Árima Real Estate SOCIMI, S.A. and subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended 30 June 2024
Consolidated interim management's 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.

Report on limited review of condensed consolidated interim financial statements

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

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Árima Real Estate SOCIMI, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the interim balance sheet as at 30 June 2024, and the interim income statement, interim statement of comprehensive income, interim statement of changes in equity, interim statement of cash flows and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es

R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Emphasis of matters

We draw attention to note 2.1 of the attached interim financial statements, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2024. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Árima Real Estate SOCIMI, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Original signed by

Fernando Pindado Rubio

13 September 2024

This version of the condensed interim consolidated financial statements is a free translation from the original, which is 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 the condensed interim consolidated financial statements takes precedence over this translation.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements
and the Consolidated Interim Management Report
for the six-month period ending on 30 June 2024

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONTENTS OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF SIX MONTHS ENDED ON 30 JUNE 2024

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2024 (Thousand euros)

ASSETS	Note	On 30 June 2024	On 31 December 2023
NON-CURRENT ASSETS			
Intangible assets	**5**	**214**	**224**
Property, plant and equipment	**6**	**136**	**160**
Investments properties	**7**	**356,871**	**361,342**
Non-current financial investments		**4,351**	**3,889**
Loans to third parties	8, 9	1,638	1,573
Financial hedging derivatives	8, 9, 15	1,194	1,128
Other non-current financial assets	8, 9	1,519	1,188
Prepayment for non-current assets	**8**	**597**	**668**
		362,169	**366,283**
CURRENT ASSETS			
Trade receivables and other receivable services		**6,634**	**4,864**
Trade receivables for sales and services	8, 9	5,372	3,411
Other receivables accounts	8, 9	382	221
Personnel	8, 9	16	-
Other credits held with Public Authorities	9, 14	864	1,232
Current financial investments	**8, 9**	**-**	**190**
Financial hedging derivatives	8, 9, 16	-	190
Prepayment for current assets	**8**	**1,693**	**1,070**
Other current financial assets	**8, 9**	**15,900**	**36,566**
Cash and cash equivalents	**10**	**11,972**	**7,076**
Cash and banks		11,972	7,076
		36,199	**49,766**
		398,368	**416,049**

Notes 1 to 20 form an integral part of these condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AT 30 JUNE 2024 (Thousand euros)

EQUITY AND LIABILITIES	Note	On 30 June 2024	On 31 December 2023
EQUITY			
Share capital	11	284,294	284,294
Share premium	11	5,769	5,769
Reserves		21,988	54,802
Profit (loss) for the period		(11,233)	(32,598)
Other equity instruments	17	745	815
Treasury shares	11	(20,246)	(20,712)
Hedging transactions	15	1,193	1,296
		282,510	**293,666**
NON-CURRENT LIABILITIES			
Bank loans and credits	8, 12	92,551	98,556
Financial hedging derivatives	8, 13, 16	-	22
Other non-current financial liabilities	8	1,912	1,159
		94,463	**99,737**
CURRENT LIABILITIES			
Bank loans and credits	**8, 12**	**17,577**	**13,808**
Other short-term financial liabilities	**8**	**34**	**408**
Trade and other payables	**12**	**3,170**	**8,430**
Commercial creditors and other payables	8, 12	2,913	5,734
Personnel	8, 12	85	2,343
Other debts with Public Authorities	12, 14	172	353
Prepayment for current liabilities	8	**614**	**-**
		21,395	**22,646**
		398,368	**416,049**

Notes 1 to 20 form an integral part of the condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

	Note	Six-month period ended on 30 June 2024	Six-month period ended on 30 June 2023
CONTINUED OPERATIONS			
Revenue	13	6,017	4,473
Changes in fair value of investment properties	7	(10,518)	(12,591)
Personnel costs	13, 17	(2,400)	(3,490)
Other operating income		1	1
Other operating costs	13	(2,847)	(2,273)
Depreciation of intangible assets	5	(10)	(11)
Depreciation of plant, property and equipment	6	(24)	(27)
OPERATING RESULTS		**(9,781)**	**(13,918)**
Financial income		995	631
Financial expenses		(2,447)	(1,506)
FINANCIAL RESULT	**13**	**(1,452)**	**(875)**
PRE-TAX RESULT		**(11,233)**	**(14,793)**
Income tax	14	-	-
PROFIT (LOSS) FOR THE PERIOD	**13**	**(11,233)**	**(14,793)**
Earnings per share attributable to the dominant's company owners (Euros per share)			
Basic and diluted earnings per share	**11**	**(0,43)**	**(0,56)**

Notes 1 to 20 form an integral part of the condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES TO EQUITY FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

	Note	Six-month period ended on 30 June 2024	Six-month period ended on 30 June 2023
Profit (loss) for the financial year	**13**	**(11,233)**	**(14,793)**
<u>**Other comprehensive income**</u>			
Entries that may subsequently be reclassified to results		**(103)**	**(20)**
Other results	9, 15		-
Cash-flow hedges transactions		(103)	(20)
Entries that won't subsequently be reclassified to results		**-**	**-**
Other comprehensive income for the period		**(103)**	**(20)**
Total comprehensive income for the period		**(11,336)**	**(14,813)**

Notes 1 to 20 form an integral part of the condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

	Capital (Note 11)	Share Premium (Note 11)	Reserves (Note 11)	Accumulated earnings (Note 11)	Other equity instruments (Note 17)	Treasury Shares (Note 11)	Hedging Reserve (Note 15)	TOTAL
BALANCE ON 1 JANUARY 2023	**284,294**	**5,769**	**44.444**	**10,478**	**525**	**(17,072)**	**2,517**	**330,955**
Profit /(loss) for the financial year	-	-	-	(14,793)	-	-	-	(14,793)
Other comprehensive results for the financial year	-	-	-	-	-	-	(20)	(20)
Total comprehensive income for the financial year	**-**	**-**	**-**	**(14,793)**	**-**	**-**	**(20)**	**(14,813)**
Other movements	-	-	10,476	(10,478)	508	-	-	506
Others results in treasury shares (Note 11)	-	-	-	-	-	(979)	-	(979)
BALANCE ON 30 JUNE 2023	**294,294**	**5,769**	**54,920**	**(14,793)**	**1,033**	**(18,051)**	**2,497**	**315,669**
BALANCE ON 1 JANUARY 2024	**284,294**	**5,769**	**54.802**	**(32,598)**	**815**	**(20,712)**	**1,296**	**293,666**
Profit /(loss) for the financial year	-	-	-	(11,233)	-	-	-	(11,233)
Other comprehensive results for the financial year	-	-	-	-	-	-	(103)	(103)
Total comprehensive income for the financial year	**-**	**-**	**-**	**(11,233)**	**-**	**-**	**(103)**	**(11,336)**
Other movements	-	-	(32,814)	32,598	(70)	-	-	(286)
Other results in treasury shares (Note 11)	-	-	-	-	-	466	-	466
BALANCE ON 30 JUNE 2024	**284,294**	**5,769**	**21,988**	**(11,233)**	**745**	**(20,246)**	**1,193**	**282,510**

Notes 1 to 20 form an integral part of the condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

	Note	Six-month period ended on 30 June 2024	Six-month period ended on 30 June 2023
A) CASH-FLOW FROM OPERATING ACTIVITIES			
Pre-tax result for the period		**(11,233)**	**(14,793)**
Adjustments to profit/loss		**12,696**	**14,512**
Depreciation of intangible assets		10	11
Depreciation of property, plant and equipment	6	24	27
Financial income		(995)	(631)
Financial expenses		2,447	1,506
Changes in fair value of investment properties	7	10,518	12,591
Other adjustments to profit/loss		692	1,008
Changes in working capital		**(3,562)**	**(5,178)**
Debtors and other receivables	9	(2,138)	(1,286)
Other current assets		255	2,025
Creditors and other payables	13	(2,014)	(5,515)
Other current liabilities		1,316	(32)
Other non-current assets and liabilities		(471)	(370)
Cash-flow from operating activities		**(2,099)**	**(5,459)**
B) CASH-FLOW FROM INVESTMENT ACTIVITIES			
Receipts and payments on investments		**10,619**	**(35,291)**
Investment properties	7	(9,381)	(35,291)
Other financial assets	8,9	20,000	-
Cash-flow from investment activities		**10,619**	**(35,291)**
C) CASH-FLOW FROM FINANCING ACTIVITIES			
Receivables and payments on equity instruments		**(247)**	**(979)**
Acquisition of treasury shares	11	(412)	(979)
Others charged		165	-
Receivables and payments on financial liabilities		**(3,377)**	**(728)**
Charged financial borrowings	13	13,317	(221)
Paid financial borrowings	13	(15,647)	-
Paid interest		(2,349)	(1,067)
Charged interest		1,302	560
Cash-flow from financing activities		**(3,624)**	**(1,707)**
NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENTS		**4,896**	**(42,457)**
Cash and cash equivalents at beginning of period		**7,076**	**51,568**
Cash and cash equivalents at end of period	**10**	**11,972**	**9,111**

Notes 1 to 20 form an integral part of the condensed consolidated interim financial statements on 30 June 2024.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED INTERIM STATEMENTS FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

1. GENERAL INFORMATION

Árima Real Estate SOCIMI, S.A. (hereinafter, the "Company" or the "dominant Company") was established in Spain on 13 June 2018 under the Spanish Capital Companies Act. Its registered adress 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 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 six months period ended June 30, 2024, the corporate name of the parent company has not been modified.

a) Regulatory regime

The Company is regulated under the Spanish Capital Companies Act.

