ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DATA

Financial year closing date:	31/12/2023
Company Tax ID No. (CIF):	A88130471

Company name:

ARIMA REAL ESTATE SOCIMI, S.A.

Registered office:

SERRANO, 47 - 4ª PLANTA, 28001 MADRID

A. COMPANY REMUNERATION POLICY FOR THE CURRENT YEAR

A.1.1 Explain the director remuneration policy currently applicable to the year in course. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that the information is clear, specific and concrete.

The specific conditions for the year in course should be described, both as regards the directors' remuneration in their capacity as such and as a result of the executive duties they have performed for the board, pursuant to the contracts signed with executive directors and the remuneration policy approved by the General Shareholders' Meeting.

In any case, the following aspects should be reported:

a) Description of the procedures and company bodies involved in determining and approving remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity.

d) Procedures contemplated in the current directors' remuneration policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.

The Company's remuneration policy is regulated under Article 37 of the Articles of Association, to which we refer and which is published on the Company's website (www.arimainmo.com), and has been amended for financial years 2023, 2024 and 2025 at the General Shareholders' Meeting of 28 June 2022.

The General Shareholders' Meeting of 18 October 2018 resolved that the position of independent director shall be remunerated by means of attendance fees for attending the meetings of the Board of Directors and the committees of which he/she is a member at any given time. The aforementioned allowances consist of a fixed annual amount set by the General Shareholders' Meeting.

In addition, it was agreed that the executive directors will be remunerated in accordance with their contract with the Company. All information relating to this point is duly indicated in article 25 of the regulations of the board of directors, which is published on the Company's website (www.arimainmo.com).

The remuneration of the Company's executive directors consists of a fixed part, a variable part or "bonus" and their participation in the Share Incentive Plan. Executive directors may be entitled to receive an annual bonus amount corresponding to a percentage of their fixed remuneration, provided that the targets set annually and approved by the Board of Directors are achieved and that the payment of this bonus is also approved by the Board of Directors. They shall also receive remuneration in kind, such as the use of company vehicles and medical and life insurance, all under the terms and conditions established in the contracts entered into by such directors with the company and approved by the General Shareholders' Meeting, in accordance with the requirements set forth in the Spanish Capital Companies Act (LSC).

The Employee Incentive Plan consists of the delivery of shares or cash, at the Company's discretion, and can be found in the Remuneration Policy published on the Company's website (www.arimainmo.com). This Incentive Plan runs until 30 June 2024 and accrues on an annual basis, although payment is deferred for up to 24 months and only occurs if the beneficiary remains an employee of the Company (or provides services under a service contract, as applicable) after the end of the deferral period. Such a plan will vest accrue, for a given calculation period, the conditions set out in the plan are met. These conditions refer to the shareholder's return being above a certain percentage, measured primarily through the generation of value in the assets acquired. Entitlement to the incentive is accrued and calculated annually, the calculation period being between 1 July and 30 June of the following year, and is settled by the delivery of shares after the deferral period has elapsed and it is verified that, at the end of this period, the beneficiary is still an employee of the company or maintains a service contract (as applicable).

Furthermore, by virtue of the service contract entered into with the Company, in the event of termination of such contract without just cause, the executive directors shall be entitled to receive a cash compensation equivalent to twice the last total annual remuneration received. In addition, it is noted that the contracts entered into between the company and the executive directors do not establish any post-contractual non-competition clause and therefore no compensation is provided for in this respect.

The general policy terms and principles are summarised for information purposes in the share listing prospectus registered by the Company and approved by the Spanish Securities Markets Commission (CNMV) in 2018, which sets out the guiding criteria regulated in article 25 of the Regulations of the Board of Directors, as well as in article 36, which discusses the main aspects and functions of the Appointments and Remuneration Committee. The Appointments and Remuneration Committee is responsible for preparing, proposing and monitoring the application of the remuneration policy and, therefore, for establishing the main aspects to be included in the policy. The remuneration policy, since its approval, whose guiding principle consists of a combination of fixed remuneration and variable remuneration or incentive that aligns the primary interest of the shareholders with the maximum performance and professionalism of the executive director.

There are no senior management personnel. Key planning, management and control decisions of the Company, as well as decisions affecting economic and strategic policies, are taken by the Chief Executive Officer and the Board of Directors.

A.1.2 Relative importance of variable payment items *vis-à-vis* fixed salary (remuneration mix) and the criteria and objectives taken into consideration in their calculation in order to guarantee a suitable balance between the fixed and variable components of the remuneration offered. In particular, describe the actions adopted by the company in relation to its remuneration system in order to reduce exposure to excessive risks and adapt it to the company's long-term objectives, values and interests. Include, where applicable, mention of the measures taken to guarantee that the company's long-term results are taken into account in its remuneration policy, the measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company, and the measures intended to avoid conflicts of interest, as applicable.

