds available to the latter for the development of its activities during the current financial year.	4,749

- D.5.** Detail individually the significant operations due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties that are related in accordance with the International Accounting Standards adopted by the EU, which have not been reported in the previous headings.

Name or corporate name of the related party	Brief description of the operation	Amount (thousands of euros)
No data available		

- D.6.** List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

Article 17 of the Board of Directors' Regulations governs conflicts of interest in the following terms:

1. A conflict of interest shall be deemed to exist in those situations in which the interests of the Company or of the companies forming part of its group and the personal interest of the director directly or indirectly conflict. A director's personal interest shall exist when the matter affects him or her or a Related Person (as defined below).

2. For the purposes of the Regulations, "Related Persons" shall be deemed to be:

(a) in respect of a natural person, the following:

(i) the spouse or persons with a similar relationship of affectivity;

(ii) the ascendants, descendants and siblings of the person subject to the Regulations or of the spouse (or person in a similar relationship) of the person subject to the Regulations;

(iii) the spouses of the ascendants, descendants and siblings of the person subject to the Regulations;

(iv) companies in which the person subject to the Regulation, either directly or through an intermediary, has or may have, directly or indirectly, control, in accordance with the situations referred to in Article 42 of the Commercial Code;

3. Situations of conflict of interest shall be governed by the following rules:

a) communication: a director shall notify the Board of Directors, through the chairman or the secretary, of any situation of conflict of interest in which he finds himself;

b) abstention: directors must abstain from attending and intervening in the deliberation and voting phases of those matters in which they are involved in a conflict of interest and, consequently, they shall not be taken into account in such cases for the purposes of calculating the quorum. In the case of proprietary directors, they must abstain from voting on matters that may involve a conflict of interest between the shareholders proposing their appointment and the company;

c) transparency: in the Annual Corporate Governance Report, the Company shall report any conflict of interest in which the directors are involved, whether notified by the affected party or by any other means.

4. The provisions of this article may be further developed through the corresponding rules that may be issued by the Board of Directors, including the Internal Regulations of Conduct.

- D.7.** Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, listed or unlisted, and has, directly or through its subsidiaries, business dealings with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

☐ Yes
☒ No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the Company's Risk Control and Management System, including measures relating to tax risk:

The Board of Directors is the body responsible for determining the risk control and management policy, identifying the Company's main risks, implementing the appropriate internal control and information systems, and carrying out regular monitoring of the main risks to which the Company is exposed. By virtue of the above, the Board of Directors of the Company has approved the Risk Control and Management Policy and the Risk Management Manual. This establishes a systematic and preventive procedure, in line with international standards of reference in risk management to address risks by anticipating, preventing and detecting them. The risk management system considers both the company's own characteristics and those of the economic, geographical and regulatory environments in which it operates. The risk management policy and strategy is the responsibility of the Board of Directors. However, all members of the organisation are involved and responsible for ensuring the success of the risk management system.

E.2. Identify the company bodies responsible for preparing and implementing the Risk Management System, including measures relating to tax risk.

The Company's Board of Directors is responsible for determining the risk control and management Policy, including tax risks, and the implementation and supervision of the internal information and control systems. To carry out these functions, the Company's Board of Directors has the collaboration of the Audit and Control Committee as an advisory body (article 43 of the Company's Statutes establishes that the Board of Directors must create and maintain in its within and on a permanent and internal basis, an Audit and Control Committee / Article 44 of the Company's Statutes attributes to the Audit and Control Committee the primary function of supporting the Board of Directors in its oversight duties, through the periodic review of the process of preparing economic-financial information, its internal controls and the independence of the external Auditor), which in turn, is supported by the Risk Control and Management Function, which must ensure the proper functioning of the internal control and risk management system.

E.3. State the primary risks, including tax compliance risk and, where significant, risk arising from corruption (this being understood in the terms set out in Royal Legislative Decree 18/2017), where such risks may affect the achievement of business objectives:

The following is a list of some of the main kinds of risk that may be encountered as a result of the Company's real estate and assets management activity, all of which are covered by the risk monitoring system.

1. Financial risk

a) Market risk

Interest rate risk. The Company's interest rate risk arises from its financial debt. The Company occasionally engages in interest rate swaps to cover this risk.

b) Credit risk

The Company is not exposed to significant levels of credit risk, this being understood to mean the impact that the non-payment of receivables could have on its income statement. The company has policies that ensure that both sales and lettings are made to clients with an appropriate credit history.

c) Liquidity risk

The Company's Finance Department is responsible for managing liquidity risk in order to cover any existing payment obligations and/or any undertakings arising from new investments. To this end it analyses the expected cash flows.

2. Market risk

The Company minimises this type of risk through its own strategy and business model. Árima invests in prime properties, with strong upside potential in the office, logistics and retail sectors, in the most consolidated areas. The Company has implemented a long-term business plan that focuses on value creation through active management and repositioning of the portfolio, with special attention to environmental sustainability.

3. Economic risk

Risks in acquisitions is managed by completing a meticulous analysis of transactions, examining and foreseeing any problems that might arise in the future, and considering the possible solutions to such problems. In disposals, the main risk resides in the failure to collect the amounts agreed in the contracts as a result of the buyers' non-compliance. These risks are minimised through the establishment of all kinds of guarantees that will, if necessary, allow the total price to be received or the property forming the object of disposal to be recovered.

4. Risks of a legal and fiscal nature

The Company's activities are subject to legal and fiscal provisions and to the requirements of urban development. Local, regional, national and European authorities can impose sanctions for breaches of these regulations and requirements. Any changes to this legal and fiscal environment could affect general planning of the Company activities which, through the corresponding internal departments, with assistance from legal and tax advisors, will monitor, analyse and, where appropriate take the necessary measures in this regard.

The risks associated with complying with the specific legislation, would be the following:

a) Judicial and extrajudicial claims. The Company's business activities may lead to legal action being taken in relation to properties being let, even if these may result from the actions of third parties contracted by the Company (architects, engineers, construction contractors and subcontractors). The Company has taken out various civil liability and damage insurance policies in order to mitigate this type of risk.

b) Company responsibilities resulting from its classification as a SOCIMI. All of the Company's activities must comply with Act 11/2009, which sets out the regulations for SOCIMIs. As a result, the Company constantly monitors its own activities and checks that they are in line with the legislation currently in force in this regard.

5. Risks regarding the prevention of money laundering and monetary infringements

This category of risk is controlled through the prevention and monitoring of transactions carried out by the Company, in accordance with the legislation in force.

6. Risks relating to personal data protection.

These risks are controlled by means of special and standardised clauses to be included in contracts in different situations, which in accordance with the rules regulating this area, allow any kind of liability that may affect the Company to be limited and even eliminated.

7. Risks relating to the Protection of Consumers and End Users

The Company complies with the requirements of the different state and regional rules regarding consumers and end users. The Company also has an Internal Code of Conduct focused on matters relating to stock markets.

Sections IV and V of the Internal Code of Conduct establish the behaviour and action criteria that recipients of the Code must comply with in relation to the relevant securities and instruments, any privileged and relevant information, and confidential documents, in order to aid transparency in the performance of the Company's activities and provide adequate information and protection for investors.

E.4. Indicate whether the company has a risk tolerance level, including against tax risk:

Árma's risk tolerance is defined as the level of Risk that the Company is prepared to accept in order to achieve its established strategic objectives. Risk tolerance is shaped by the Company's strategy and is agreed by the Board of Directors. Risk tolerance is defined as the level of variation that the Company accepts in achieving an objective. It is, therefore, the acceptable threshold for each risk and objective. Risk tolerance must be updated regularly by the people from each department who are responsible for reporting to and properly informing the compliance supervisor.

E.5. Identify any risks, including tax risk, which have emerged during the year:

No risk of the type described above has emerged during the year.

E.6. Explain the plans for responding to and monitoring the main risks facing the company, including tax risk, and the procedures put in place by the company to ensure that the board of directors is able to respond to any new challenges that may arise:

The Risk Management System operates in a comprehensive, continuous and cross-cutting manner and addresses the management of all priority risks, both internal and external. To this end, the approach adopted for risk management considers the following basic elements in an aligned manner: control environment, objectives, risk identification and management, and control activities. Once a risk has been assessed and the control activities carried out have been carried out for its mitigation, if the risk level is not in the comfort zone, an additional action (Action Plan) is required to reduce the level of risk to the desired level. Risk Managers are responsible for designing, implementing and updating the corresponding Action Plans, considering at all times the views and comments of the Head of Risk Management and Control Function and the Audit and Control Committee. The objective of these Action Plans is to provide the response that best places the risk within the previously established objectives, complementing the control activities already in place. Once the Action Plans have been defined, the Risk Managers communicate them to the Head of the Risk Control and Management Function who, if considered necessary, after a prior analysis, submits them to the Audit and Control Committee for its knowledge and approval and, ultimately, to the Board of Directors.

F. INTERNAL RISK MONITORING AND MANAGEMENT SYSTEMS RELATING TO THE FINANCIAL REPORTING PROCESS (ICFRS)

Describe the mechanisms that comprise the risk monitoring and management systems associated with the company's financial reporting process (ICFRS).

F.1. The company's monitoring environment.

Specify at least the following components with a description of their main characteristics:

F.1.1 The bodies and/or officers that are responsible for: (i) the existence and regular updating of a suitable, effective ICFR, (ii) its implementation; and (iii) its monitoring.

Continuing with the development of a rigorous internal control system, Árima has drawn up a Management Manual for the Internal Control over Financial Reporting System (ICFR), which has been approved by the Board of Directors.

The SCIIF is a set of processes that affect all levels of the organisation and all the Company's personnel. Mainly:

1. Board of Directors

With reference to the ICFR, the Regulations of the Board of Directors establish the following functions of the Board:

- To prepare the annual accounts and their presentation to the General Meeting.
- To determine the risk control and management policy.
- To monitor the internal control and information systems.
- To approve the financial information which, as a listed company, the Company must periodically publish.

As the body ultimately responsible for supervising the ICFR, the Board of Directors has established the necessary organisational structure to enable it to monitor the ICFR system, with the support of the Audit and Compliance Committee.

2. Audit and Control Committee

In order to ensure the reliability of financial information, the Audit and Control Committee has been assigned the following functions:

- To ensure the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be aware of and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the risks associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR work and supervision plan).

3. Financial management

Árima's CFO has the following responsibilities in the framework of the ICFR:

- Design, implement, evaluate, and provide overall monitoring of the ICFR, for which he/she shall validate the design of the SCIIF Work and Monitoring Plan.
- Report on the effective functioning of the ICFR to the Audit and Control Committee.
- Ensure that appropriate ICFR training programmes are implemented.

4. ICFR Responsible

The ICFR Responsible is part of the Company's Finance Department and is assigned the following duties within the ICFR framework. of the ICFR system:

- Identify the risks of error, omission, or fraud in financial reporting through the ICFR scoping matrix and documenting the design of controls.
- Ensure the proper functioning of the ICFR, for which purpose the persons responsible for each process/sub-process and associated controls must monitor them and report such information to the person responsible for ICFR at Árima.
- Prepare reports for the Financial Management, considering the results of the reports received.
- Alert on changes in regulatory and financial information risk scenarios.
- Identify new risks in the processes.
- Collaborate in the proposal of improvement actions and resolution of incidents.