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, and is therefore subject to Act 11 of 26 October 2009, with the amendments introduced by Act 16 of 27 December 2012 and others later, under which SOCIMIs are governed.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED INTERIM STATEMENTS FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

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 Company has been listed on the Spanish Stock Market since 23 October 2018 with its fiscal domain in 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 on 31 December 2023 were prepared the 22 February 2024 and approved, without modifications, by the Company's shareholders on the 20 Junio 2024.

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

b) <u>Subsidiary companies</u>

As of 30 June 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:

30 June 2024:

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

(Thousand euros)

31 December 2023:

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

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

2. BASIS FOR THE PRESENTATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

2.1 Basis for presentation

These condensed consolidated interim financial statements for the six-month period ended on 30 June 2024 have been prepared in accordance with IAS 34, "Interim financial information", and therefore do not include all the information required by consolidated financial statements. completed in accordance with the International Financial Reporting Standards, adopted by the European Union, so that the accompanying interim financial statements must be read together with the consolidated annual accounts of the Group for the year ended on 31 December 2023, prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

The preparation of these consolidated interim financial statements 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 condensed interim financial statements.

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

The accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the consolidated annual accounts for the 2023 fiscal year, except as described in Note 2.3.

These condensed consolidated interim financial statements have been developed and prepared by the Board of Directors on 13 September 2024. These condensed consolidated interim financial statements have been subject to a limited review but have not been audited.

2.2 Comparative information

For comparative purposes, the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow as of 30 June 2024 are presented comparatively with information relating to the six months ended 30 June 2023. The condensed consolidated interim balance sheet is presented with information relating to the year ended 31 December 2023.

2.3 New EU-IFRS standards, amendments, and IFRIC interpretations issued

Standards, amendments, and interpretations mandatory for all periods beginning on or after January 1, 2024:

- IFRS 16 (Amendment) – "Lease liability in a sale and leaseback."
- IAS 1 (Amendment) – "Classification of Liabilities as Current or Non-current."
- IAS 1 (Amendment) – "Non-current Liabilities with Covenants."
- IAS 7 (Amendment) and IFRS 7 (Amendment) – "Supplier Financing Arrangements (Reverse Factoring)."

The application of these amendments and interpretations has not had a significant effect on these condensed consolidated interim financial statements.

Standards, amendments, and interpretations not yet effective, but available for early adoption:

As of the date of these condensed consolidated interim financial statements, the IASB and the IFRS Interpretations Committee have not issued any standards, amendments, or interpretations that are not yet effective and available for early adoption.

Standards, amendments, and interpretations to existing standards that cannot be adopted early or have not been adopted by the European Union:

As of the date of these condensed consolidated interim financial statements, the IASB and the IFRS Interpretations Committee have issued the following standards, amendments, and interpretations that cannot be adopted early or are pending adoption by the European Union.

- IFRS 10 (Amendment) and IAS 28 (Amendment) – "Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures."
- IAS 21 (Amendment) – "Lack of Exchangeability."
- IFRS 18 (Amendment) – "Presentation and Disclosure in Financial Statements."
- IFRS 19 (Amendments) – "Subsidiaries without Public Accountability. Disclosures."
- IFRS 9 and IFRS 7 (Amendment) – "Amendments to Classification and Measurement of Financial Instruments."

2.4 Use of estimates

The preparation of these condensed consolidated interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the presented amounts of assets and liabilities, income and expenses. Actual results could differ from these estimates. In the preparation of this condensed consolidated interim financial statements, the important judgements made by the Management when applying the Group's accounting policies and the key sources of uncertainty in the estimation have been the same as those applied in the consolidated annual accounts for the year ended on 31 December 2023.

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.

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 six months ended June 30, 2024, the Group has not contracted any new bank financing in addition to the existing one. The loans are remunerated at an interest rate referenced to EURIBOR plus a spread between 1.40% and 1.70%. As of 30 June 2024, the amount drawn down from these variable rates financial agreements amounts to 67,340 thousand euros in nominal terms (64,805 thousand euros on 31 December 2023).

The Group analyzes 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 analysis 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, percentage of 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 considered.

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 notionals 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 investment property rental, 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.

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 enough 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 12).

(Thousand euros)

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). It 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. The companies that have opted for this 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 incorporated in Act 11/2021 of 9 July 2021, 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 event that the Shareholders' Meeting of such companies does not approve the distribution of dividends proposed by the Board of Directors, which would have 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 SOCIMI.

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 30 June 2024 and 31 December 2023 are as follows:

	30.06.2024	**31.12.2023**
Financial debt	110,128	112,364
Equity	282,510	293,666
Leverage	**28.05%**	**27.67%**

The Board of Directors considers the Group's level of indebtedness as low. On 30 June 2024, the leverage amounted to 28.05% (27.67% on 31 December 2023).

3.3 Estimation of fair value

In accordance with IFRS 13, the hierarchical level at which an asset or liability is classified in its entirely (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 entirely at the same level of the fair value hierarchy as the data input level that is significant for the value measurement.

(Thousand euros)

- 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 specified in IFRS 13 Value Measurement. These valuations have a subjective component as they are made based on the valuer's assumptions, which may not be accurate. For this reason, and in accordance with EPRA's recommendations, we have classified the valuations of real estate investments at Level 3, as established in IFRS 13.

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

30 June 2024

				Thousand euros
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial hedging instruments				
Financial hedging instruments (Note 15)	-	1,194	-	1,194
Total assets	**-**	**1,194**	**-**	**1,194**

31 December 2023

				Thousand euros
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial hedging instruments				
Financial hedging instruments (Note 15)	-	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 15)	-	22	-	22
Total Liabilities	**-**	**22**	**-**	**22**

As of June 30, 2024 and December 31, 2023, investment property is within level 3. As of June 30, 2024 and December 31, 2023 the Group has not financial liabilities measured at fair value.

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

(Thousand euros)

4. FINANCIAL INFORMATION BY SEGMENT

The Investments Committee, together with the Board of Directors of the dominant Company, are the highest level of decision-making in operations. The Management has defined the operating segments, based on the information reviewed by these bodies, to assign resources and evaluate the Group's performance. The management identifies three segments that must be reported: offices, logistics and corporate.

All assets are in the Community of Madrid; therefore, the segments are not broken down by geographic area.

30 June 2024

				Thousand euros
	Offices	Logistics	Corporate	Total
Net amount of turnover	5,170	847	-	6,017
Changes in the estimated fair value of investment properties	(11,597)	1,079	-	(10,518)
Operating costs	(1,605)	(165)	(3,476)	(5,246)
Fixed assets amortization	-	-	(34)	(34)
Operating Results	**(8,032)**	**1,761**	**(3,510)**	**(9,781)**
Financial income	601	8	386	995
Financial expenses	(1,949)	(254)	(244)	(2,447)
Financial Result	**(1,348)**	**(246)**	**142**	**(1,452)**
Pre-tax result	**(9,380)**	**1,515**	**(3,368)**	**(11,233)**
Income tax	-	-	-	-
Profit (loss) for the period	**(9,380)**	**1,515**	**(3,368)**	**(11,233)**

30 June 2023

				Thousand euros
	Offices	Logistics	Corporate	Total
Net amount of turnover	3,351	1,122	-	4,473
Changes in the estimated fair value of investment properties	(10,574)	(2,017)	-	(12,591)
Operating costs	(1,313)	(75)	(4,374)	(5,762)
Fixed assets amortization	-	-	(38)	(38)
Operating Results	**(8,536)**	**(970)**	**(4,412)**	**(13,918)**
Financial income	248	2	381	631
Financial expenses	(1,252)	(232)	(22)	(1,506)
Financial Result	**(1,004)**	**(230)**	**359**	**(875)**
Pre-tax result	**(9,540)**	**(1,200)**	**(4,053)**	**(14,793)**
Income tax	-	-	-	-
Profit (loss) for the period	**(9,540)**	**(1,200)**	**(4,053)**	**(14,793)**

(Thousand euros)

100% of the income corresponds to transactions carried out in Spain in both the six months ended on 30 June 2024 and the six months ended on 30 June 2023.

The amounts that are provided to the Investment Committee and the Board of Directors with respect to the total assets and liabilities are as follows. These assets and liabilities are allocated based on segment activities.

30 June 2024				**Thousand euros**
	Offices	**Logistics**	**Corporate**	**Total**
Non-current assets	**327,714**	**32,436**	**2,019**	**362,169**
Investments properties	324,771	32,100	-	356,871
Other non-current assets	2,943	336	2,019	5,298
Current assets	**23,697**	**249**	**12,253**	**36,199**
Non-current liabilities	**94,138**	**325**	**-**	**94,463**
Current liabilities	**10,095**	**10,364**	**936**	**21,395**

31 December 2023				**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**

(Thousand euros)

5. INTANGIBLE ASSETS

The following table contains a detail of the entries shown for “Intangible assets” and the relevant movements:

	Thousand euros	
	Development and Software	**Total**
Balance on 1 January 2023	**246**	**246**
Cost	277	277
Accumulated depreciation	(31)	(31)
Net book value	**246**	**246**
Additions	-	-
Allocation to depreciation	(22)	(22)
Balance on 31 December 2023	**224**	**224**
Cost	277	277
Accumulated depreciation	(53)	(53)
Net book value	**224**	**224**
Additions	-	-
Allocation to depreciation	(10)	(10)
Balance on 30 June 2024	**214**	**214**
Cost	277	277
Accumulated depreciation	(63)	(63)
Net book value	**214**	**214**

a) Losses due to impairment

During the six-month period ended on 30 June 2024 and 2023, no entries were made or reversed in respect of value correction for impairment in relation to any property, plant and equipment item.

b) Fully depreciated property, plant and equipment

No item from property, plant and equipment had been fully depreciated on 30 June 2024 neither on 31 December 2023.