In addition, state whether the company has established any period for the accrual or consolidation of certain variable payment items, in cash, shares or other financial instruments, or any period for the deferral of the payment of amounts or the handover of accrued and consolidated financial instruments, or whether there is any clause that provides for the reduction of this deferred payment or that obliges the director to return the payments received when such payments have been based on certain figures that have clearly been shown to be inaccurate.

The Remuneration Policy has been prepared taking into account the relevance of the Company, its economic situation, market standards for comparable companies and the dedication of the directors to the Company. The remuneration set out below maintains an appropriate proportion and promotes the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring the alignment of the interests of the directors with those of the Company and its shareholders, without compromising the independence of the directors themselves.

As regards long-term variable remuneration consisting of the delivery of shares to executive directors within the framework of the Company's Incentive Plan, the delivery of the shares is split and deferred so that, once the variable remuneration has been accrued, it will be delivered in one third after 12 months, another third after 18 months and finally after 24 months the remaining third will be delivered.

A.1.3 Amount and nature of fixed payment items that are due to be accrued during the year by directors in their capacity as such.

During the 2024 fiscal year, non-executive directors are expected to accrue 425 thousand euros in attendance fees for attending the Board of Directors and the Committees in which they participate.

A.1.4 Amount and nature of fixed payment items that are due to be accrued during the year for the performance by executive directors of senior management duties.

During the financial year 2024, it is expected that the executive directors will accrue fixed remuneration of 1.185 thousand euros.

A.1.5 Amount and nature of any payment in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

During the financial year 2024, it is expected that the executive directors will accrue an amount of 73 thousand euros as remuneration in kind.

A.1.6 Amount and nature of variable payment items, differentiating between those established in the short and long term. The financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration during the year in course, with an explanation of the extent to which these parameters are related to both the director's and the company's performance, together with the associated risk profile and the methodology, required deadlines and techniques established to determine the degree of compliance with the parameters used in the design of variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable payment items on the basis of the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts apply in absolute terms.

The executive directors have contractually stipulated as short-term variable remuneration a bonus of up to 150% of gross annual salary. In order to determine such variable remuneration, the criteria, parameters and weightings established in the current Remuneration Policy, approved at the 2022 General Shareholders' Meeting, are taken into account. The evaluation system for such variable remuneration is linked to predetermined and measurable performance criteria linked to the achievement of a result that promotes the sustainability of the Company, including, in turn, non-financial criteria that are appropriate to the creation of value, compliance with the internal rules and procedures of the company and its policies for the control and management of risks, specifically based on four pillars, each of equal relevance, which encompass the performance of the Company from different approaches, but in a comprehensive and complete manner:

- The first pillar focuses on SHAREHOLDER RETURN, understood as the growth of the share price, including any economic return distributed in application of the economic rights of the shares during the year, with the objective of making their investment in the company profitable. This pillar has a weighting of 25%.

- Secondly, the financial performance of the Company compared to its competitors is included, assessing the relative discount between the share price and its Net Asset Value (NAV) in a measurable way. This pillar has a weighting of 25%.

- Thirdly, the Company's Portfolio is taken into account, where excellence in the performance of the Company's asset portfolio is assessed and linked to measures encompassing the management of the stabilised portfolio and the portfolio undergoing refurbishment. This pillar has a weighting of 25% and is linked to two objective and measurable metrics:

1) Growth in the value of the overall portfolio on a comparable basis - in Like-for-Like terms - based on valuations performed by an external accredited valuator in accordance with the internationally recognised RICS methodology. This parameter has a 50% weighting within the Portfolio criterion.

2) Degree of asset quality, measurable through a set of certifications issued by external bodies and using national and international methodology. These certifications include, among others, LEED, BREEAM, Well and Well Health & Safety certifications. This parameter has a 50% weighting within the Portfolio criterion.

- Finally, it establishes as fundamental the Environmental, Social and Governance (ESG) criteria to reflect, in a measurable and objective way, Árima's behaviour in its desire to be a Company that promotes sustainability in its actions at all levels. This pillar has a weighting of 25% and is linked to two objective and measurable metrics:

1) GRESB: benchmark assessment in the sector and of great international prestige, which validates verifiable and measurable data relating to CSR aspects on the performance of the Company and its portfolio of assets, providing a benchmark ranking that positions each company in the market and against its competitors. It is therefore a relative metric. This parameter has a 50% weighting within the ESG criterion.

2) EPRA sBPR: European standard that precisely defines the key metrics in the sector, in the financial and sustainability fields, in order to promote transparency and facilitate comparison between European real estate companies. This parameter has a 50% weighting within the ESG criterion.