F.1.2 Where applicable, and particularly as regards the process for the preparation of the financial information, the following items:

- The departments and/or mechanisms responsible for: (i) designing and revising the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an appropriate distribution of duties and tasks; and (iii) ensuring the existence of sufficient procedures for their correct reporting throughout the company:

Ultimate responsibility for the design and review of the Company's organisational structure lies with the CEO, under the delegation of the Board of Directors. As regards the process for the preparation of the financial information, in addition to the organisational charts, all of the people involved in the process also have a clear knowledge of the specific guidelines, responsibilities and periods that apply to each closure.

- Code of conduct, approval body, level of dissemination and instruction, principles and values included (indicating whether there is specific mention of the recording of transactions and the preparation of financial information), the body in charge of analysing breaches and of proposing corrective actions and sanctions:

The Company has a Code of Conduct, compliance with which is mandatory, and which is approved by the Board of Directors. The aim of this code of conduct is to establish the basic principles and rules that will govern the behaviour of everyone who acts on behalf of Árima and its subsidiary companies. The Code is applicable to all companies that make up the Árima Group and it is binding on the members of the Board of Directors and all company personnel, irrespective of the position they occupy and the duties they perform. This Code of Conduct is supplementary to the Securities Market Internal Code of Conduct, company regulations, the Articles of Association and any other legislation that applies to Árima's activities, and compliance is mandatory for both Árima and all of the companies with which a significant contractual relationship is in place. Non-compliance with the terms of this Code shall be deemed infringement and may result in the adoption of disciplinary measures.

- Whistle-blowing channel, which allows reporting to the audit committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities in the organization, informing, where appropriate, whether it is confidential in nature and whether it allows anonymous communications, respecting the rights of the whistle-blower and the reported party.

The Company has implemented a whistle-blowing channel for matters related to the internal regulations of the Company and a procedure for reporting potentially significant financial and accounting incidents. In addition, the Whistleblowing Channel also includes the creation of an Ethics Committee whose functions are reception and classification of complaints received, co-ordination of the investigation work for each of the complaints received, and the of investigation for each of the complaints, imposition of the corresponding disciplinary sanctions, and preparation of periodic reports on the functioning of the Channel.

- Training and regular refresher courses for personnel involved in preparing and reviewing financial information and evaluating ICFR, which address, at least, accounting regulations, auditing, internal monitoring and risk management:

The Finance Department, and specifically the staff involved in the preparation and review of financial information, receives the necessary training on financial and internal control aspects, as well as on regulatory changes affecting the periodic financial information issued by the Company. This training is organised internally and is advised by independent experts in each area.

F.2. Financial reporting risk assessment.

Provide details of at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, in respect of:

- Whether there is an existing documented process:

The Board of Directors has approved an Internal Financial Reporting Control System Management Manual. This system identifies risks of error, omission or fraud in financial reporting through the ICFRS scoping matrix. This matrix identifies which accounts and disclosures have a significant risk associated with them and whose potential impact on financial reporting may be material. The ultimate aim is to establish a control system that contributes to the mitigation of risks to the achievement of financial objectives. In addition, the financial information issued is reviewed by the Company's auditors.

- Whether the process covers all financial reporting objectives (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently:

As With the ultimate aim of providing assurance as to the reliability of the financial information provided to the market, Árima's System of Internal Control over Financial Reporting pursues the following control objectives.

- Existence and occurrence: transactions, facts and other events included in the financial information exist and have been recorded at the right time.
- Completeness: the information reflects all transactions, facts and other events to which the entity is a party.
- Adequate valuation: transactions, facts and other events are recorded and valued in accordance with applicable standards.
- Fair presentation, disclosure and comparability: transactions, facts and other events are classified, presented and reflected in the financial information in accordance with applicable standards.
- Timing of transactions: transactions and events have been recorded in the correct period.
- Adequate reflection of rights and obligations: the financial information reflects, at the relevant date, the rights and obligations through corresponding assets and liabilities, in accordance with the applicable regulations.

The scope of the Internal Control over Financial Reporting System shall be reviewed at least annually before setting the reporting schedule for the following year. Reporting schedule for the following financial year.

- The existence of a process for identifying the consolidation perimeter, taking account, among other things, of the potential existence of complex corporate structures, vehicle companies or special purpose entities:

Árima's organisational structure is simple and consists of Árima Real Estate SOCIMI, S.A. and two subsidiary companies (100%): Árima Investigación, Desarrollo e Innovación, S.L.U. and Árima Investments, S.L. The financial department, on a quarterly basis, verifies the aforementioned consolidation perimeter.

- Whether the process takes account of the effects of other types of risk (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) in the manner in which they affect the financial statements:

Any analysis will include all regulatory, technological and reputational risk, risk of fraud, human resource-related risk, operational risk, etc. that are relevant for the financial statements.

- The corporate governance body that supervises the process:

The ICFR is a set of processes that affect all levels of the organisation and all Company personnel. Mainly:

1. Board of Directors

With reference to the ICFR, the Regulations of the Board of Directors establish the following functions of the Board:

- To prepare the annual accounts and their presentation to the General Meeting.
- Determine the risk management and control policy.
- To monitor the internal control and information systems.
- Approve the financial information which, as a listed company, the Company must periodically publish.

As the body ultimately responsible for supervising the ICFR, the Board of Directors has established the necessary organisational structure to monitor the ICFR system, with the support of the Audit and Compliance Committee.

2. Audit and Compliance Committee

In order to ensure the reliability of financial information, the Audit and Compliance Committee has been assigned the following functions:

- To ensure the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be aware of and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the risks associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR work and supervision Plan).

3. Financial Management

Árma's CFO has the following responsibilities in the framework of the ICFR:

- Design, implement, evaluate and provide overall monitoring of the ICFR, for which he/she shall validate the design of the ICFR Work and Monitoring Plan.
- Report on the effective functioning of the ICFR to the Audit and Control Committee.
- Ensure that appropriate ICFR training programmes are implemented.

4. ICFR Responsible

The ICFR Responsible is part of the Company's Finance Department and is assigned the following duties within the ICFR framework:

- Identify the risks of error, omission or fraud in financial reporting through the ICFR scoping matrix and document the design of controls.
- Ensure the correct functioning of the ICFR, for which purpose those responsible for each process/sub-process and associated controls must monitor them and report such information to the ICFR Responsible at Árma.
- Prepare reports for the Financial Management, considering the results of the reports received.
- Alert on changes in regulatory and financial information risk scenarios.
- Identify new risks in the processes.
- Collaborate in the proposal of improvement actions and resolution of incidents.

F.3. Monitoring activities.

State whether at least the following items are in place and specify their main characteristics:

- F.3.1** Procedures for reviewing and authorising the financial information and the description of ICFR to be disclosed to the securities markets, stating who is responsible in each case, along with the documentation showing flow charts of activities and controls (including those that address the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the specific review of critical judgements, estimates, evaluations and projections.

The Company has an internal procedure for reviewing financial information (including annual accounts, financial statements for interim periods, the Management Report and the Annual Corporate Governance Report), which oversees the process from the moment that information is generated in the Administration and Finances Department up to its approval by the Audit and Control Committee and, finally, by the Board of Directors prior to publication. This process is reflected in the Monitoring Manual for the Internal Control over Financial Reporting System approved by the Board of Directors, which establishes both the responsibilities and the flows of the control activities on the material sub-processes that give rise to the issuance of financial information.

- F.3.2** Internal control policies and procedures for IT systems (including secure access, tracking changes, system operation, continuity and segregation of duties) giving support to key company processes relating to the preparation and publication of financial information.

The internal control policies and procedures associated with the information systems are defined by the Company's management. The main risks contemplated by the Company, and to which it responds, affect physical security (backup copies, maintenance and access to servers, etc.), logical security (access controls, registration and deregistration procedures, protection against viruses and other malware, etc.), sufficient segregation of duties, registration and traceability of information, privacy (LOPD), development and maintenance of systems. The Company is advised by a third-party systems expert who carries out regular security audits covering, inter alia, all these aspects. In addition, the Company proactively and regularly undergoes external IT audits, where necessary establishing action plans, the results of which are reported to the Board of Directors. In addition, the Board of Directors has approved a Business Continuity Plan to minimise the risk of business interruption for any reason.

- F.3.3** Internal control policies and procedures for overseeing the management of activities outsourced to third parties, and the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The activity subcontracted to third parties that has a greater impact on the financial statements corresponds to the valuation of assets by an independent expert. The procedure in this regard implemented by the Company basically includes the recommendations of the CNMV to listed valuation and real estate companies in relation to the valuation of real estate assets. Moreover, the results obtained are always contrasted with the estimates of Árma's internal experts, who supervise the valuation process. Likewise, the conclusions obtained are always reviewed by the Company's Auditors. On the other hand, the Company, for the services it subcontracts, works with companies of recognized prestige in the sector.

F.4. Information and communications.

State whether at least the following items are in place and specify their main characteristics:

- F.4.1** A specific office which is in charge of defining and maintaining accounting policies (accounting policies area or department) and settling queries or disputes over their interpretation, and which is in regular communication with the team in charge of company operations, and an up-to-date manual of accounting policies that has been sent to all the company's operational units.

The Company's Administration and Finance Department is responsible for defining and updating accounting policies and for responding to queries and consultations in this regard.

- F.4.2** Mechanisms for collecting and preparing financial information with standardised formats, which are to be applied and used by all the company or group units and which support the main financial statements and notes to the accounts, along with the detailed information on the ICFR.

The accounting policies defined by the Management form the basis for the preparation of the financial information of both the Company and its subsidiaries. These accounting policies guarantee the application of the same criteria during the preparation of information and consistency in its presentation.

F.5. Supervising the operation of the system.

Indicate, pointing out its main characteristics:

- F.5.1** The activities of the audit committee in overseeing ICFR, and whether there is an internal auditing office whose duties include supporting the committee in the task of supervising the internal control system, including ICFR. Describe the scope of the ICFR assessment carried out over the course of the year and the procedure by which the person responsible for making this assessment can communicate his/her findings. State also whether the company has an action plan detailing the potential corrective measures, and whether it has taken account of their impact on its financial information.

As indicated in article 44 of the Company's Articles of Association, the Audit and Compliance Committee's duties include, among others, the following periodic review of the process of preparing the economic and financial information, its internal controls and the independence of the external auditor. Specifically, the ICFR Manual approved by the Board of Directors assigns it the following responsibilities:

- Ensuring the proper functioning of the information and internal control systems, in particular with regard to the preparation and integrity of the financial information.
- To be familiar with and periodically review the process of preparation and presentation of financial information and the internal risk control and management systems associated with the Company's significant risks.
- Submit recommendations or proposals to the Board of Directors aimed at safeguarding the integrity of the information and control systems.