(Thousand euros)

6. PROPERTY, PLANT AND EQUIPMENT

The following table contains a detail of the entries shown for "Property, plant and equipment" and the relevant movements:

	Thousand euros	
	Property, plant and equipment	Total
Balance on 1 January 2023	**212**	**212**
Cost	355	355
Accumulated depreciation	(143)	(143)
Net book value	**212**	**212**
Additions	2	2
Allocation to depreciation	(54)	(54)
Balance on 31 December 2023	**160**	**160**
Cost	357	357
Accumulated depreciation	(197)	(197)
Net book value	**160**	**160**
Additions	-	-
Allocation to depreciation	(24)	(24)
Balance on 30 June 2024	**136**	**136**
Cost	357	357
Accumulated depreciation	(221)	(221)
Net book value	**136**	**136**

c) Losses due to impairment

During the six-month period ended on 30 June 2024 and 2023, no entries were made or reversed in respect of value correction for impairment in relation to any property, plant and equipment item.

d) Fully depreciated property, plant and equipment

No item had been fully depreciated property, plant and equipment on 30 June 2024 neither o 31 December 2023.

(Thousand euros)

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.

The following table contains a detail of the entries shown for investment properties and the movements in these figures:

	Thousand euros
	Investment properties
Balance on 1 January 2023	**379,700**
Acquisitions	32,818
Withdrawals	(30,800)
Subsequent capitalized disbursements	6,172
Gains/(loss) net of adjustments at fair value	(26,548)
Balance on 31 December 2023	**361,342**
Acquisitions	3,125
Subsequent capitalized disbursements	2,922
Gains/(loss) net of adjustments at fair value	(10,518)
Balance on 30 June 2024	**356,871**

During the six-month period ended June 30, 2024, the Group has made an additional disbursement of 3,125 thousand euros for the turnkey project formalized in 2020. With this operation, ownership of the asset is acquired, allowing greater control over the work to adapt it to the needs of the demand of the area. The property is located on Manoteras Street, 28 and will have an office building with an area of 12,842 sqm and 241 parking spaces. Likewise, costs, rehabilitation projects and improvements worth 2,922 thousand euros have been incurred, framed in the corporate value creation strategy.

During 2023, the Group acquired an office building for an amount of 30,676 thousand euros (excluding acquisition costs). The property is located in Madrid, in the business district M30-A2, and has an area of 11,174 sqm and 303 parking spaces. In addition, an acquisition commitment was formalized for an initial value of 2,142 thousand for the acquisition of an office building in the urban business axis M30-A2, with a surface area of 11,600 sqm and 167 parking spaces. The Group incurred in costs, rehabilitation projects and improvements for an amount of 6,172 thousand euros.

Additionally, the Group sold the office building located at María de Molina 39, Madrid, for an amount of 30,400 thousand euros (not including sales costs), recognizing because of this transaction a negative gain on disposal in the consolidated income statement of 857 thousand euros.

On 30 June 2024 no new mortgage guarantees have been constituted on properties. During 2023 a mortgage guarantee was constituted on the property adquired in Torrelaguna, 75. As of December 31, 2023, a new mortgage guarantee was established on the property acquired during the year at Calle Torrelaguna, 75.

(Thousand euros)

a) Income and expenses on investment properties

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

		Thousand euros
	Six-month period ended on 30 June 2024	Six-month period ended on 30 June 2023
Rental Income (Note 13)	6,017	4,473
Operating expenses resulting from investment properties that generate rental income	(1.464)	(867)
Operating expenses resulting from investment properties that do not generate rental income	(306)	(521)
	4,247	**3,085**

b) Operating leases

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

		Thousand euros
	30 June 2024	30 June 2023
Less than one year	8,774	9,187
Between one and two years	8,944	8,446
Between two and three years	8,511	4,740
Between three and four years	7,025	3,978
Between four and five years	6,914	2,574
More than five years	8,772	2,930
	48,940	**31,855**

c) Insurances

The Company signs 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

At the closing period, the Group does not have contractual obligations for the acquisition, construction or development of real estate investments, or for repairs, maintenance or insurance, in addition to those already included in the Note.

(Thousand euros)

e) Valuation process

The following is the cost and fair value of the real estate investments as of 30 June 2024 and 31 December 2023:

				Thousand euros
	30 June 2024		31 December 2023	
	Net book value	Fair value	Net book value	Fair value
Investment properties	301,756	356,871	297,827	361,342

The valuations of these real estate assets have been carried out using "market value" hypothesis, and done in accordance with the statements Professional Standards of assessment by the *Royal Institution of Chartered Surveyors* of January 2022 – 'Red Book'. The "market value" of the Group's properties has been determined on the basis of the evaluation carried out by independent expert valuers (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 trading 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 determinate 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 to 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 the calculations.

The directors requested a valuation as at 30 June 2024 of all investment property, with the exception of the acquisition commitment for an initial value of EUR 2,142 thousand for the purchase of an office property on the area M30-A2. Derived from this valuation, a negative variation in the fair value of the investment properties has been recorded in the consolidated summary interim income statement of 10,518 thousand euros (positive valuation of 12,591 thousand euros on 30 June 2023).

Based on the simulations performed on these valuations, the recalculated impact on the fair value of the properties in the portfolio at 30 June 2024, of a variation of 0.25% in the exit yield rate, would produce:

- in the case that the yield was reduced by 0.25%, the market value of these properties would be 367,700 thousand euros.
- in the case that the yield was increased by 0.25%, the market value of these properties would be 342,500 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 case that the market rents increased by 10%, the market value of these properties would be 387,100 thousand euros.
- in the case that the market rents were reduced by 10%, the market value of these properties would be 321,700 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 rate of return, would produce:

- in the case that the yield was reduced by 0.25%, the market value of these properties would be 374,700 thousand euros.
- in the case that the yield was increased by 0.25%, the market value of these properties would be 345,000 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 case that the market rents increased by 10%, the real estate investments would amount to 392,200 thousand euros.
- in the case that market rents were reduced by 10%, real estate investments would amount to 326,000 thousand euros.

As of 30 June 2024, the exit yields used in the valuations of offices located in the prime area would be between 4.25% and 4.90% and for those that are decentralized the yields would be between 5.10% and 5.75% (between 4.10% and 4.75% for the prime area and between 4.75% and 5.65% for descentralized in December 2023). The discount rates used would be between 6.25% and 8.15% (6.10% and 8.00% respectively in December 2023).

As of 30 June 2024, the exit yields used in the logistic valuations would be 5.75% (5.95% in December 2023). The discount rate used would be around 8.00% (8.20% in December 2023).

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 done by independent valuation experts using valuation techniques.

(Thousand euros)

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:

	Non-current financial assets					
	Fair value with changes in comprehensive income		Amortized cost		Fair value with changes in the income statement	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Loans to third parties	-	-	1,638	1,573	-	-
Derivatives	1,194	1,128	-	-	-	-
Other long-term financial assets	-	-	1,519	1,188	-	-
Prepayments for non-current assets	-	-	597	668	-	-
Total long-term financial assets	**1,194**	**1,128**	**3,754**	**3,429**	**-**	**-**

Thousand euros

	Current financial assets					
	Fair value with changes in comprehensive income		Amortized cost		Fair value with changes In the income statement	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Trade receivables for sales and services (Note 9) and other assets	-	-	21,670	40,198	-	-
Derivatives	-	190	-	-	-	-
Prepayments for current assets	-	-	1,693	1,070	-	-
Total short-term financial assets	**-**	**190**	**23,363**	**41,268**	**-**	**-**

(Thousand euros)

	Thousand euros					
	Non-current financial liabilities					
	Debts with credit entities		Debentures and other marketable securities		Financial hedging instruments and other liabilities	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Debts and other financial liabilities (Note 12)	92,551	98,556	-	-	1,912	1,181
Total long-term financial liabilities	**92,551**	**98,556**	**-**	**-**	**1,912**	**1,181**

	Current financial liabilities					
	Debts with credit entities		Debentures and other marketable securities		Financial hedging instruments and other liabilities	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Debts and other payables (Note 12)	17,577	13,808	-	-	3,032	8,485
Deferrals	-	-	-	-	614	-
Total current financial liabilities	**17,577**	**13,808**	**-**	**-**	**3,646**	**8,485**

b) Analysis by maturity date

On 30 June 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:

On 30 June 2024

	Thousand euros						
	Financial assets						
	2025	2026	2027	2028	2029	Subsequent years	Total
Trade receivables:							
- Trade receivables	5,770	-	-	-	-	-	**5,770**
Non-current investments:							
- Loans to third parties	-	-	1,638	-	-	-	**1,638**
- Derivatives	-	1,194	-	-	-	-	**1,194**
- Other financial assets	17,804	1,075	192	105	292	241	**19,709**
	23,574	**2,269**	**1,830**	**105**	**292**	**241**	**28,311**

(Thousand euros)

	Financial liabilities						
	2025	2026	2027	2028	2029	Subsequent years	Total
Debts:							
- Debts with credit entities	16,731	64,918	23,231	5,200	-	-	**110,080**
Trade payables:							
- Trade and other payables	2,998	-	-	-	-	-	**2,998**
- Other financial liabilities	34	542	-	58	324	975	**1,933**
	19,763	**65,460**	**23,231**	**5,258**	**324**	**975**	**115,011**

On 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**

	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**
-Derivatives	-	-	22	-	-	-	**22**
Trade payables:							
- Trade and other payables	8,077	-	-	-	-	-	**8,077**
- Other financial liabilities	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 details are expressed at their nominal value.