With these criteria, the Appointments and Remuneration Committee considers that it can assess the Company's performance in its complexity and as a whole in a reasonable and objective manner, establishing the levels of compliance for assessing the performance of the executive directors defined in the Remuneration Policy.

In addition to the short-term variable remuneration, the accrual and payment of which is decided by the Board of Directors, the only long-term variable remuneration plan is the Incentive Plan, which, following the amendment of the Remuneration Policy, is designed for the period from 1 July 2020 to 30 June 2024 and is fully aligned with the interests of the shareholders, such that vesting only occurs if cumulative value is created for them.

The delivery of Incentive Shares may not exceed in aggregate, in any year, nor in aggregate during the term thereof, a maximum of 10% of the total number of Ordinary Shares of the Company issued and outstanding at any time. As a consequence of the foregoing, taking into account the Company's outstanding share capital, in no event, so long as it remains unchanged, and provided that the shares already vested are delivered to their beneficiaries, may the percentage of Incentive Shares in any year, or in aggregate, exceed 7.0% of the Ordinary Shares of the Company as at the date of the preparation of the financial statements for the year ended 31 December 2023.

The main shareholder value is the revaluation of the company's assets in accordance with EPRA's Net Tangible Asset Value. Based on the active management of the assets, through their repositioning and leasing in the market, an intrinsic value is obtained which translates into a higher value of the underlying of the Company, which should be reflected over time in a higher stock market value of the share, although the company cannot guarantee the development and performance of the share price. The long-term commitment is determined by the fact that the variable remuneration plan consists of the delivery of shares which are subject to (i) a deferral period of payment by thirds over 12, 18 and 24 months and (ii) the beneficiary maintaining his status as an employee (or director of the Company, in the case of executive directors) at the end of each deferral period. In the event that the Net Book Value of the assets were to fall in successive years for reasons beyond management's control, incentives would not accrue again, but only as soon as this value recovers above the last maximum obtained. In other words, the rebound effect that might exist could in no case benefit the beneficiaries of the Plan.

The Incentive Plan itself provides for measures in the event that the figures used to determine the application of the Incentive Plan may have been obtained fraudulently. Thus, if it is proven that false data have been used to calculate the Incentive Plan because they have been fraudulently manipulated, such that if the real values had been taken, the number of Incentive Shares that would have corresponded would have been lower, without prejudice to any other liabilities that may arise, the executive directors shall be obliged to reimburse the Company the percentage fraudulently accrued as soon as possible.

However, for greater guarantee of the processes, the calculation of the value of the properties is carried out by companies of recognized prestige in the sector and PriceWaterhouseCoopers is responsible for making a report of agreed procedures for the correct determination of the amount accrued each year of the Incentive Plan.

A.1.7 Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether it is a defined contributions or benefits system, the annual contribution that needs to be made under the defined contribution system, the benefits to which directors are entitled in the case of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or compensation for the early termination of their contractual relationship, or payments arising from termination of the contractual relationship in the terms agreed between the company and the director.

State whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters relating to the director's short- or long-term performance.

At the date of issue of the Report, no long-term savings scheme has been approved, but its future implementation is under consideration by the Board of Directors.

A.1.8 Any type of payment or compensation for the director's early termination or dismissal, or payments arising from termination of the contractual relationship in the terms agreed between the company and the director, whether this entails the director's voluntary resignation or the director's dismissal by the company, as well as any type of agreement reached, such as exclusivity, post-contractual no-compete clauses, permanence or loyalty, which entitle the director to any type of remuneration.

There is compensation in the event of termination of executive directors' contracts as provided in section A.1.9.

A.1.9 Detail the conditions that must be respected in the contracts of people performing senior management duties as executive directors. Include information regarding, *inter alia*, the contract's term, limits on compensation amounts, permanence clauses, prior notice periods and payment in lieu of the said prior notice periods, and any other clauses relating to hiring bonuses and compensation or golden parachutes due to early termination of the contractual relationship between the company and the executive director. Include, *inter alia*, any clauses or agreements on not competing, exclusivity, permanence and loyalty, and post-contractual no-compete clauses, unless these have been explained in the previous section.

Duration: The service contracts entered into between the company and the executive directors were concluded for an indefinite period.

Permanence undertaking: The Managing Director has undertaken not to terminate his contract for a period of five years from its entry into force (the Minimum Permanence Term). In the event that Mr. Luis Alfonso López de Herrera-Oria terminates his contract with the Company without just cause prior to the end of the Minimum Permanence Term, the Company will have the right to claim compensation in an amount equivalent to the fixed remuneration that the Managing Director would have been entitled to receive during the rest of the Minimum Permanence Term. In the event that Mr. Luis Alfonso López de Herrera-Oria is dismissed as the Company's Managing Director before the end of the Minimum Permanence Term, or his appointment as Managing Director is not renewed, or his Contract is terminated by the company, Mr. Luis Alfonso López de Herrera-Oria will have the right to receive compensation equal to the fixed salary to which he would have been entitled during the remainder of the Minimum Permanence Term, with a minimum of twice the last total annual remuneration received, an amount that will be subject to the applicable tax withholdings. This amount will reduce any compensation for termination on a euro for euro basis. In the case of the executive directors Ms. Chony Martín Vicente-Mazariegos and Ms. María del Carmen Boyero Garrido, they do not have a commitment of permanence.