In the performance of these duties, the Audit and Compliance Committee must ensure the following aspects relating to the company's ICFR:

- Compliance with regulatory requirements.
- Adequate delimitation of the scope of consolidation.
- The correct application of accounting criteria.

In terms of the organisation of the ICFR work, the Audit and Compliance Committee is responsible for approving what and when to supervise and how to assess ICFR supervision (approval of the ICFR Work and Monitoring Plan).

The Audit and Control Committee is also supported by the Financial Management and the ICFR Responsible, who prepares a report on the status of compliance and effectiveness of the ICFR, which is reported to the Finance Department. The latter, in turn, reports the results obtained to the Audit and Control Committee (which will submit them to the Board of Directors when it considers it necessary). The scope of the Internal Control over Financial Reporting System must be reviewed at least once a year before setting the reporting calendar for the following year.

Furthermore, the conclusion of the Company's auditors on the financial information provided has been satisfactory.

- F.5.2 Whether the Company has a procedure by which the accounts auditor (in accordance with the contents of the Auditing Standards (“NTA”)), the internal auditing department and other experts may communicate with senior management and the audit committee or senior managers of the company regarding any significant internal control weaknesses identified during their review of the annual accounts or any others they have been assigned. State also whether the Company has an action plan to correct or mitigate the weaknesses found.

The Audit and Control Committee meets in order to perform its prime function, which is to act as support for the Board of Directors in its supervisory work, by carrying out a regular review of the process for the preparation of the economic and financial information, the internal auditing department and the independence of the external auditor. In addition to other potential actions, it also carries out the following duties:

Discussions with External Auditors (with particular significance when they have acted on any specific matter: Audit reports, limited reviews, etc.) in order to:

- Obtain information on the planning, scope and conclusions of the work carried out.
- Obtain information on internal control weaknesses detected during the course of their work.
- Inform the external auditor about any matters that could affect their work.
- Talk to the external auditor regarding the expected contents of its reports.

- Obtain the necessary information for ensuring the independence of the External Auditor in compliance with the duties of the Audit and Control Committee. In addition, the Audit and Control Committee may demand additional information or the participation of experts when it comes to analysing topics relating to compliance with their duties.

F.6. Other relevant information

F.7. External auditor’s report.

State whether:

- F.7.1 The ICFR information supplied to the markets has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

Last year, the Company reviewed the internal control system over financial reporting. The external auditor holds regular meetings with the Financial Management, both to review the financial information and to evaluate the internal control in the development of the Company's activity. It is considered that the controls in place are adequate for the size and complexity of the Company, having undergone numerous review and audit processes of the financial information since its incorporation. The external auditor's conclusion has been satisfactory in all cases.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree to which the company complies with the Code of Corporate Governance recommendations for listed companies.

In the event that the Company does not comply with any of the recommendations or complies only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations will not be acceptable.

1. The articles of association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles on the takeover of the company through the purchase of shares on the market.

Compliant [X]

Explain []

2. When the listed company is controlled, within the meaning of article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose precisely the following:

- a) The type of activity they respectively engage in, and any potential business dealings between them, as well as between the subsidiary and other group companies.
- b) The mechanisms in place to resolve any potential conflicts of interest that may arise.

Compliant []

Partially compliant []

Explain [X]

N.A. []

As explained in previous sections, on May 15, 2024, the board of directors of JSS Real Estate SOCIMI, S.A. decided to make a voluntary public takeover bid for all the shares into which the share capital of Árima was divided: 28,429,376 shares. Currently, JSS Real Estate SOCIMI, S.A. owns 99.56% of the shares of Árima. Both companies have the same corporate purpose and operate in similar segments within the real estate market. Notwithstanding the foregoing, a merger of both entities is expected to take place during 2025 (as set out in section 4.6 of the offer brochure), by virtue of which JSS Real Estate SOCIMI, S.A. will be dissolved, becoming part of Árima. In any case, the rules provided for in the Regulations of the Board of Directors to resolve potential conflicts of interest are as follows:

1. A conflict of interest shall be deemed to exist in situations where the interests of the Company or of the companies comprising its group and the personal interests of the director directly or indirectly conflict. A personal interest of the director shall exist when the matter affects him or her or a Person Related to him (as defined below).
2. For the purposes of the Regulations, the following shall be considered "Related Persons": a) with respect to a natural person, the following: (i) the spouse or persons with a similar emotional relationship; (ii) the ascendants, descendants and siblings of the person subject to the Regulations or of the spouse (or person with a similar emotional relationship) of the person subject to the Regulations; (iii) the spouses of the ascendants, descendants and siblings of the person subject to the Regulations; (iv) companies in which the person subject to the Regulation, by itself or through an intermediary, holds or may hold, directly or indirectly, control, in accordance with the situations contemplated in article 42 of the Spanish Commercial Code;
3. Conflict of interest situations shall be governed by the following rules: a) communication: the director must communicate to the Board of Directors, through the chairman or the secretary, any conflict of interest situation in which he or she may be found; b) abstention: the director must abstain from attending and participating in the deliberation and voting phases of those matters in which he or she is involved in a conflict of interest and, consequently, will not be taken into account in such cases for the purposes of calculating the quorum. In the case of proprietary directors, they must abstain from participating in voting on matters that may involve a conflict of interest between the shareholders who have proposed their appointment and the Company; c) transparency: in the Annual Corporate Governance Report, the Company will report on any conflict of interest situation in which the directors may be found, which is known to it by virtue of communication from the affected party or by any other means. 4. The provisions of this article may be developed through the corresponding rules that may be issued by the Board of Directors, including the Internal Code of Conduct.

3. During the general shareholders' meeting, as a supplement to the written information circulated in the annual corporate governance report, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, in particular:

- a) Any changes that have taken place since the previous general shareholders' meeting.
- b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead, where applicable.

Compliant [X]

Partially compliant []

Explain []

4. The company should define and promote a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and treats shareholders in the same position in the same way. The company should make this policy public on its website, including information on how it has been put into practice and identifying the interlocutors or persons responsible for carrying it out.

And, without prejudice to legal obligations regarding the dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) which contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders. The company should draw up and implement a policy for communicating with and contacting shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

Compliant [X]

Partially compliant []

Explain []

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When the Board approves an issue of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Compliant []

Partially compliant [X]

Explain []

The General Meeting of Shareholders, at its meeting held on 23 May 2023, authorised the Board of Directors to increase the share capital in accordance with article 297.1.b) of the Capital Companies Act, for a maximum period of five years, by means of cash contributions and up to a maximum amount equal to half (50%) of the share capital, with the power to exclude pre-emptive subscription rights only in those increases up to a maximum amount equal to 20% of the share capital.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the general shareholders' meeting, even if their distribution is not compulsory:

- a) Report on auditor independence.
- b) Reports on the operation of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee report on related party transactions.

Compliant [X]

Partially compliant []

Explain []

The referenced documentation has been partially disclosed on the company's website.

7. The company broadcasts live, via its website, the holding of general shareholders' meetings.

And that the company has mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Meeting.

Compliant []

Partially compliant []

Explain [X]

The Company provides shareholders with means of remote participation that have allowed significant attendance and participation in the general meetings held to date. Currently, it is not considered necessary to modify this procedure by incorporating live streaming of the meeting through the website or adopting additional electronic means for delegation and exercising the vote. However, the Company periodically evaluates best practices regarding shareholder participation to ensure an appropriate balance between accessibility, legal security, and proportionality.

8. The Audit Committee should ensure that the annual accounts submitted by the Board of Directors to the General Meeting of shareholders are drawn up in accordance with accounting regulations. In the event that the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain to the general meeting the audit committee's opinion on its content and scope, making available to shareholders at the time of publication of the notice of call to the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Compliant [X]

Partially compliant []

Explain []

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend General Shareholders' Meetings and the exercise or delegation of voting rights and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant ☒ Partially compliant ☐ Explain ☐

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals for agreement prior to the general shareholders' meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals for agreement.
- b) Publish the standard form of attendance card or proxy appointment or remote voting form with the necessary modifications so that new items on the agenda and alternative proposals for agreement can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote, applying the same voting rules as for those submitted by the board of directors, with particular regard for presumptions or deductions about the direction of votes.
- d) After the general shareholders' meeting, disclose the breakdown of votes on these supplementary items or alternative proposals.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

11. In the event that a company plans to pay for attendance at the general shareholders' meeting, it should first establish a general, long-term policy in this respect.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

12. The Board of Directors should perform its duties with a unity of purpose and independent judgement, according to the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interests, understood as the creation of a profitable and sustainable business over the long term which ensures its continuity and maximises the company's economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to the principles of good faith, ethics and respect for commonly accepted customs and good practices, but should also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and any other stakeholders who could be affected, as well as reconciling the impact of its activities on the broader community and the natural environment.

Compliant ☒ Partially compliant ☐ Explain ☐

13. The board of directors should have the appropriate size to achieve maximum effectiveness and participation, which means it should ideally have between five and fifteen members.

Compliant ☒ Explain ☐

14. The Board of Directors should approve a Director selection policy that:

- a) Is specific and verifiable.
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board of directors' own needs.
- c) Favours a diversity of know-how, experience and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

The results of the prior analysis of the Board's needs should be written up in the appointments committee's explanatory report, to be published when the general meeting is convened to ratify the appointment and re-election of each director.

The appointments Committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Compliant [X]

Partially compliant []

Explain []

15. Proprietary and independent directors should occupy a broad majority of seats on the board, while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the percentage of the company's share capital held by the executive directors.

And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, but no earlier than 30%.

Compliant [X]

Partially compliant []

Explain []

16. The number of proprietary directors as a percentage of the total number of non-executive directors should not exceed the proportion between the company share capital represented by these directors and the remainder of this share capital.

This criterion can be attenuated:

- a) In companies with a high level of market capitalisation in which few equity stakes attain the legal threshold to be considered a significant shareholding.
- b) In companies in which a plurality of shareholders is represented on the board of directors and they are not related to one another.

Compliant [X]

Explain []

17. The number of Independent Directors should represent at least one half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30% of share capital, independent directors should occupy, at least, a third of all Board places.

Compliant [X]

Explain []

Independent directors represent 40% of the total number of directors.

18. Companies should post the following information on directors on their websites, and keep this information permanently updated:

- a) Background and professional experience.
- b) Directorships held at other companies, listed or otherwise, and any other paid activities that they may engage in, of whatever nature.
- c) Information on the director category to which they belong and, in the case of proprietary directors, information on the shareholder they represent or have links with.
- d) The date of their first appointment as board member and the dates of any subsequent re-elections.
- e) Shares that they hold in the company, and any options thereover.

Compliant []

Partially compliant [X]

Explain []

The Company is working on the publication of all the information reflected in this section, which is partially published.

19. The annual corporate governance report, following verification by the appointments committee, should explain the reasons for the appointment of proprietary directors at the behest of shareholders controlling less than 3% of capital; it should also explain, where applicable, any rejection of a formal request for a seat on the board from shareholders whose equity stake is equal to or greater than that of others that have successfully applied for a proprietary directorship.