(Thousand euros)

9. FINANCIAL ASSETS AT AMORTIZED COST AND FINANCIAL DERIVATIVES

	Thousand euros	
	On 30 June 2024	**On 31 December 2023**
Non-Current financial investments:	**4,351**	**3,889**
- Loans to third parties	1,638	1,573
- Financial hedging derivatives	1,194	1,128
- Guarantees (“Other long-term financial assets”)	1,519	1,188
Trade receivables and other accounts receivables:	**5,770**	**3,632**
- Trade receivables for sales and services	5,372	3,411
- Other accounts receivable	398	221
Short-term financial investments:	**-**	**190**
- Financial hedging derivatives	-	190
Other short-term financial assets:	**15,900**	**36,566**
- Other assets	15,900	15,900
- Short-term guarantees	-	336
- Short-term deposits	-	20,330
	26,021	**44,277**

Long-term loans to third parties correspond to loans granted to staff (including executive Directors) of the dominant Company at a market interest rate on the same terms as 31 December 2023.

In relation to the financing of investment property, the Group signed three interest rate hedging transactions, one of which matured on March 31, 2024. The amount recorded under "Long-term derivative financial instruments" corresponds to the valuations of these derivative financial instruments on June 30, 2024 (Note 15). There are also two implicit interest rate hedging transactions associated to the financing of certain assets. The effective part of the changes in the fair value of the derivatives that are designated and qualify as hedges is recognized in the hedging reserve within the Group's equity.

The amounts recorded under the heading "Other long-term financial assets" correspond, mainly, to the number of guarantees associated with lease contracts deposited in the corresponding public authorities, amounting to 1,391 thousand euros as of 30 June 2024 (1,397 thousand euros as of 31 December 2023).

The heading of “Other short-term financial assets” at 31 December 2023 includes a deposit for an amount of 20,000 thousand euros, formalized by the Group in the previous year, which was associated with a credit policy agreement. During the six-month period ended on 30 June 2024 this liquidity deposit has accrued financial income of 282 thousand euros with June 2024 as maturity date. Moreover, at June 30, 2024 and December 31, 2023, this heading includes the amounts receivable related to the sale of María de Molina property described in Note 7.

(Thousand euros)

The carrying amount of the loans and receivables approximates their fair value, given that the effect of the discount is not significant.

Under the heading of customers there is an amount of 4,956 thousand euros relating to invoices pending issuance (3,378 thousand euros on 31 December 2023) because of the linearization of rental income.

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

10. CASH AND CASH EQUIVALENTS

	Thousand euros	
	On 30 June 2024	**On 31 December 2023**
Cash and banks	11,972	7,076
	11,972	**7,076**

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

11. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND EARNINGS BY SHARE.

a) Share capital and share premium

As of 30 June 2024, and 31 December 2023 the breakdown of share capital is as follows:

	Thousand euros	
	On 30 June 2024	**On 31 December 2023**
Share capital	284,294	284,294
Share premium	5,769	5,769
	290,063	**290,063**

As of 30 June 2024, and 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.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED INTERIM STATEMENTS FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024
(Thousand euros)

On May 16, 2024 was published in the CNMV the takeover bid launched by JSS Real Estate SOCIMI, S.A. for all the shares representing the Parent Company's share capital. Subsequently, on June 21, 2024, the CNMV reported that it admitted the request for authorization of the takeover bid submitted by this company. JSS Real Estate SOCIMI, S.A. is a Spanish company 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, are identical for all Árima shares to which it is addressed. The consideration offered by JSS Real Estate SOCIMI, S.A. to the shareholders of the Parent Company is EUR 8.61 in cash per share. The offer is subject to (i) acceptance 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, this latter condition having been met on June 28, 2024. The dominant Company of the Group undertook not to accept the offer of 2,446,435 shares (representing 8.605% of the capital stock) held as treasury stock and to propose to the Shareholders' Meeting their redemption prior to the settlement of the offer. Consequently, once this redemption has been formalized, the offer will be addressed to all the remaining shares outstanding, that is, 25,982,941 shares, representing 91.395% of the actual share capital. On June 20, 2024, the General Shareholders' Meeting approved this capital reduction, and it is pending to be granted and registered. As of June 30, 2024, the offer is pending authorization by the CNMV.

On 30 June 2024, the companies that held a share of 3% or more in the share capital are 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**
FMR LLC	3.702	-	**3.702**
Syquant Capital	2.149	0.948	**3.097**
Total	**49.123**	**0.948**	**50.071**

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

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

(Thousand euros)

b) Treasury shares

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

	On 30 June 2024		On 31 December 2023	
	Number of treasury shares	Thousand euros	Number of treasury shares	Thousand euros
At the beginning of the period	**2,590,365**	**20,712**	**2,022,249**	**17,072**
Additions/purchases	65,238	412	649,023	4,335
Reductions	(102,196)	(878)	(80,907)	(695)
At the end of the period	**2,553,407**	**20,246**	**2,590,365**	**20,712**

The General Shareholders' Meeting of the Company agreed on 23 May 2023 to authorize, for a period of 5 years, the derivative acquisition of shares of Árima Real Estate SOCIMI, S.A. by the Company itself, under the provisions of articles 146 and concordant of the Capital Companies Act, complying with the requirements and limitations established in current legislation at all times, in the following terms: (i) the acquisitions may be made directly by the Company or indirectly through companies of its group, and they may be formalized, once or several times, through purchase, barter or any other legal transaction valid in Law. This authorization is currently in force.

On November 6, 2023, Árima Real Estate SOCIMI, S.A. renewed a 12-month liquidity contract with the manager JB Capital Markets, Sociedad de Valores, S.A.U, with tacit renewal, unless any party gives notice to that effect, in order to increase liquidity and favor the regular trading of the Company's share price. However, this liquidity contract, which was suspended since the entry into force of the repurchase plan in July 2022, has been cancelled in the first half of the year. The repurchase plan is also temporarily suspended due to the takeover bid announced on May 16, 2024 by JSS Real Estate SOCIMI, S.A.

On the other hand, there was a compensation plan based on the delivery of shares of the Company itself, approved by the General Shareholders' Meeting held on September 26, 2018, which was corroborated at the General Shareholders' Meeting held on November 5, 2019 and subsequently amended and corroborated at the General Shareholders' Meeting held on June 29, 2021. This plan had a term of 6 years, vesting the right to receive shares as incentive when, for each calculation period - one year between the month of July and the month of June of the following year, the conditions established in the plan were met (Note 2.18 of the consolidated financial statements as of December 31, 2023). This plan expired on June 30, 2024.

The treasury shares held on 30 June 2024 represent 7.50% of the Company's share capital and amount to 2,553,407 shares (on 31 December 2023 represented 8.98% of the Company's share capital and amounted to 2,590,365 shares). The average cost of treasury shares has been 6,28 euros per share (8,61 euros per share on 31 December 2023). These shares are recorded as a reduction of the Company's equity on 30 June 2024 by 20,246 thousand euros (20,712 thousand euros at December 31, 2023).

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

c) Profit (losses) per share

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

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

	On 30 June 2024	On 30 June 2023
Net income (thousand euros)	(11,233)	(14,793)
Weighted average number of issued shares (shares)	28,429,376	28,429,376
Weighted average number of common shares (shares)	25,872,395	26,312,167
Basic earnings per share (euros)	**(0,43)**	**(0.56)**
Diluted earnings per share (euros)	**(0.43)**	**(0.56)**

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 condensed consolidated interim financial statements and the preparation thereof, which have not been considered in the calculations for the period between 1 January 2024 and 30 June 2024.

(Thousand euros)

12. FINANCIAL LIABILITIES AT AMORTIZED COST AND FINANCIAL DERIVATIVES

	Thousand euros	
	On 30 June 2024	On 31 December 2023
Debts and non-current liabilities:		
- Debts with credit entities	92,551	98,556
- Financial hedging derivatives	-	22
- Guarantees and grants	1,912	1,159
	94,463	**99,737**
Debts and current liabilities:		
- Debts with credit entities	17,577	13,808
- Other payables (Note 8)	2,913	5,734
- Other short-term debts	85	2,343
- Guarantees	34	408
	20,609	**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 mainly the guarantees granted by the tenants of real estate registered in real estate investments (Note 7).

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

During the six months ended on 30 June 2024, a credit facility granted in 2022 for the amount of 20 million euro expired and. It has a drawn down amount of 6,705 thousand euro at 31 December 2023.

In 2023, the Group signed a financing operation with a prestigious financial institution with a mortgage guarantee, for an amount of 16,000 thousand euros at a variable interest rate. As of June 30, 2024, 5,011 thousand euros of this financing have been drawn down (as of December 31, 2023, the Group had not drawn down any amount of this financing).

As of 30 June 2024, and 31 December 2023, 100% of the financing obtained by the Company has been classified as ‘green’ by financial institutions, given the sustainable characteristics of the financed real estate properties, fulfilling the objective set by the Group in this regard.

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 30 June 2024, the amount of the amortized cost is 833 thousand euros (on 31 December 2023 it amounted 857 thousand euros). Their nominal maturities have been included in Note 8. The real estate assets that guarantee the loans, through mortgage commitment, have a market value on 30 June 2024 of 274,700 thousand euros (on 31 December 2023 it amounted 280,900 thousand euros).

(Thousand euros)

Under the heading "Short-term debt with credit entities", on 30 June 2024, the amount of unpaid accrued interest and principal repayments is, respectively, 880 thousand euros and 16,696 thousand euros (946 thousand euros and 12,862 thousand euros, respectively, on 31 December 2023).