Compliant [☐] Partially compliant [☐] Explain [☐] N.A. [☒]

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

Compliant [☒] Partially compliant [☐] Explain [☐] N.A. [☐]

21. The Board of Directors should not propose the removal of any independent directors before the expiry of their tenure as mandated by the articles of association, except where just cause is found by the board of directors, based on a report by the appointments committee. In particular, just cause shall be presumed when directors take up new posts or responsibilities that prevent them from allocating sufficient time to the performance of their duties as board member, or are in breach of the duties inherent in their position, or are affected by one of the grounds that disqualifies them from classification as independent, as set out in the applicable legislation.

The removal of independent directors may also be proposed as a consequence of a takeover bid, merger or similar corporate operation which involves changes to the company's capital structure, when the changes to the structure of the board of directors are triggered by the proportionality criterion set out in recommendation 16.

Compliant [☒] Explain [☐]

22. Companies should establish rules obliging directors to inform and, where applicable, resign in any circumstances that might harm the organisation's name or reputation, and directors should particularly be obliged to inform the Board of Directors of any criminal charges brought against them and of any subsequent court proceedings.

The Board, having been informed of or otherwise having knowledge of any of the situations mentioned in the preceding paragraph, should examine the matter as promptly as possible and, in view of the particular circumstances, decide, after a report from the Nomination and Remuneration Committee, whether or not to adopt any measure, such as the opening of an internal investigation, request the resignation of the director or propose his or her removal. And that a report be included in the annual corporate governance report, unless there are special circumstances justifying this, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

Compliant [☒] Partially compliant [☐] Explain [☐]

23. All directors should express clear opposition when they feel a proposal submitted for the board of directors' approval might damage the corporate interest. In particular, independents and other directors unaffected by a potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation on the board of directors.

When the board takes significant or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation should also apply to the secretary of the board, even if he/she is not a director.

Compliant [☒] Partially compliant [☐] Explain [☐] N.A. [☐]

24. When, either by resignation or by resolution of the general meeting, a director retires from office before the end of his term of office, he should sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And, without prejudice to the disclosure thereof in the annual corporate governance report, the company should, to the extent relevant for investors, publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Compliant [X] Partially compliant [] Explain [] N.A. []

25. The appointments committee should ensure that non-executive directors have sufficient time available to perform their responsibilities effectively.

The board's regulations should establish rules for the maximum number of company directorships that board members may hold.

Compliant [X] Partially compliant [] Explain []

26. The Board should meet with the necessary frequency to properly perform its functions properly, at least eight times a year, in accordance with a calendar and agendas set at the beginning of the year, and each director may individually propose the addition of other items to the agenda.

Compliant [X] Partially compliant [] Explain []

27. Director absences should be kept to the bare minimum and quantified in the annual corporate governance report. In the event that their absence is unavoidable, directors should grant a proxy with the appropriate instructions.

Compliant [X] Partially compliant [] Explain []

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them can request that they be recorded in the minutes.

Compliant [X] Partially compliant [] Explain [] N.A. []

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, and this should extend, if the circumstances make this necessary, to external assistance at the company's expense.

Compliant [X] Partially compliant [] Explain []

30. Regardless of the knowledge directors must possess in order to perform their duties, companies should also offer them refresher programmes when the circumstances make this advisable.

Compliant [X] Explain [] N.A. []

31. The agendas of meetings should clearly indicate the points on which the board of directors must arrive at a decision or adopt a resolution, so that directors may study or gather the necessary information beforehand.

When, exceptionally and for reasons of urgency, the chairman wishes to present decisions or resolutions for board approval that were not on the meeting agenda, their inclusion shall require the express prior consent, duly recorded in the minutes, of the majority of directors present.

Compliant ☒ Partially compliant ☐ Explain ☐

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant ☒ Partially compliant ☐ Explain ☐

33. In addition to the duties assigned to him by law and the company's articles of association, the chairman, as the person responsible for the efficient functioning of the board of directors, should: prepare and submit a schedule of meeting dates and agendas to the board; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; take responsibility for managing the board and its proper functioning; ensure that sufficient time is devoted to the discussion of strategic issues, and approve and review refresher courses for each director, when the circumstances make this advisable.

Compliant ☒ Partially compliant ☐ Explain ☐

34. When a coordinating director has been appointed, the articles of association or board of directors' regulations should grant him or her the following powers over and above those conferred by law: chairing the board of directors in the absence of the chairman a vice chairmen, where applicable; giving voice to the concerns of non-executive directors; maintaining contacts with investors and shareholders to hear their views and developing a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinating the plan for the chairman's succession.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

35. The Board secretary should particularly strive to ensure that the board's actions and decisions are informed by the governance recommendations set out in this good governance code, to the extent that they apply to the company.

Compliant ☒ Explain ☐

36. The Board of Directors sitting in full session should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's own actions.
- b) The performance and membership of its committees.
- c) The diversity of board membership and skills.
- d) The performance of the chairman of the board of directors and the company's chief executive.
- e) The performance and contribution of individual directors, with particular attention to the chairs of board committees.

The evaluation of the various board committees should start from the reports they submit to the board of directors, while the evaluation of the board itself should start from the report submitted by the appointments committee.

Every three years, the board of directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any member of its corporate group maintains with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant ☒ Partially compliant ☐ Explain ☐

37. When the company has an Executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the board should also act as secretary to the executive committee.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

38. The Board of Directors should be kept fully informed of the matters debated and the decisions adopted by the executive committee, and all board members should receive a copy of the executive committee's minutes.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

39. The members of the audit committee as a whole, and especially its chairman, should be appointed taking into account their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Compliant ☒ Partially compliant ☐ Explain ☐

40. Companies should have a unit in charge of internal auditing duties, under the supervision of the audit committee, to monitor the effectiveness of internal reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Compliant ☒ Partially compliant ☐ Explain ☐

41. The head of the unit in charge of the internal audit function should present its annual work plan to the audit committee for approval by the latter or by the board, report directly to it on its execution, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activity report at the end of each fiscal year.

Compliant ☒ Partially compliant ☐ Explain ☐ N.A. ☐

42. The audit committee should have the following duties, over and above those set out in law:

1. With regard to internal reporting and monitoring systems:

- a) Monitoring and assessing the preparation and integrity of financial and non-financial information, as well as the systems for controlling and managing financial and non-financial risks relating to the company and, where appropriate, the group - including operational, technological, legal, social, environmental, political, reputational and corruption-related risks - reviewing compliance with regulatory requirements, the appropriate scope of consolidation and the correct application of accounting criteria.
- b) Monitoring the independence of the unit responsible for internal auditing duties; proposing the selection, appointment, re-election and removal of the head of the internal auditing service; proposing the service's budget; approving its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receiving regular information on its activities; and verifying that senior management take account of the findings and recommendations contained in its reports.

- c) Establish and supervise a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature related to the company that they become aware of within the company or its group. This mechanism should guarantee confidentiality and, in any event, provide for cases in which communications may be made anonymously, respecting the rights of both the complainant and the reported.
- d) Overall, to ensure that the established internal control policies and systems are effectively implemented in practice.

2. With regard to the external auditor:

- a) In the event of the external auditor's resignation, examining the circumstances that have caused it.
- b) Ensuring that the payment of the external auditor does not compromise its quality or independence.
- c) Ensuring that the company notifies any change of auditor to the CNMV as a significant event, accompanied by a statement detailing any potential disagreements arising with the outgoing auditor, where applicable, and the reasons for these disagreements.
- d) Ensuring that the external auditor has a yearly meeting with the board of directors in full session to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensuring that the company and the external auditor adhere to current regulations on the provision of non-auditing services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X] Partially compliant [] Explain []

43. The Audit Committee should be empowered to meet with any company employee or manager, even in the absence of other senior officers.

Compliant [X] Partially compliant [] Explain []

44. The Audit Committee should be informed of any structural changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, where applicable, the exchange ratio proposed.

Compliant [X] Partially compliant [] Explain [] N.A. []

45. Control and risk management policy should at least identify:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risk), with the inclusion under financial or economic risk of contingent liabilities and other off-balance sheet risk.
- b) A risk management and control model based in different levels, including a specialised risk committee when sectoral rules so provide or where the company deems it appropriate.
- c) The determination of the risk level the company sees as acceptable.
- d) The measures in place to mitigate the impact of identified risk events should they occur.
- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risk.

Compliant [X] Partially compliant [] Explain []

46. The Company should establish an internal risk monitoring and management office within one of the company's own internal departments or units, with direct supervision from the audit committee or some other specialist board committee. This office should be expressly charged with the following duties:

- a) Ensuring that risk control and management systems are functioning correctly and, specifically, that any major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participating actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensuring that risk control and management systems are mitigating risk effectively within the framework of the policy drawn up by the board of directors.

Compliant [X] Partially compliant [] Explain []

47. Appointees to the appointments and remuneration committee (or the appointments committee and the remuneration committee, if separately constituted) should have the right balance of knowledge, skills and experience for the duties they are called on to perform, and the majority of their members should be independent directors.

Compliant [X] Partially compliant [] Explain []

48. Companies with high levels of capitalisation should have a separate appointments committee and remuneration committee.

Compliant [X] Explain [] N.A. []

49. The appointments committee should consult with chairman of the board of directors and the company's chief executive, especially on matters relating to executive directors.

Any board member should be able to suggest directorship candidates for consideration by the appointments committee, in order to cover vacant director positions.

Compliant [X] Partially compliant [] Explain []

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Proposing standard conditions for senior officer contracts to the Board of Directors.
- b) Monitoring compliance with the remuneration policy set by the Company.
- c) Periodically reviewing the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensuring that their individual remuneration is proportionate to the amounts paid to other directors and senior officers in the company.
- d) Ensuring that potential conflicts of interest do not undermine the independence of any external advice provided to the committee.
- e) Verifying the information on directors' and senior officers' pay contained in the various corporate documents, including the annual report on directors' pay.

Compliant [X] Partially compliant [] Explain []

51. The remuneration committee should consult with the company's chairman and chief executive, especially where matters relating to executive directors and senior officers are concerned.

Compliant []

Partially compliant []

Explain [X]

Not applicable, the Company has no executive directors or senior management.

52. The rules governing the composition and operation of the supervision and control committees should be set out in the board of directors' regulations and they should be consistent with the rules that govern legally mandatory board committees, as specified in the foregoing recommendations, including:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.
- b) They should be chaired by independent directors.
- c) The board of directors should appoint the members of such committees in consideration of the knowledge, skills and experience of its directors and the duties to be performed by each committee, and it should discuss their proposals and reports. Committees should submit an account to the first full meeting of the board after the committee in question has met, and the board should respond to the work carried out.
- d) Committees may engage external advice, when they feel it necessary for the performance of their duties.
- e) Meetings should be minuted and a copy made available to all board members.

Compliant [X]

Partially compliant []

Explain []

N.A. []

53. Supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be entrusted to one or more committees of the Board of Directors, which may be the Audit Committee, the nomination committee, a committee specialising in sustainability or corporate social responsibility or another committee that the board of directors, in the exercise of its powers of self-organisation, has decided to create. Such a committee should be composed solely of non-executive directors, the majority of whom should be independent, and should be attributed with the following powers and be specifically attributed the minimum functions indicated in the following recommendation.

Compliant [X]

Partially compliant []

Explain []

54. The minimum functions referred to in the above recommendation are as follows:

- a) Supervision of compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders shall also be monitored.
- c) Evaluating and periodically reviewing the corporate governance system and the company's environmental and social policy to ensure that they fulfil their mission of promoting the corporate welfare and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) overseeing that the company's environmental and social practices are in line with the company's strategy and policy.

e) Supervision and evaluation of the processes of relations with the different stakeholders.

Compliant ☒ Partially compliant ☐ Explain ☐

55. Sustainability policies on environmental and social issues should identify and include at least:

a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct

b) methods or systems for monitoring compliance with policies, associated risks and their management.

c) mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that avoid manipulation of information and protect integrity and honour. integrity and honour.

Compliant ☒ Partially compliant ☐ Explain ☐

56. Director remuneration should be sufficient to attract and retain directors with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant ☒ Explain ☐

57. Variable remuneration linked to the company's and the director's individual performance, remuneration via the awarding of shares, options or any other right over shares, or the right to be remunerated on the basis of share price movements should be confined to executive directors, along with membership of long-term savings schemes, such as pension plans, retirements schemes or other social welfare programmes.

The company may consider the payment of non-executive directors through the handover of shares, provided that they retain such shares until the end of their mandate. The above condition shall not apply to any shares that the director must dispose of to settle costs related to their acquisition, where applicable.

Compliant ☐ Partially compliant ☐ Explain ☒

Not applicable, the Company has no executive directors.

58. In the case of variable payments, remuneration policies should include the necessary limits and technical safeguards to ensure that such payments reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's business sector or other similar circumstances.

In particular, variable payment items should meet the following conditions:

a) They should be linked to predetermined and measurable performance criteria that factor in the risk assumed in order to obtain a given outcome.

b) They should promote the sustainability of the company and include non-financial criteria that are relevant to the creation of long-term value, such as compliance with the company's internal rules and procedures and its risk control and management policies.

c) They should be designed to achieve a balance between the delivery of short, medium and long-term objectives, in such a way that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to sustainable value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant ☒ Partially compliant ☐ Explain ☐ N.A. ☐

59. The payment of variable components of remuneration should be subject to sufficient verification that performance or other pre-established conditions have been effectively met. Institutions should include in the annual directors' remuneration report the criteria for the time required and methods for such verification, depending on the nature and characteristics of each variable component.

In addition, entities should consider the establishment of a reduction clause based on the deferral for a sufficient period of time of the payment of a part of the variable components that entails their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Compliant ☒ Partially compliant ☐ Explain ☐ N.A. ☐

60. In the case of remuneration linked to company earnings, any qualifications stated in the external auditor's report should be considered and the said earnings reduced accordingly.

Compliant ☒ Partially compliant ☐ Explain ☐ N.A. ☐

61. A significant percentage of executive directors' variable remuneration should be linked to the handover of shares or financial instruments linked to their value.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

Not applicable, the Company has no executive directors.

62. When the shares or options or rights in shares corresponding to remuneration systems have been allocated, directors should not be able to transfer ownership of a number of shares equivalent to twice their fixed annual remuneration, nor should they be able to exercise the options or rights granted to them until a term of at least three years has elapsed since their allocation.

An exception is made in the case where the director maintains, at the time of transfer or exercise, a net economic exposure to share price variation of a market value equivalent to an amount of at least twice his annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the nomination and remuneration committee, in order to deal with extraordinary situations that so require.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

Not applicable, the Company has no executive directors.

63. Contractual arrangements should include provisions that permit the company to reclaim variable payment amounts when payment is found to be out of step with the director's actual performance or based on data subsequently found to be incorrect.

Compliant ☐ Partially compliant ☐ Explain ☐ N.A. ☒

Not applicable, the Company has no executive directors.

64. Contract termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that the director in question has met the predetermined performance criteria.

For the purposes of this recommendation, termination or contractual termination payments include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant [☐]

Partially compliant [☐]

Explain [☐]

N.A. [☒]

[Not applicable, the Company has no executive directors.]

H. OTHER INFORMATION OF INTEREST

1. If there is any material aspect or principle relating to the corporate governance practices followed by the company or the companies in its group that has not been addressed in this report and which should be included in order to provide a more comprehensive and reasoned view of the corporate governance structure and practices at the company or group, explain briefly.
2. In this section, you may include any other information, clarification or observation related to the above sections of this report, insofar as they are relevant and do not repeat information already provided.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when it differs from the information required by this report.

3. The company may also indicate whether it voluntarily subscribes to other international, industry specific or other ethical principles or standard practices. Where appropriate, the code in question shall be identified along with the date of affiliation. In particular, state whether the company has signed up to the Good Tax Practices Code of 20 July 2010:

No additional information of note.

This annual corporate governance report was adopted by the company's Board of Directors at its meeting held on:

26/02/2025

Indicate whether any director abstained or voted against the approval of this Report.

☐ Yes

☒ No

ISSUER'S IDENTIFICATION DATA

Financial year closing date:

31/12/2024

Company Tax ID No. (CIF):

A88130471

Company name:

ARIMA REAL ESTATE SOCIMI, S.A.

Registered office:

SERRANO, 47 - 4ª PLANTA, 28001 MADRID

A. COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Explain the director remuneration policy currently applicable to the year in course. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that the information is clear, specific and concrete.

The specific conditions for the year in course should be described, both as regards the directors' remuneration in their capacity as such and as a result of the executive duties they have performed for the board, pursuant to the contracts signed with executive directors and the remuneration policy approved by the General Shareholders' Meeting.

In any case, the following aspects should be reported:

- a) Description of the procedures and company bodies involved in determining and approving remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures contemplated in the current directors' remuneration policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.

During the year ended 31 December 2024, the remuneration policy of the board of directors approved by the general meeting of shareholders on 28 June 2022 for the following three financial years, i.e. 2023, 2024 and 2025 (the 'Remuneration Policy' or the 'Policy') was applied for the second year.

Prior to its approval by the general meeting of shareholders, the board of directors of the Company, at its meeting held on 19 May 2022, approved the Policy, after taking note of the report prepared by the appointments and remuneration committee of the Company at its meeting held on 19 May 2022.

The Policy has been developed taking into account the relevance of the Company, its economic situation, market standards for comparable companies, the employee compensation policy, and the dedication of the directors to the Company. The remuneration set in the policy maintains an appropriate proportion and promotes the profitability and long-term sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results, while ensuring the alignment of the directors' interests with those of the Company and its shareholders, without compromising the independence of the directors. Likewise, it should be noted that, following the reasoned proposal of the appointments and remuneration committee, the Board of Directors may approve an exception of all or some of the remuneration elements included in the Remuneration Policy, depending on the particular needs of the Company's business. Any application of such exceptions will be duly recorded and explained in the corresponding annual report on directors' remuneration.

The current Policy is structured on the basis of various specific types of remuneration, as follows:

1. Remuneration of directors in their capacity as such.

Pursuant to the provisions of the Articles of Association, independent directors, in their capacity as such, shall be remunerated by means of per diems for attendance at meetings of the Board of Directors and the Committees of which they are members from time to time, consisting of a fixed amount to be determined by the General Meeting of Shareholders.

Thus, in application of the aforementioned precepts, the Policy establishes that:

(i) the total amount of remuneration that may be paid by the Company to all of its directors in their capacity as such shall not exceed the amount determined for such purpose by the general shareholders' meeting. For these purposes, it is hereby stated that the general meeting of shareholders, in its resolution of 28 June 2022, set the maximum amount of annual remuneration for all directors, in their capacity as such, at 425,000 euros;

(ii) the board of directors shall determine the specific amount corresponding to each of the directors, the frequency and form of payment, in accordance with this Remuneration Policy.

It is also indicated that the position of proprietary director shall not be remunerated.

Notwithstanding the foregoing, the Policy provides that the Company will pay the civil liability insurance premium for all directors, regardless of their classification.

2. Remuneration of executive directors

In accordance with the provisions of the Articles of Association, the remuneration of executive directors is governed by the provisions of the contract they have entered into with the Company. In any event, it should be noted that, as required by the bylaws, the remuneration of executive directors under such contracts must comply with the provisions of the Policy.

The Policy includes the following remuneration mix:

(i) Fixed annual remuneration

In accordance with the Policy, the executive director will receive, under the terms of the corresponding contract, a fixed remuneration, which will be determined in accordance with the responsibility, hierarchical position and experience of each executive director, taking into account the specific characteristics of each function and the dedication required.

(ii) Annual variable remuneration

In accordance with the Policy, directors with executive functions may receive an annual variable remuneration or 'bonus' based on objective criteria that seek to evaluate the individual contribution of the director, in the exercise of his executive functions, to the business objectives of the Company. It may not exceed a maximum of 150% of the annual fixed remuneration.

The annual variable remuneration shall be approved by the board of directors at the proposal of the appointments and remuneration committee, depending on the degree of compliance with the parameters established by the Policy.

(iii) Long-term incentive plans

The Policy provides for the possibility for executive directors to be remunerated by the delivery of shares in the Company, through their participation in the long-term incentive plans approved by the general meeting of shareholders.

The long-term incentive plan in force during the previous year ended on 30 June 2024. As at the date of this report, no incentive plans payable in shares of the Company are in force.

(iv) Other remuneration items and remuneration in kind

The Policy provides for the possibility for executive directors to receive other remuneration items and certain remuneration in kind, including the individual availability of a company car, a life insurance policy, or a private medical insurance policy.

(v) Savings plans

At the date of this report, no savings plan has been approved.

In any case, it is noted that, as of the date of this report, the Company has no executive directors.

A.1.2 Relative importance of variable payment items *vis-à-vis* fixed salary (remuneration mix) and the criteria and objectives taken into consideration in their calculation in order to guarantee a suitable balance between the fixed and variable components of the remuneration offered. In particular, describe the actions adopted by the company in relation to its remuneration system in order to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests. Include, where applicable, mention of the measures taken to guarantee that the company's long-term results are taken into account in its remuneration policy, the measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company, and the measures intended to avoid conflicts of interest, as applicable.

In addition, state whether the company has established any period for the accrual or consolidation of certain variable payment items, in cash, shares or other financial instruments, or any period for the deferral of the payment of amounts or the handover of accrued and consolidated financial instruments, or whether there is any clause that provides for the reduction of this deferred payment or that obliges the director to return the payments received when such payments have been based on certain figures that have clearly been shown to be inaccurate.

As indicated in section A.1.1. above and to the extent that, as of the date of this report, the board of directors of the Company has only non-executive directors, the Remuneration Policy does not contemplate variable elements of remuneration, for which reason the remuneration of the directors, in their capacity as such, is composed entirely of fixed components, in accordance with recommendation 57 of the code of good governance for listed companies approved by the CNMV.

It is also stated for the record that the remuneration has been set by the Policy in order to maintain an appropriate proportion and promote the profitability and sustainability of the Company in the long term, incorporating the necessary precautions to avoid excessive assumption of risks or rewarding unfavourable results and ensuring the alignment of the interests of the directors with those of the Company and its shareholders, without compromising the independence of the directors themselves.