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

13. 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:

		Six-month period ended on 30 June 2024	Six-month period ended on 30 June 2023
Market	**Percentage**		**Thousand euros**
Domestic	100%	6,017	4,473
	100%	**6,017**	**4,473**

The net turnover figure breaks down as follows:

	Thousand euros	
	Six-month period ended on 30 June 2024	**Six-month period ended on 30 June 2023**
Revenue		
Rents	4,977	3,943
Reinvoicing of costs	1,040	530
	6,017	**4,473**

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

b) Personnel costs

	Thousand euros	
	Six-month period ended on 30 June 2024	**Six-month period ended on 30 June 2023**
Wages, salaries and associated costs	(2,245)	(3,353)
Welfare charges:		
- Other welfare charges	(155)	(137)
	(2,400)	**(3,490)**

(Thousand euros)

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

There has been no compensation for dismissals on 30 June 2024 neither 2023.

Under the heading of wages, salaries and associated costs, a bonus expense accrual of 85 thousand euros as of 30 June 2024 is recorded (500 thousand euros as of 30 June 2023).

The average number of employees in the different companies that comprise the Group during the six-month period ended on 30 June 2024 and 30 June 2023 is 13 people.

The composition of the average number of employees on 30 June 2024 and 2023 by category is as follows:

Categories	**30 June 2024**	**30 June 2023**
Management	8	8
Employees with degrees	4	4
Administrative personnel and others	1	2
	13	**14**

The gender distribution on 30 June 2024 is as follows:

			30 June 2024
Grades	**Men**	**Women**	**Total**
Management	6	2	8
Employees with degrees	2	2	4
Administrative personnel and others	-	1	1
	8	**5**	**13**

On 30 June 2023, Company personnel detail by gender were as follows:

			30 June 2023
Grades	**Men**	**Women**	**Total**
Management	6	2	8
Employees with degrees	2	2	4
Administrative personnel and others	1	2	3
	9	**6**	**15**

(Thousand euros)

c) External services

The following table gives a breakdown of the external services:

	Thousand euros	
	Six-month period ended on 30 June 2024	**Six-month period ended on 30 June 2023**
External services directly attributable to real estate assets	(1,772)	(1,388)
Other external services	(1,075)	(885)
	(2,847)	**(2,273)**

d) Financial expenses

Financial expenses accrued in the six-month period ended on 30 June 2024 are associated with the financing obtained (Note 12).

14. INCOME TAX AND TAX POSITION

The expense for income tax is recognized based on Management's estimate of the expected weighted average tax rate for the entire financial year. The estimated annual average tax rate for the six-month period ended at 31 June 2024 is 0%, according to Act 11/2009, of October 26, and the amendments incorporated to it by Act 16/2012, of December 27, and by Act 11/2021, of June 30, by which the SOCIMIs are regulated.

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 four-year prescription period has elapsed.

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, if they arise, will not have any significant effect on the balance sheet or the income statement for the six-month period ended on 30 June 2024.

(Thousand euros)

On 30 June 2024 and 31 December 2023, the amounts receivable and the amounts payable by the Company in respect of the Public Authorities broke down as follows:

		Thousand euros
	On 30 June 2024	On 31 December 2023
Accounts receivable		
Tax Authorities, debtors	864	1,232
	864	**1,232**
Payment commitments		
Tax Authorities, creditor for withholdings	(150)	(331)
Payables to Social Security Bodies	(22)	(22)
	(172)	**(353)**

15. FINANCIAL HEDGING DERIVATIVES

						Thousand euros
			30 June 2024			
			Non-current		Current	
	Covered principal	Maturity	Asset (*)	Liability	Asset	Liability
Interest rate swap	22,700	2026	1,117	-	-	-
Interest rate swap	7,000	2026	77	-	-	-
			1,194	**-**	**-**	**-**

						Thousand euros
			31 December 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.

(Thousand euros)

The interest rate swap derivative (financial swap) allows to change from 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 12). Changes in fair value of the interest rate swap are registered in "Adjustments for changes in value" inside Equity.

16. PROVISIONS, CONTINGENCIES AND BANK GUARANTEES

Contingent liabilities

Neither on 30 June 2024 nor 31 December 2023 has the Company any contingent liabilities.

Bank Guarantees

On 30 June 2024 and 31 December 2023, the Group has contracted a bank guarantee in the amount of 129 thousand euros with a prestigious financial institution.

17. BOARD OF DIRECTORS AND OTHER PAYMENTS

Remuneration of members of the Board of Directors

During the period between 1 January 2024 and 30 June 2024, the remuneration of the members of the Board of Directors of the Company has amounted to:

	Thousand euros	
	Six-month period ended on 30 June 2024	**Six-month period ended on 30 June 2023**
Remuneration of executive directors	1,065	658
Allowance of non-executive directors	213	213
	1,278	**871**

In addition, a variable bonus amount of 1,007 thousand euros has been paid to the executive directors for the period ended 30 June 2024 which was provisioned in the year ended 31 December 2023 (809 thousand euros at 30 June 2023).

The members of the dominant Company's Board of Directors do not have pension funds or similar obligations for their benefit. During the periods ended at 30 June 2024 and 2023, there are no senior management personnel who do not belong to the dominant Company's Board of Directors.

The other non executive members of the dominant Company's Board of Directors have not received shares or share options during the six-month period ended at 30 June 2024 and six-month period ended at 30 June 2023, nor have exercised options or have options pending to exercise.

Additionally, there is a compensation plan based on the delivery of shares that had begun with the listing of the Parent Company whose beneficiary is the Company's team (Note 11.b of these Consolidated Financial Statements and note 2.17 of the Consolidated Annual Accounts as of December 31, 2023). This plan is accrued annually when, for each calculation period (between July 1 and June 30 of the following year), certain value generation conditions are met. On February 29, 2024, in accordance with the delivery schedule provided for in the plan, the Parent Company delivered the shares corresponding to compliance with the plan in its second period of validity, which ended on June 30, 2022. The number of shares delivered were 102,196 shares.

In accordance with the share delivery schedule described in Note 11.b, the Parent Company, during fiscal year 2024, has provisioned 608 thousand euros (509 thousand euros provisioned as of 30 June 2024). For the third period of validity of the compensation plan, which ended on June 30, 2024, the Parent Company has evaluated the compliance of the conditions to generate value and, as a result, no cost associated with it has been recorded.

18. RELATED-PARTY TRANSACTIONS

As 30 June 2024, there is a balance with the related party "Rodex Asset Management, S.L." for an amount of 868 thousand euros, for the formalization of a loan for assumption of debt of a member of the Board of Directors of the parent Company (859 thousand euros on 31 December 2023). This amount is registered under the heading of the Consolidated Balance Sheet "Loans to third parties".

During the six-month period ended on 30 June 2024, transactions have occurred with the related party "Rodex Asset Management, S.L." in relation to the accrual of interest for the aforementioned loan.

During the six-month period ended on 30 June 2023, transactions have occurred with the related party "Rodex Asset Management, S.L." in relation to the accrual of interest for the aforementioned loan.

19. INFORMATION REQUIREMENTS RESULTING FROM SOCIMI STATUS, ACT 11/2009, AS AMENDED BY ACT 16/2012 AND ACT 11/2021

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

Not applicable.

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

Not applicable

c) Dividends distributed against profits each year in which the tax rules contained in this Act applied, with differentiation between the portion originating from income subject to tax at a rate of 0%, 15% or 19%, and the portion originating from income subject to tax at the general rate.

Not applicable

(Thousand euros)

d) In the case of distribution against reserves, identifying the year from which the reserves applied originate, and whether they were taxed at 0%, 15%, 19% or the general rate.

Not applicable

e) Date of the agreement for the distribution of dividends referred to in c) and d) above.

Not applicable

f) Date of acquisition of properties intended for rent and interests in the share capital of companies referred to in Article 2.1 of this Act.

Property	Location	Date acquired	Segment
Paseo de la Habana	The junction of Paseo de la Habana and Avenida de Alfonso XIII, Madrid	21 December 2018	Offices
Edificio Botanic	Calle Josefa Valcárcel, 42, Madrid	29 January 2019	Offices
Edificio Play	Vía de los Poblados, 3 -Parque Empresarial Cristalia, Edificio 4B, Madrid	29 January 2019	Offices
Nave Guadalix	Barranco Hondo, San Agustín de Guadalix	12 April 2019	Logistic
Ramírez de Arellano, 21	Calle Ramírez de Arellano, 21, Madrid	28 June 2019	Offices
Cadenza	Vía de los Poblados 7, Madrid	30 December 2019	Offices
Manoteras, 28	Calle Manoteras, 28, Madrid	11 June 2020	Offices
Pradillo, 54	Calle Pradillo, 54, Madrid	27 October 2020	Offices
Pradillo, 56	Calle Pradillo, 56, Madrid	28 September 2021	Offices
Pradillo, 58	Calle Pradillo, 58, Madrid	30 September 2021	Offices
Torrelaguna, 75	Calle de Torrelaguna, 75, Madrid	16 March 2023	Offices

g) Identification of assets considered when calculating the 80% referred to in Article 3.1 of this Act.

The assets considered when calculating the 80% referred to in Article 3.1 of the SOCIMI Act are the ones listed in the above table.

h) Reserves from years in which the tax system provided for under the Act was applicable and which have been made use of (not for distribution or offsetting losses) during the tax period, with identification of the year from which the reserves originate.

Not applicable.