A.1.3 Amount and nature of fixed payment items that are due to be accrued during the year by directors in their capacity as such.

During the 2025 financial year, independent directors are expected to receive remuneration amounting to 50 thousand euros per year, to be paid quarterly, as per diems for attending the Board of Directors and the Committees on which they sit.

A.1.4 Amount and nature of fixed payment items that are due to be accrued during the year for the performance by executive directors of senior management duties.

At the date of issue of this report, the company has no executive directors. Therefore, it is not applicable.

A.1.5 Amount and nature of any payment in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

At the date of issue of this report, the company has no executive directors. Therefore, it is not applicable.

A.1.6 Amount and nature of variable payment items, differentiating between those established in the short and long term. The financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration during the year in course, with an explanation of the extent to which these parameters are related to both the director's and the company's performance, together with the associated risk profile and the methodology, required deadlines and techniques established to determine the degree of compliance with the parameters used in the design of variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable payment items on the basis of the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts apply in absolute terms.

At the date of issue of this report, the company has no executive directors. Therefore, it is not applicable.

A.1.7 Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether it is a defined contributions or benefits system, the annual contribution that needs to be made under the defined contribution system, the benefits to which directors are entitled in the case of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or compensation for the early termination of their contractual relationship, or payments arising from termination of the contractual relationship in the terms agreed between the company and the director.

State whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters relating to the director's short- or long-term performance.

At the date of issue of the Report, no long-term savings scheme has been approved.

A.1.8 Any type of payment or compensation for the director's early termination or dismissal, or payments arising from termination of the contractual relationship in the terms agreed between the company and the director, whether this entails the director's voluntary resignation or the director's dismissal by the company, as well as any type of agreement reached, such as exclusivity, post-contractual no-compete clauses, permanence or loyalty, which entitle the director to any type of remuneration.

During the financial year 2025, it is expected that the executive directors will accrue a termination indemnity of 1,875 thousand euros.

A.1.9 Detail the conditions that must be respected in the contracts of people performing senior management duties as executive directors. Include information regarding, *inter alia*, the contract's term, limits on compensation amounts, permanence clauses, prior notice periods and payment in lieu of the said prior notice periods, and any other clauses relating to hiring bonuses and compensation or golden parachutes due to early termination of the contractual relationship between the company and the executive director. Include, *inter alia*, any clauses or agreements on not competing, exclusivity, permanence and loyalty, and post-contractual no-compete clauses, unless these have been explained in the previous section.

At the date of issue of this report, the company has no executive directors. Therefore, it is not applicable.

A.1.10 The nature and estimated amount of any other additional payments accrued by directors in return for services rendered during the year in course, other than those inherent in their position.

Not applicable.

A.1.11 Other payment items, such as (where applicable) the grant to the director by the company of advance payments, loans, guarantees or any other remuneration.

Not applicable.

A.1.12 The nature and estimated amount of any other planned additional payments that will be accrued by directors during the year in course and that are not included in the previous sections, whether payment is made by the company or another group company

Not applicable.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) A new policy or a modification to the policy already approved by the General Shareholders' Meeting.
- b) Significant changes to the specific conditions established by the board in respect of remuneration policy in force for the current year, as compared with those applied in the previous year.
- c) Proposals that the board of directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted, and which are proposed for application to the current year.

Not applicable.

A.3. Give details of the direct link to the document where the company's current remuneration policy is posted, which must be available on the company's website.

<https://www.arimainmo.com/files/uploads/file/d2bb886a-91ab-4416-92ef-238ccb56a460/politica-de-remuneraciones-ca-es.pdf>

- A.4.** Explain, bearing in mind the data provided in Section B.4, how the company has taken account of the way that shareholders voted on the annual report on remuneration for the previous year, when this was submitted to a consultative vote at the General Shareholders' Meeting.

No particular measures have been taken in this regard.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FINANCIAL YEAR

- B.1.1** Explain the process followed to apply the remuneration policy and give details of the individual payments mentioned in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and the role of the external advisors whose services were used in the process to apply remuneration policy in the year ended.

The preparatory work and the decision-making process for the determination of the remuneration policy are summarised as follows:

The Appointments and Remuneration Committee, based on the criteria of the remuneration policy, proposes the remuneration to be set for the financial year for approval by the Board of Directors.

The secretary of the Board of Directors acts as secretary to the Appointments and Remuneration Committee, assisting the chairman and recording the proceedings of the meetings, the content of the deliberations and the resolutions adopted in the minutes.

- B.1.2** Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the year. policy that has occurred during the fiscal year.

As a result of the change of control of the Company due to the takeover bid launched by JSS Real Estate Socimi, S.A., the calculation date for the annual variable remuneration of the executive directors was brought forward to 11 November 2024.

- B.1.3** Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

Not applicable.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting the system to the company's long-term objectives, values and interests. Include a reference to the measures that have been adopted to guarantee that the company's long-term results have been taken into consideration in the remuneration accrued and that a suitable balance has been achieved between the fixed and variable components of the payments made, the measures adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile, and the measures adopted to avoid conflicts of interest, where appropriate.

In addition to the short-term variable remuneration, the accrual and payment of which is decided by the Board of Directors, the only long-term variable remuneration plan is the Incentive Plan, which, following the amendment of the remuneration policy, is designed for the period from 1 July 2020 to 30 June 2024 and is fully aligned with the interests of the shareholders, such that the right to receive it only accrues if it creates accrued value for them.

The main value for the shareholder is the revaluation of the company's assets in accordance with the Net Tangible Asset Value according to EPRA.

Based on their active management, by repositioning and leasing them in the market, an intrinsic value is obtained which translates into a higher value of the underlying of the Company, which should be reflected over time in a higher stock market value of the share, although the company cannot guarantee the evolution and performance of the share price.

The long-term undertaking is determined by the fact that the variable remuneration scheme consists of handing over shares that are subject to a blocking period or prohibition on their disposal, with the Scheme's beneficiaries committing to the future of the Company.

In the event that the Net Book Value of the assets drops in successive years for reasons unrelated to their management, new incentives will not accrue until this value recovers to a level higher than the last maximum obtained. In other words, any possible rebound effect cannot be taken advantage of by beneficiaries of the Plan.

The Incentive Plan provides measures in the event that the figures used to determine its application may have been obtained fraudulently. Thus, if it is proven that false data have been used to calculate the Incentive Plan because they have been fraudulently manipulated, such that if the real values had been taken, the number of Incentive Shares that would have corresponded would have been lower, without prejudice to any other liabilities that may be established, the executive directors shall be obliged to reimburse the Company the percentage fraudulently accrued as soon as possible. However, for greater guarantee of the processes, the calculation of the value of the properties is carried out by companies of recognised prestige in the sector and PriceWaterhouseCoopers is in charge of preparing a report on the agreed procedures for the correct determination of the amount accrued each year of the Incentive Plan.

- B.3.** Explain how the remuneration accrued and consolidated over the year meets the provisions in the current remuneration policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

Furthermore, report on the relationship between the payments received by directors and the company's results or other performance indicators in the short and long term, explaining, where applicable, how any variations in the company's performance may have influenced changes in the payments made to directors, including amounts that have accrued and have been deferred, and how these contribute to the company's short- and long-term results.

The remuneration accrued in financial year 2024 corresponds to the current remuneration policy approved at the General Shareholders' Meeting of 28 June 2022 and contributes to the sustainable and long-term performance of the Company as specified in the previous section.

In addition, the accrued remuneration has not exceeded the total amount of remuneration that the Company may pay to all of its directors.

- B.4.** Report the results of the consultative vote at the General Shareholders' Meeting regarding remuneration paid during the preceding year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	21,655,250	76.17
	Number	% of votes cast
Votes against	234,163	1.08
Votes in favour	21,398,827	98.82
Blank ballot		0.00
Abstentions	22,260	0.10

- B.5.** Explain how the fixed amounts accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year.

The fixed components accrued during the year correspond to those indicated by the board of directors in the remuneration policy in force for the year 2022.

- B.6.** Explain how the salaries accrued by each of the executive directors for the performance of their management duties over the past financial year were determined, and how they changed with respect to the previous year.

The accrued and consolidated salaries of the executive directors have been determined on the basis of the contracts signed with the company. Annually the board of directors determines whether the salaries of the executive directors need to be updated, for the year ended there was no update of these salaries and therefore there has been no variation with respect to the previous year.

- B.7.** Explain the nature and the main characteristics of the variable components accrued under the remuneration systems during the year ended.

In particular:

- Identify each of the remuneration plans that have determined the different variable payments accrued by each of the directors during the year ended, including information on their scope, their date of approval, their date of implementation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.
- In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions necessary both to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term in which they can be exercised.

- c) Each of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), who are beneficiaries of remunerations systems or plans that include variable remuneration.
- d) Where applicable, information is to be provided on the periods for the accrual or deferral of payment that have been applied, and/or the periods for withholding/unavailability of shares or other financial instruments, where they exist.

Explain the short-term variable components of the remuneration systems:

The short-term variable remuneration corresponding to the Company's result in financial year 2024 amounts to 110.6% of the fixed remuneration for financial year 2023, that is, 73.73% of the maximum STIP of 150%. For the determination of said variable remuneration, the criteria, parameters and weightings established in the current Remuneration Policy, approved at the 2022 General Shareholders' Meeting, have been taken into account..

The degree of compliance corresponding to financial year 2024 is detailed below:

- Shareholder return (weighting 25%): this objective was met above its maximum level, so the percentage accrued was 37.50%.
- NAV discount vs competition (weighting 25%): the level of compliance has been intermediate, so the percentage accrued for this result was 35.60%.
- Parameters relating to portfolio management:
 - 1) The valuation of assets (weighting 12.5%): the level of compliance has not reached the established minimum, and a percentage of 0% has been applied.
 - 2) Quality and Sustainability certifications (weighting 12.5%): the level of compliance has not reached the established minimum, and a percentage of 0% has been applied.
- Parameters relating to ESG:
 - 1) GRESB (weighting 12.5%): the level of compliance has been maximum, in this case 150%, resulting in an accrued percentage of 18.75%.
 - 2) EPRA (weighting 12.5%): the level of compliance has been maximum, in this case 150%, resulting in an accrual of 18.75%.

This variable remuneration has been paid in cash in November 2024.

Explain the long-term variable components of the remuneration systems

In addition to the short-term variable remuneration, there is a long-term incentive plan based on the delivery of shares whose beneficiaries are the employees and executive directors of the Company. Said plan, which began with the Company's IPO, was modified and approved by the General Shareholders' Meeting on June 28, 2022, and is detailed in the Remuneration Policy published on the Company's website (www.arimainmo.com).

The Incentive Plan accrues annually provided that, for each calculation period (between July 1 and June 30 of the following year), certain conditions for generating value are met. This generation of value is a function of the active management of the company's assets and is measured objectively through their revaluation, according to the Net Value of the Tangible Asset according to EPRA.