20. SUBSEQUENT EVENTS

On September 5, 2024, the capital reduction approved at the General Shareholders' Meeting (see note 11 of these Condensed Consolidated Interim Financial Statements) was granted, pending registration. From 30 June 2024 to the date on which these Condensed Consolidated Interim Financial Statements were authorised for issue, there were no further significant events to disclose.

ÁRIMA

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024

1. ORGANIZATION STRUCTURE AND FUNCTIONING

Árima Real Estate SOCIMI, S.A. (hereinafter Árima, 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 portfolio. 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.

The Group's strategy responds, with a clear focus on value creation, to the lack of quality office space (Class A) and respectful of the environment. Relying on the competitive advantage provided by the great experience of his team, Árima manages to identify excellent investment opportunities to – through intelligent reforms – reposition assets.

Árima is built on the proven experience of the members of its management team who bring, on average, two decades in the real estate sector and several years of experience working together on different projects. Their deep knowledge of the sector together with corporate values such as transparency, excellence, sustainable profitability and tangible revaluation make Árima capable of repeating success stories of previous projects. In addition, the team maintains a strong alignment with the interests of its shareholders thanks to its significant shareholding.

The Group's shareholding includes major national and international funds that are very interested in the opportunities in the Spanish real estate market and in the management team's ability to maximise and optimise the performance and value of the portfolio.

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.

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

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

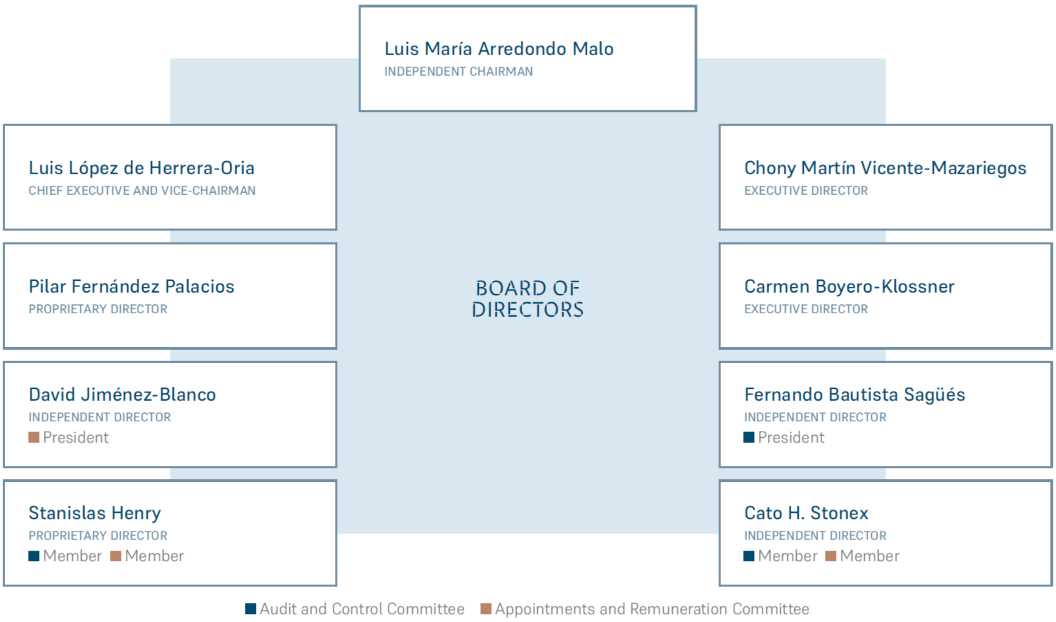
The General Shareholders' Meeting is the Company's highest decision-making body. Its designated powers include the appointment of directors, the approval of the remuneration policy and the distribution of dividends, all of which are set forth in the Regulations of the General Shareholders' Meeting.

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. Árima has a majority of Independent Directors who bring years of experience and expertise in the real estate, financial and legal sectors, at national and international level. Thanks to their connections in the market and their extensive background, they are also well versed in environmental, social and corporate governance related matters.

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, on the other hand, the Appointments and Remuneration Committee.

ÁRIMA REAL ESTATE SOCIMI, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024



2. BUSINESS EVOLUTION AND RESULTS

Since its listing on the stock market in October 2018, the Group has carried out various operations involving the acquisition of real estate assets. These investments result in the composition of a diversified portfolio, made up of 9 assets that provide stability and great growth potential. As of June 30, 2024, the market value of this portfolio amounts to 354.700 thousand euros.

Since April 2022, the 12-month Euribor -reference index- crossed the 0% barrier, where it had been located since 2016, to begin a rise promoted by the European Central Bank (ECB) to combat the increase in inflation. As of June 30, the index was above 3.6%, impacting the profitability required of real estate investments. This expansion of yields has been widespread in the sector, affecting the value of assets. As a result of this market situation, the Company has recorded a lower asset value adjustment – as established by international financial regulations (IFRS) – of €10,518 thousand, with a negative consolidated result of €11,233 thousand as of June 30, 2024.

Despite the current market situation, Árima has a solid strategy and a defensive portfolio. During the six months ended 30 June 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 work to adapt it to the needs of demand in the area. The property is located at Manoteras, 28 and will have an office building with a surface area of 12,842 m^2 and 241 parking spaces. Together with the Pradillo project, these properties constitute the assets under refurbishment at 30 June 2024. Both projects continue to progress.

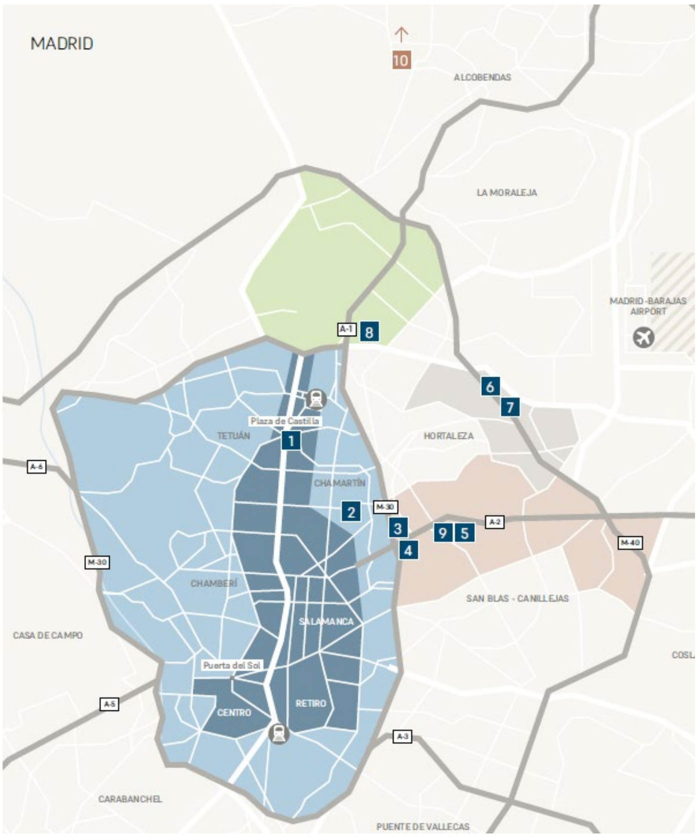
These will allow for significant increases in value and income thanks to the contracts that will be signed once the work is completed. This contributes to improve the expectations of revenue growth, which is supported by an annualised topped-up gross income of 11,796 thousand euros at the end of the first half of the year.

All this contributes to improve the expectations of growth in turnover, which is supported by an annualised topped-up gross income of 11,796 thousand euros at the end of the semester.

The Group has continued to reinforce its commitment to its stakeholders, especially shareholders and investors, 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 this operation, the portfolio totals 109,336 sqm leasable and 1,642 parking spaces. 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 following:



1 HABANA
Fray Bernardino Sahagún 24, Madrid

PROPERTY TYPE
Offices

LOCATION
Madrid CBD

GLA
4,356 sqm

PARKING SPACES
65 (+25% electric)

2 PRADILLO
Pradillo 54-56-58, Madrid

PROPERTY TYPE
Offices

LOCATION
Inner Madrid

GLA
12,760 sqm

PARKING SPACES
283 (+10% electric)

----

3 RAMÍREZ DE ARELLANO
Ramírez de Arellano 21, Madrid

PROPERTY TYPE
Offices

LOCATION
Inner Madrid

GLA
7,108 sqm

PARKING SPACES
110 (9% electric)

4 TORRELAGUNA
Torrelaguna 75, Madrid

PROPERTY TYPE
Offices

LOCATION
Inner Madrid

GLA
11,174 sqm

PARKING SPACES
303 (≈3% electric)

----

5 BOTANIC
Josefa Valcárcel 42, Madrid

PROPERTY TYPE
Offices

LOCATION
A2/M30 Madrid

GLA
9,902 sqm

PARKING SPACES
223 (+15% electric)

6 CRISTALIA
Vía de los Poblados 3, Madrid

PROPERTY TYPE
Offices

LOCATION
Campo de las Naciones

GLA
10,936 sqm

PARKING SPACES
202 (15% electric)

7 CADENZA
Vía de los Poblados 7, Madrid

PROPERTY TYPE
Offices

LOCATION
Campo de las Naciones

GLA
14.565 sqm

PARKING SPACES
215 (≈10% electric)

8 DUNE
Avenida de Manoteras 28, Madrid

PROPERTY TYPE
Offices

LOCATION
Las Tablas / Manoteras

GLA
12.842 sqm

PARKING SPACES
241 (≈10% electric)

9 NEW ASSET
Josefa Valcárcel 38, Madrid

PROPERTY TYPE
Offices

LOCATION
A2/M30 Madrid

GLA
11.600 sqm

PARKING SPACES
167 (≈10% electric)

10 GUADALIX
Road A-I Km 32, San Agustín de Guadalix, Madrid

PROPERTY TYPE
Logistics

LOCATION
Madrid (2nd Ring)

GLA
25,694 sqm

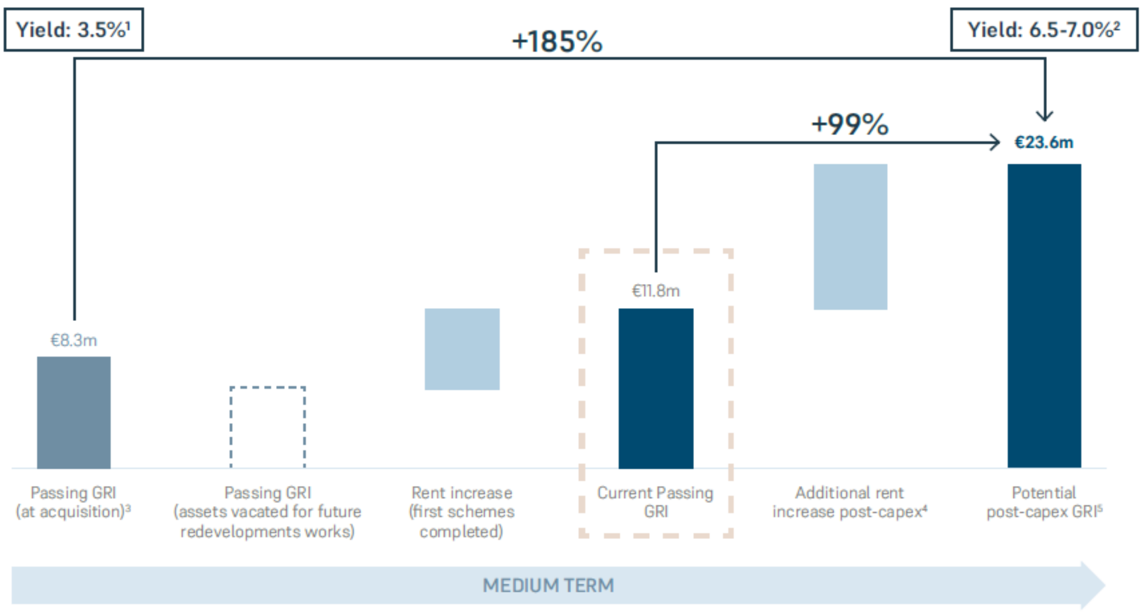
LOADING BAYS
29

The net amount of turnover, derived from the lease of the real estate assets owned, amounted to 6,017 thousand euros as of June 30, 2024 (4,473 thousand euros as of June 30, 2023). EBITDA - earnings before interest, taxes, depreciation and amortization - amounts to (9,747) thousand euros.

The market value of the Group's assets as of June 30, 2024, amounting to €356,871 thousand (€361,342 thousand as of December 31, 2023), represents a revaluation of -1% in comparable terms compared to December 31, 2023. This value includes the initial payment of EUR 2,142 thousand for the commitment to acquire an office property at both 30 June 2024 and 31 December 2023.

Below, we show the revenue projection of the current portfolio, reflecting expected rent growth (at current market levels).

Current portfolio – gross rental income expected evolution (at current market rents)



(1) Passing gross yield defined as passing gross rents over total portfolio acquisition price; **(2)** Yield on cost defined as post-capex GRI divided by total investment (including expected capex); **(3)** Annualized gross rents; **(4)** Expected increase in rents from reversionary potential and additional capex investments; **(5)** Expected gross rental income after realizing reversionary potential and effects from capital expenditures; (6) Source: CBRE as of Q1 2024.

3. EPRA INFORMATION

The European Public Real Estate Association (EPRA) defines three metrics for calculating Net Asset Value (NAV) in its best practice guide: Net Reinstatement Value, Net Tangible Assets and Net Disposal Value. Considering its activity and usual market practice, the metric that best represents the nature of the Company is Net Tangible Asset:

EPRA *Net Asset Value Metric: Net Tangible Assets*

		Thousand euros
	30/06/2024	**31/12/2023**
IFRS Equity attributable to shareholders:	**285,510**	**293,666**
Hybrid instruments	-	-
Diluted NAV	**285,510**	293,666
Exclude:		
Fair value of financial instruments	1,193	1,296
Intangibles as per the IFRS balance sheet	214	224
EPRA NTA	**281,103**	**292,146**
Fully diluted number of shares	25,875,969	25,839,011
EPRA NAV per share (euros)	**10.9**	**11.3**

During the first six months of 2024, the Net Tangible Asset has experienced a variation of -3.9%, mainly due to the evolution of the market due to the increase in interest rates.

4. SHARE PRICE PERFORMANCE

The share price as of June 30, 2024 is 8.36 euros per share. The share price as of December 31, 2023 was €6.35 per share.

5. TREASURY SHARES

As of June 30, 2024, the Company holds shares representing 7.50% of the share capital of the parent Company and totalling 2,553,407 shares (as of December 31, 2023 they represented 8.98% and totalled 2,590,365 shares). The average cost of treasury shares was €6.28 per share in 2024 (€8.61 per share at 31 December 2023).

These shares are recorded reducing the value of the Group's equity as of June 30, 2024 by an amount of 20,246 thousand euros (as of December 31, 2023 by an amount of 20,712 thousand euros).

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

	At 30 June 2024		**At 31 December 2023**	
	Number of treasury shares	**Thousand euros**	**Number of treasury shares**	**Thousand euros**
At the beginning of the period	**2,590,365**	**20,712**	**2,022,249**	**17,072**
Additions/purchases	65,238	412	649,023	4,335
Reductions	(102,196)	(878)	(80,907)	(695)
At the end of the period	**2,553,407**	**20,246**	**2,590,365**	**20,712**

The parent company complies with the obligations arising from article 509 of the Capital Companies Law which, in relation to shares listed on an official secondary market, establishes that the nominal value of the shares acquired, in addition to those already held by the parent company and its subsidiaries, must not exceed 10% of the capital. The Subsidiary Companies do not own their own shares or those of the parent Company.

On May 16, 2024 was published in the CNMV the takeover bid launched by JSS Real Estate SOCIMI, S.A. for all the shares representing the Parent Company's share capital. Subsequently, on June 21, 2024, the CNMV reported that it admitted the request for authorization of the takeover bid submitted by this company. JSS Real Estate SOCIMI, S.A. is a Spanish company 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, are identical for all Árima shares to which it is addressed. The consideration offered by JSS Real Estate SOCIMI, S.A. to the shareholders of the Parent Company is EUR 8.61 in cash per share. The offer is subject to (i) acceptance 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, this latter condition having been met on June 28, 2024. The dominant Company of the Group undertook not to accept the offer of 2,446,435 shares (representing 8.605% of the capital stock) held as treasury stock and to propose to the Shareholders' Meeting their redemption prior to the settlement of the offer. Consequently, once this redemption has been formalized, the offer will be addressed to all the remaining shares outstanding, that is, 25,982,941 shares, representing 91.395% of the actual share capital. On June 20, 2024, the General Shareholders' Meeting approved this capital reduction, and it is pending to be granted and registered. As of June 30, 2024, the offer is pending authorization by the CNMV.

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 form 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.

CONSOLIDATED INTERIM MANAGEMENT REPORT FOR THE SIX-MONTH PERIOD ENDED ON 30 JUNE 2024

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

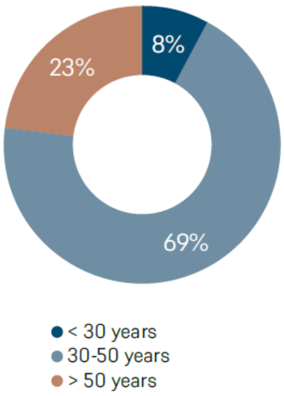
	Miles de euros	
	30/06/2024	**30/06/2023**
Result for the period- *Spanish GAAP*	**(2,803)**	**(3,897)**
Adjustments:		
(I) Consolidation	(35)	(86)
(II) Amortization of inv. properties	2,123	1,781
(III) Value adjust. of investment properties	(10,518)	(12,591)
Resultado del ejercicio - *IFRS*	**(11,233)**	**(14,793)**

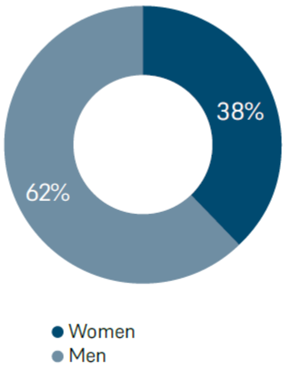
7. TEAM

Árima 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 on Árima's achievements, the management team works to distinguish the best investment operations. The team is responsible for all phases of the value creation chain from the identification of assets for investment to their management and their potential repositioning or improvement 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 supervise the activity of the Company.

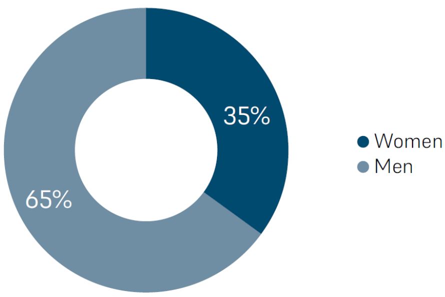
For Árima, the key to the success of any project is people. To continue promoting best practices and ensure the best well-being of our team and their professional development, the Company relies on its Employee Engagement Plan. One of the main pillars of the program is inclusion and diversity.





During the first six months of fiscal year 2024, the Company has endeavoured to collect and present team-related sustainability metrics for 2023. Among them we highlight the training hours, which have amounted to 27 hours per employee. All employees receive ESG training and have the flexibility to balance training with working hours.