The Incentive Plan cannot collectively exceed a maximum of 10% of the Company's total common shares issued and outstanding at any given time. As a consequence of the foregoing, taking into account the outstanding share capital of the Company, under no circumstances, as long as this does not vary, and provided that the shares already accrued are delivered to their beneficiaries, the percentage of Incentive Shares in any year, nor in aggregate may exceed 7.0% of the Ordinary Shares of the Company on the day of formulation of this policy of the annual accounts for the year ended December 31 2024.

For the second period of validity of said plan, which ended on June 30 2022, the Board of Directors has evaluated compliance with the conditions, which were as follows:

- Shareholder return rate (SRR%) in said period: 13.4%
- Positive profitability rate with respect to the High Water Mark (HWM%) in said period: 16.3%

As a result of the level of compliance achieved, 306,584 shares will be delivered to all beneficiaries only when the three established deferral periods end - one third of the shares after 12 months from the end of the applicable calculation period, another third of the shares after 18 months from the end of the applicable calculation period and the remaining third after 24 months - and provided that the beneficiary maintains his status as an employee (or director of the Company, in the case of executive directors) at the end of each deferral period.

In accordance with the aforementioned share delivery schedule, 118,341 shares have been delivered to the executive directors during the closed financial year. It should also be noted that in relation to the third period of the plan, which ended on June 30 2023, and the fourth period of the plan, which ended on June 30 2024, the established objectives were not achieved and, therefore, the accrual of the shares provided for in the Incentive Plan did not occur.

- B.8.** Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of reduction or clawback clauses, why they were implemented and the years to which they refer.

Not applicable.

B.9. Explain the main characteristics of the long-term saving schemes whose amount or equivalent annual cost is shown in the tables contained in Section C, including retirement and any other survival benefit, where these are wholly or partially financed by the company, whether funded internally or externally, stating the type of scheme, whether it is a defined contribution or benefit scheme, the conditions for the consolidation of economic rights in favour of the directors and the compatibility thereof with any kind of indemnity for early termination of the contractual relationship between the company and the director.

Not applicable.

B.10. Explain, where applicable, the severance pay or any other type of payment that has accrued and/or been received by directors during the year ended as the result of a director's early dismissal or resignation or as the result of the termination of the contract in the terms provided for therein.

During the year ended, the executive directors were terminated and by virtue of the termination clauses included in their contracts, an amount of 4,637 thousand euros was accrued as severance payments, of which 2,762 thousand euros were received by the directors during the year ended and the remaining 1,875 thousand euros will be received during the year 2025.

B.11. Indicate whether there have been any significant changes in the contracts of persons performing senior management duties, such as executive directors, and, where applicable, explain such changes. In addition, explain the main conditions set out in any new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

Not applicable.

B.12. Explain any supplementary remuneration accrued by directors in consideration of services provided other than those inherent in their position.

Not applicable.

B.13. Explain any remuneration resulting from the grant of advances, loans and guarantees, with details of the interest rate, main features and amounts potentially repaid, as well as the obligations assumed on their behalf by way of security.

Not applicable.

B.14. Give details of the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary items.

Remuneration in kind paid to executive directors during the financial year 2024 amounted to 86 thousand euros and consisted of medical and life insurance and the provision of vehicles.

B.15. Indicate the remuneration accrued by the director by virtue of the payments made by the listed company to a third party organisation to which the director provides services, when these payments are allocated to the remuneration of the director's services at the company.

Not applicable.

B.16. Explain and detail the amounts accrued during the year in relation to any other remuneration item other than the above, regardless of its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, as the case may be, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

Not applicable.

C. DETAILS OF THE INDIVIDUAL REMUNERATION PAID TO EACH DIRECTOR

Name	Type	Accrual period 2024
MR. LUIS LOPEZ DE HERRERA-ORIA	Managing Director	From 01/01/2024 to 19/11/2024
MS. CHONY MARTIN VICENTE-MAZARIEGOS	Executive Director	From 01/01/2024 to 19/11/2024
MS. CARMEN BOYERO KLOSSNER	Executive Director	From 01/01/2024 to 19/11/2024
MR. STANISLAS MARIE LUC HENRY	Proprietary Director	From 01/01/2024 to 19/11/2024
MS. PILAR FERNÁNDEZ PALACIOS	Proprietary Director	From 01/01/2024 to 19/11/2024
MR. LUIS ARREDONDO MALO	Independent Chairman	From 01/01/2024 to 19/11/2024
MR. FERNANDO BAUTISTA SAGÜÉS	Independent Director	From 01/01/2024 to 19/11/2024
MR. DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Independent Director	From 01/01/2024 to 19/11/2024
MR. CATO HENNING STONEX	Independent Director	From 01/01/2024 to 19/11/2024
MR. JOSE MARIA RODRIGUEZ-PONGA LINARES	Proprietary Chairman	From 19/11/2024 to 31/12/2024
MS. BELEN RIOS CALVO	Proprietary Director	From 19/11/2024 to 31/12/2024
MS. MARIA VIRGINIA VILLANUEVA ROSA	Proprietary Director	From 19/11/2024 to 31/12/2024
MR. SANTIAGO AGUIRRE GIL DE BIEDMA	Independent Director	From 19/11/2024 to 31/12/2024
MR. JOSE CARLOS VELASCO SANCHEZ	Independent Director	From 19/11/2024 to 31/12/2024

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

C.1. Complete the following tables in relation to the individual remuneration accrued by each of the directors (including remuneration for the performance of executive duties) during the financial year.

a) Company payments forming the subject of this report:

i) Cash payments accrued (thousands of €)

Name	Fixed Payment	Allowances	Payment for for membership of board committees	Salary	Short-term variable payment	Long-term variable payment	Compensation	Other items	Total for 2024	Total for 2023
LUIS LOPEZ DE HERRERA-ORIA	532				587		2,290	50	3,459	1,140
CHONY MARTIN VICENTE-MAZARIEGOS	304				336		1,318	61	2,019	635
CARMEN BOYERO KLOSSNER	227				251		1,029	79	1,586	497
STANISLAS MARIE LUC HENRY										
PILAR FERNÁNDEZ PALACIOS										
LUIS ARREDONDO MALO		111							111	125
FERNANDO BAUTISTA SAGÜÉS		89							89	100
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ		89							89	100
CATO HENNING STONEX		89							89	100
JOSE MARIA RODRIGUEZ-PONGA LINARES										
BELEN RIOS CALVO										
MARIA VIRGINIA VILLANUEVA ROSA										
SANTIAGO AGUIRRE GIL DE BIEDMA										
JOSE CARLOS VELASCO SANCHEZ										

Remarks

— The amount of the fixed compensation and allowances corresponds to the amount indicated in section B.5, prorated for the shorter duration of the term of office of the resigned directors.

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ii) Table of changes to payments based on shares and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at the beginning of 2024		Financial instruments awarded during 2024		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Net profit from shares or consolidated financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS LOPEZ DE HERRERA-ORIA	Plan	84,617	84,617			84,617	84,617	7.47	632			
CHONY MARTIN VICENTE-MAZARIEGOS	Plan	17,373	17,373			17,373	17,373	7.47	130			
CARMEN BOYERO KLOSSNER	Plan	16,351	16,351			16,351	16,351	7.47	122			
STANISLAS MARIE LUC HENRY	Plan							0.00				
PILAR FERNÁNDEZ PALACIOS	Plan							0.00				
LUIS ARREDONDO MALO	Plan							0.00				
FERNANDO BAUTISTA SAGÜÉS	Plan							0.00				
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Plan							0.00				
CATO HENNING STONEX	Plan							0.00				
JOSE MARIA RODRIGUEZ-PONGA LINARES	Plan							0.00				
BELEN RIOS CALVO	Plan							0.00				
MARIA VIRGINIA VILLANUEVA ROSA	Plan							0.00				
SANTIAGO AGUIRRE GIL DE BIEDMA	Plan							0.00				
JOSE CARLOS VELASCO SANCHEZ	Plan							0.00				

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Remarks

Of the gross profit on shares held by the executive directors of ARIMA, the amount recorded in the profit and loss account totalled 420 thousand euros, broken down as follows: i) Luis López de Herrera-Oria: 300 thousand euros, ii) Chony Martín Vicente-Mazariegos: 62 thousand euros and iii) Carmen Boyero Klossner: 58 thousand euros.

iii) Long-term savings plans.

Name	Remuneration from consolidation of rights to savings system
LUIS LOPEZ DE HERRERA-ORIA	
CHONY MARTIN VICENTE-MAZARIEGOS	
CARMEN BOYERO KLOSSNER	
STANISLAS MARIE LUC HENRY	
PILAR FERNÁNDEZ PALACIOS	
LUIS ARREDONDO MALO	
FERNANDO BAUTISTA SAGÜÉS	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	
CATO HENNING STONEX	
JOSE MARIA RODRIGUEZ-PONGA LINARES	
BELEN RIOS CALVO	
MARIA VIRGINIA VILLANUEVA ROSA	
SANTIAGO AGUIRRE GIL DE BIEDMA	
JOSE CARLOS VELASCO SANCHEZ	

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
LUIS LOPEZ DE HERRERA-ORIA								
CHONY MARTIN VICENTE-MAZARIEGOS								
CARMEN BOYERO KLOSSNER								
STANISLAS MARIE LUC HENRY								
PILAR FERNÁNDEZ PALACIOS								
LUIS ARREDONDO MALO								
FERNANDO BAUTISTA SAGÜÉS								
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ								
CATO HENNING STONEX								
JOSE MARIA RODRIGUEZ-PONGA LINARES								
BELEN RIOS CALVO								
MARIA VIRGINIA VILLANUEVA ROSA								
SANTIAGO AGUIRRE GIL DE BIEDMA								
JOSE CARLOS VELASCO SANCHEZ								

Remarks

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

iv) Details of other items

Name	Item	Amount paid
LUIS LOPEZ DE HERRERA-ORIA	HEALTH AND LIFE INSURANCE, VEHICLE.	50
CHONY MARTIN VICENTE-MAZARIEGOS	MEDICAL AND LIFE INSURANCE, PROVISION OF VEHICLE, HOLIDAYS AND NOTICE.	61
CARMEN BOYERO KLOSSNER	MEDICAL AND LIFE INSURANCE, PROVISION OF VEHICLE, HOLIDAYS AND NOTICE.	79
STANISLAS MARIE LUC HENRY	Item	
PILAR FERNÁNDEZ PALACIOS	Item	
LUIS ARREDONDO MALO	Item	
FERNANDO BAUTISTA SAGÜÉS	Item	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Item	
CATO HENNING STONEX	Item	
JOSE MARIA RODRIGUEZ-PONGA LINARES	Item	
BELEN RIOS CALVO	Item	
MARIA VIRGINIA VILLANUEVA ROSA	Item	
SANTIAGO AGUIRRE GIL DE BIEDMA	Item	
JOSE CARLOS VELASCO SANCHEZ	Item	

Remarks

The remuneration shown in this table includes the remuneration in kind reported in section B.14 as well as other monetary items as follows: i) Mr Luis López de Herrera-Oria: a) remuneration in kind (section B.14): 49 thousand euros, and b) monetary remuneration (locomotion): 1 thousand euros; ii) Ms Chony Martín Vicente-Mazariegos: a) remuneration in kind (section B.14): 15 thousand euros, and b) monetary remuneration (pending holidays and notice of termination): 46 thousand euros; and iii) Ms Carmen Boyero Klossner: a) remuneration in kind (section B.14): 22 thousand euros, and b) monetary remuneration (pending holidays and notice of termination): 57 thousand euros.