Trainings hours by gender



In addition, the Company calculates the wage gap once a year, which currently stands at -1.48%, confirming that in Árima there are no differences in remuneration derived from gender.

Below, we show the evolution of the average workforce of the Company:

The breakdown of the average number of employees at 30 June 2024 and 2023 by category is as follows:

Categories	**30 June 2024**	**30 June 2023**
Management	8	8
Employees with degrees	4	4
Administrative personnel and others	1	2
	13	**14**

The gender distribution at 30 June 2024 is as follows:

			30 June 2023
Grades	**Men**	**Women**	**Total**
Management	6	2	8
Employees with degrees	2	2	4
Administrative personnel and others	-	1	1
	8	**5**	**13**

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.

Árima'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").

Alternative performance measures relating to the income statement

- EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization): this is an indicator that measures the Company's operating margin before interest, taxes, depreciation, and amortization have been deducted. Given that this figure does not include financial and tax costs or the accounting costs that do not involve any cash outflows, it is used by the Management to assess results over the long term and allows these results to be compared with other companies in the real estate sector. See Note 2 of this consolidated interim management report.

Alternative performance measures relating to the balance sheet

- Gross Asset Value (GAV): this is the value of the portfolio according to its most recent external valuation by an independent expert. This figure is used to determine the value generated as a result of the Group's management of its asset portfolio. See Note 7 of these condensed consolidated interim statements.

- Financial leveraging ratio: calculated as financial debt / (financial debt plus equity). This figure allows the Management to assess levels of borrowing at the Group, given that the Group's main capital management objectives are to ensure long and short-term financial stability, the positive performance of Árima Real Estate SOCIMI, S.A.'s share and the appropriate financing of investments. See Note 3.2 of these condensed consolidated interim statements.

At 30 June 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.

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 15 of these condensed consolidated interim financial statements.

10. RISK MANAGEMENT

Continuing with its goal to create a strict internal monitoring system, Árima has implemented a number of management guidelines that are included in its Risk Control and Management (RMS) Policy and are explained in further detail in its Risk Management Manual.

Risk management and control is a continuous process based on: (i) identifying and evaluating potential risks to the Company posed by strategic and business objectives; (ii) determining action plans and controls for critical risks; and (iii) supervising the effectiveness of the designed controls and the evolution of residual risk in order to report these to the Company's governing bodies.

With the aim of ensuring that the risks, controls and governance framework set out in Árima's Risk Management Model, i.e. the Risk Management System (RMS), the Model for the Detection and Prevention of Criminal Activity (MDPCA) and the System for Internal Control over Financial Reporting (ICFR) are managed in the required way by the Board of Directors, Árima has implemented its Oversight Manual. This establishes the rules that allow it to confirm that:

- → Risks are being managed properly, in accordance with the requirements set out by Management.
- → Response plans and controls are efficient, or action plans are being implemented whenever this is deemed necessary.
- → The governance framework is suitable, and the relevant reporting is being made.

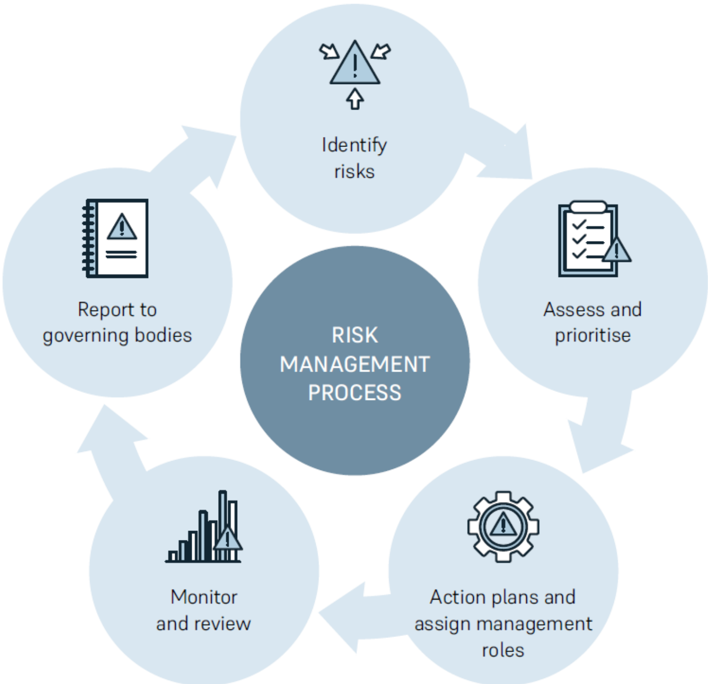
The specific aims set out in the Oversight Manual are:

- → Establishing responsibilities with regard to the activities of overseeing, managing and updating the RMS, MDPCA and ICFR.
- → Defining the criteria, procedures and working methodology to be used for the monitoring of risk and controls, including their testing.
- → Defining the procedure for communications and reporting between the various players involved in the process for the regular oversight of the RMS, MDPCA and ICFR.

The Annual Oversight Plan for 2023, which was approved by the Board of Directors at the end of the 2022 financial year, reflected the application of an internal approach to oversight, based on the view that, given the volume and complexity of Árima's business activities, its existing resources were sufficient to cover the planning and implementation of the agreed oversight activities.

The main activity to be engaged in to ensure the proper performance of the Annual Oversight Plan consists of evaluating the correct design, appropriate level of implementation and proper efficiency of the controls identified within the Group in the framework of the RMS, MDPCA and ICFR.

Oversight of the Company's control environment, pursuant to the Annual Oversight Plan for 2023, has been satisfactory, and the selected controls received a positive evaluation, once the supporting information recording compliance with these controls had been reviewed. As a consequence of this evaluation, and with the aim of documenting the oversight process and adhering to the Management's commitment to reporting, the relevant Annual Oversight Report has been issued.



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

11. MAIN RISKS AND UNCERTAINITY

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

For this reason, the Group carries out its work with a committed risk management, as described in the previous section, with the aim of acquiring real estate investments that fit within its strategy and that provide maximum value to its shareholders in the medium and long term. Árima has investment resources associated with the treasury and the financing capacity of the assets pending financing, which will allow it to have firepower to continue with its investment strategy focused on real estate assets in Spain.

From a financial point of view, Árima has a solid balance sheet to face this period, with a low leverage (22,9% net LTV) and a cash and equivalent position of 12 million euros as of June 30, 2024, which translates into a positive working capital of 15 million euros and a net debt amount of 98 million euros at that date. Additionally, more than 76% of the debt service that the parent company has to face will take place in 2026 and beyond, minimizing the Group's liquidity risk. Likewise, Árima has a high-quality tenant base that has allowed rent collection deadlines to remain unchanged. On the other hand, rehabilitation projects are ongoing in accordance with the Group's strategy.

12. TECHNOLOGY, SUSTAINABILITY AND HEALTH

Since its establishment, Árima has conceived sustainability as one of the pillars on which its strategy is based. Care for the environment and good work have guided the team's actions since the creation of the SOCIMI, and continue to play an important role in corporate decisions and portfolio management.

These actions are measured against the ESG objectives that Árima establishes with a three-year timeframe. On the occasion of the renewal of the targets, we have conducted a detailed review process. The goal is to determine whether those ending in 2023 still reflect Árima's commitment to ESG issues and their alignment with the corporate strategy. As a result, we have updated the scopes to extend them to 2026 and have increased the levels of stringency. With all this, we seek that our objectives show more accurately the progress made in ESG matters in recent years, maintaining the spirit and allowing the continuity of our sustainable impact through their achievement.

The Group is committed to creating quality assets by creating sustainable and innovative, attractive and healthy spaces, inspiring creativity and retaining talent. Thus, special efforts are being made to convert Pradillo, one of the buildings under construction, into one of the most sustainable assets in the capital at a constructive and operational level.

In order to reduce the embedded carbon footprint, the Pradillo structure is lightened with the UNIDOME system. This is designed with 100% recycled material and is installed between the reinforcement layers, reducing the need for concrete and allowing savings of up to 35% of concrete and 20% of structural steel. In addition, it avoids between 0.7 and 2.7 tonnes of $CO2$ emissions into the atmosphere for every 100 square metres of area. The site is working to achieve the best possible waste management and 99% of waste is diverted from landfill.

To reduce operational consumption as much as possible, the project incorporates a rooftop renewable energy generation facility of 195 panels with a capacity of 87kw that will provide approximately 20% of the energy consumed in communal areas. The asset also incorporates the Q-Ton system for domestic hot water generation which is three times more efficient than a boiler.

In addition, the carbon footprint of the asset will be reduced because the air conditioning system incorporated into the project has a low global warming potential (GWP), thereby reducing emissions in the event of an incident. This is achieved thanks to the use of R32 refrigerant, which has the same cooling capacity as traditional gases, but as it does not contain chlorine, it is zero in the ozone layer.

In line with Árima's objectives, the asset will incorporate a Building Management System (BMS) that allows us to provide traceability of the carbon footprint by differentiating between areas of the asset for optimal space management. This installation includes analysers to quantify consumption automatically in real time and sensors to monitor air quality and achieve efficient ventilation.

All this contributes to Árima continuing to develop a portfolio of quality, difference and with a focus on creating sustainable buildings over time.

13. SUBSEQUENT EVENTS

On September 5, 2024, the capital reduction approved at the General Shareholders' Meeting (see note 11 of these Condensed Consolidated Interim Financial Statements) was granted, pending registration. From 30 June 2024 to the date on which these Condensed Consolidated Interim Financial Statements were authorised for issue, there were no further significant events to disclose.