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

b) Remuneration of the company's directors for their membership of the boards of other group companies:

i) Cash payments accrued (thousands of €)

Name	Fixed Payment	Allowances	Payment for membership of board committees	Salary	Short-term variable payment	Long-term variable payment	Compensation	Other items	Total for 2024	Total for 2023
LUIS LOPEZ DE HERRERA-ORIA										
CHONY MARTIN VICENTE-MAZARIEGOS										
CARMEN BOYERO KLOSSNER										
STANISLAS MARIE LUC HENRY										
PILAR FERNÁNDEZ PALACIOS										
LUIS ARREDONDO MALO										
FERNANDO BAUTISTA SAGÜÉS										
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ										
CATO HENNING STONEX										
JOSE MARIA RODRIGUEZ-PONGA LINARES										
BELEN RIOS CALVO										
MARIA VIRGINIA VILLANUEVA ROSA										
SANTIAGO AGUIRRE GIL DE BIEDMA										
JOSE CARLOS VELASCO SANCHEZ										

Remarks

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ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ii) Table of changes to payments based on shares and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at the beginning of 2024		Financial instruments awarded during 2024		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at the end of 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Net profit from shares or consolidated financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS LOPEZ DE HERRERA-ORIA	Plan							0.00				
CHONY MARTIN VICENTE-MAZARIEGOS	Plan							0.00				
CARMEN BOYERO KLOSSNER	Plan							0.00				
STANISLAS MARIE LUC HENRY	Plan							0.00				
PILAR FERNÁNDEZ PALACIOS	Plan							0.00				
LUIS ARREDONDO MALO	Plan							0.00				
FERNANDO BAUTISTA SAGÜÉS	Plan							0.00				
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Plan							0.00				

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

CATO HENNING STONEX	Plan							0.00				
JOSE MARIA RODRIGUEZ-PONGA LINARES	Plan							0.00				
BELEN RIOS CALVO	Plan							0.00				
MARIA VIRGINIA VILLANUEVA ROSA	Plan							0.00				
SANTIAGO AGUIRRE GIL DE BIEDMA	Plan							0.00				
JOSE CARLOS VELASCO SANCHEZ	Plan							0.00				

Remarks

iii) Long-term savings plans.

Name	Remuneration from consolidation of rights to savings system
LUIS LOPEZ DE HERRERA-ORIA	
CHONY MARTIN VICENTE-MAZARIEGOS	
CARMEN BOYERO KLOSSNER	
STANISLAS MARIE LUC HENRY	
PILAR FERNÁNDEZ PALACIOS	
LUIS ARREDONDO MALO	
FERNANDO BAUTISTA SAGÜÉS	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	
CATO HENNING STONEX	
JOSE MARIA RODRIGUEZ-PONGA LINARES	
BELEN RIOS CALVO	
MARIA VIRGINIA VILLANUEVA ROSA	
SANTIAGO AGUIRRE GIL DE BIEDMA	
JOSE CARLOS VELASCO SANCHEZ	

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
LUIS LOPEZ DE HERRERA-ORIA								
CHONY MARTIN VICENTE-MAZARIEGOS								
CARMEN BOYERO KLOSSNER								
STANISLAS MARIE LUC HENRY								
PILAR FERNÁNDEZ PALACIOS								
LUIS ARREDONDO MALO								
FERNANDO BAUTISTA SAGÜÉS								
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ								
CATO HENNING STONEX								
JOSE MARIA RODRIGUEZ-PONGA LINARES								
BELEN RIOS CALVO								
MARIA VIRGINIA VILLANUEVA ROSA								
SANTIAGO AGUIRRE GIL DE BIEDMA								
JOSE CARLOS VELASCO SANCHEZ								

Remarks

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iv) Details of other items

Name	Item	Amount paid
LUIS LOPEZ DE HERRERA-ORIA	Item	
CHONY MARTIN VICENTE-MAZARIEGOS	Item	
CARMEN BOYERO KLOSSNER	Item	
STANISLAS MARIE LUC HENRY	Item	
PILAR FERNÁNDEZ PALACIOS	Item	
LUIS ARREDONDO MALO	Item	
FERNANDO BAUTISTA SAGÜÉS	Item	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Item	
CATO HENNING STONEX	Item	
JOSE MARIA RODRIGUEZ-PONGA LINARES	Item	
BELEN RIOS CALVO	Item	
MARIA VIRGINIA VILLANUEVA ROSA	Item	
SANTIAGO AGUIRRE GIL DE BIEDMA	Item	
JOSE CARLOS VELASCO SANCHEZ	Item	

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

c) Summary of payments (thousands of €):

This summary should include the amounts corresponding to all payment items, including those indicated in this report which the director has accrued, shown in thousands of euros.

Name	Payments accrued within the Company					Payments accrued within group companies					Company + Group total 2024
	Total cash payment	Net profit from shares or consolidated financial instruments	Payments from savings schemes	Payments from other items	Company total 2024	Total cash payment	Net profit from shares or consolidated financial instruments	Payments from savings schemes	Payments from other items	Group total 2024	
LUIS LOPEZ DE HERRERA-ORIA	3,459	632			4,091						4,091
CHONY MARTIN VICENTE-MAZARIEGOS	2,019	130			2,149						2,149
CARMEN BOYERO KLOSSNER	1,586	122			1,708						1,708
STANISLAS MARIE LUC HENRY											
PILAR FERNÁNDEZ PALACIOS											
LUIS ARREDONDO MALO	111				111						111
FERNANDO BAUTISTA SAGÜÉS	89				89						89
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	89				89						89
CATO HENNING STONEX	89				89						89
JOSE MARIA RODRIGUEZ-PONGA LINARES											
BELEN RIOS CALVO											
MARIA VIRGINIA VILLANUEVA ROSA											
SANTIAGO AGUIRRE GIL DE BIEDMA											
JOSE CARLOS VELASCO SANCHEZ											
TOTAL	7,442	884			8,326						8,326

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Remarks

C.2. Indicate the evolution over the last 5 years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

Name	Total amounts accrued and % annual variation								FY 2020
	FY 2024	% Variation 2024/2023	FY 2023	% Variation 2023/2022	FY 2022	% Variation 2022/2021	FY 2021	% Variation 2021/2020	
Executive Director									
LUIS LOPEZ DE HERRERA-ORIA	3,459	203.42	1,140	2.98	1,107	27.83	866	-69.84	2,871
CARMEN BOYERO KLOSSNER	1,586	219.11	497	-	0	-	0	-	0
CHONY MARTIN VICENTE-MAZARIEGOS	2,019	217.95	635	18.25	537	48.34	362	-54.86	802
Independent Director									
CATO HENNING STONEX	89	-11.00	100	0	100	0	100	25	80
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	89	-11.00	100	0	100	0	100	8.70	92
FERNANDO BAUTISTA SAGÜÉS	89	-11.00	100	0	100	0	100	8.70	92
LUIS MARÍA ARREDONDO MALO	111	-11.20	125	0	125	0	125	9.65	114
Consolidated results of the company									
	-30,650	5.98	-32,598	-	10,478	-59.89	26,125	99.56	13,091
Average employee compensation									
	248	3.33	240	-6.25	256	33.33	192	-58.71	465

D. OTHER INFORMATION OF INTEREST

If there are any significant aspects of directors' remuneration which have not been mentioned in the previous sections of this report, but which should be included in the interests of providing comprehensive and reasoned information on the remunerative structure and practices of the company regarding its directors, please provide details in brief.

[For clarification purposes and in order to facilitate comparison with previously issued reports, it is stated that the remunerations have been reported in accordance with the accrual principle, replacing the payment principle that had been applied until now.]

This annual report on remuneration was approved by the company's board of directors at its meeting held on:

[26/02/2025]

Indicate whether any director abstained or voted against the approval of this Report.

[] Yes

[v] No



ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

FORMULATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

The Board of Directors of Árima Real Estate SOCIMI, S.A. on February 26, 2025, and in compliance with the requirements established in Article 253 of the Capital Companies Act and Article 37 of the Code of Commerce, proceeds to prepare the Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2024, which are constituted by the documents attached hereto.

Mr. José María Rodríguez-Ponga Linares
President

Mr. José Carlos Velasco Sánchez
Board Member

Mrs. Belén Ríos Calvo
Board Member

Mr. Santiago Aguirre Gil de Biedma
Board Member

Ms. María Virginia Villanueva Rosa, having attended the meeting by videoconference, has authorised the Secretary of the Board to sign the Annual Accounts and the Management Report of Árima Real Estate SOCIMI, S.A. for the year ended 31 December 2024 on her behalf.

Diligence drawn up by the Secretary of the Board, to record that, following the preparation by the members of the Board of Directors of the Consolidated Financial Statements and the Consolidated Management Report of ÁRIMA Real Estate SOCIMI, S.A. and subsidiaries for the year ended December 31, 2024 at the meeting held on February 26, 2025, all of the directors have proceeded to sign this document by affixing their signatures on this last page, to which I attest, in Madrid, on February 26, 2025. Likewise, I certify that these Consolidated Financial Statements are the same as those approved by the aforementioned Board of Directors, for which I sign on all pages.

Mr. Enrique Gonzalo Nieto Brackelmanns

For the purposes of the provisions of Art. 8.1 b) of Royal Decree 1362/2007, of October 19, 2007, the members of the Board of Directors of Árima Real Estate SOCIMI, S.A.

Declare:

That to the best of their knowledge, the consolidated annual accounts of Árima Real Estate SOCIMI, S.A. and subsidiaries (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and consolidated notes) for the year ended 31 December 2024, prepared by the Board of Directors at its meeting held on XX February 2025 and prepared in accordance with the applicable accounting principles, give a true and fair view of the consolidated equity, financial position and results of Árima Real Estate SOCIMI, S.A. and subsidiaries.

They also declare that the consolidated management report supplementary to the consolidated annual accounts includes a faithful analysis of the evolution of the business results and the position of Árima Real Estate SOCIMI, S.A. and subsidiaries, as well as a description of the main risks and uncertainties it faces.

Madrid, February 26, 2025

Mr. José María Rodríguez-Ponga Linares
President

Mr. José Carlos Velasco Sánchez
Board Member

Mrs. Belén Ríos Calvo
Board Member

Mr. Santiago Aguirre Gil de Biedma
Board Member

Ms. María Virginia Villanueva Rosa, having attended the meeting by videoconference, has authorised the Secretary of the Board to sign the Annual Accounts and the Management Report of Árima Real Estate SOCIMI, S.A. for the year ended 31 December 2024 on her behalf.

Mr. Enrique Gonzalo Nieto Brackelmanns