Termination: Either of the parties may terminate this Contract by sending written notification to the other party at least 3 months in advance. If the company terminates the contract without just cause (i.e. unfair dismissal as this term is defined in the Spanish Workers' Statute), the Managing Director shall have the right to receive a cash compensation payment equal to twice the last total annual remuneration received, or the compensation amount payable in the event of unfair dismissal under the Spanish Workers' Statute in force from time to time, if the latter amount is greater. Such compensation payments will be subject to the applicable tax withholdings. If the Contract is terminated by the company with just cause, the Managing Director shall not have the right to any compensation. For the purposes of severance payments, Luis Alfonso López de Herrera-Oria is deemed to have four years' seniority. Furthermore, if the Company decides to terminate this Contract and Mr. Luis Alfonso López de Herrera-Oria is denied unemployment benefits by the competent public authorities, the company shall compensate the Managing Director in an amount equivalent to the unemployment benefits to which he would have been entitled if he had been legally classified as unemployed on the date on which his commercial relationship with the company ended, for a maximum period of two years. This amount shall be paid to Mr. Luis Alfonso López de Herrera-Oria as a lump sum upon termination of his Contract and shall be subject to the applicable tax withholdings.

Exclusivity: During the term of the contract, the executive directors shall work exclusively for the company and shall not render services to any parties other than the company unless the company gives its express consent.

No competition: During the term of the contract, the executive directors may not directly or indirectly compete (including, without limitation, as shareholder, controlling person, employee, agent, consultant, officer, partner or director of any company) with the business and activities engaged in now or in the future by the Company, with the sole exception of the existing delegated execution and marketing agreements that have already been signed with certain companies and have been declared to the company, provided that these do not interfere with Mr. Luis Alfonso López de Herrera-Oria's obligations as Managing Director.

No recruitment of employees: During the term of the contract and for a period of two years after its termination, the executive directors shall not, without obtaining the prior written consent of the company, directly or indirectly (through any person, firm, partnership or any business of any other nature) (i) solicit, induce or otherwise attempt to persuade any client or potential client of the Company to terminate their relationship or potential relationship with the Company or (ii) engage or solicit, recruit, induce, persuade, influence or encourage any employee of the Company to leave the Company.

A.1.10 The nature and estimated amount of any other additional payments accrued by directors in return for services rendered during the year in course, other than those inherent in their position.

Not applicable.

A.1.11 Other payment items, such as (where applicable) the grant to the director by the company of advance payments, loans, guarantees or any other remuneration.

Not applicable.

A.1.12 The nature and estimated amount of any other planned additional payments that will be accrued by directors during the year in course and that are not included in the previous sections, whether payment is made by the company or another group company

Not applicable.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or a modification to the policy already approved by the General Shareholders' Meeting.

b) Significant changes to the specific conditions established by the board in respect of remuneration policy in force for the current year, as compared with those applied in the previous year.

c) Proposals that the board of directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and which are proposed for application to the current year.

Not applicable.

A.3. Give details of the direct link to the document where the company's current remuneration policy is posted, which must be available on the company's website.

https://www.arimainmo.com/files/uploads/file/439450f6-e6d5-49d7-aa84-1eaa07a02ea9/politica-de-remuneraciones-ca-en.pdf

A.4. Explain, bearing in mind the data provided in Section B.4, how the company has taken account of the way that shareholders voted on the annual report on remuneration for the previous year, when this was submitted to a consultative vote at the General Shareholders' Meeting.

No particular measures have been taken in this regard.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE LAST FINANCIAL YEAR

B.1.1 Explain the process followed to apply the remuneration policy and give details of the individual payments mentioned in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and the role of the external advisors whose services were used in the process to apply remuneration policy in the year ended.

The preparatory work and the decision-making process for determining the remuneration policy can be summarized as follows:

the drafting of the remuneration policy by the Appointments and Remuneration Committee, its approval by the Board of Directors and its submission to the General Shareholders' Meeting.

The Appointments and Remuneration Committee is composed of three directors: Mr. David Jiménez-Blanco Carrillo de Albornoz, who chairs it, Mr. Cato Henning Stonex and Mr. Stanislas Marie Luc Henry. Their term of office may not exceed their term of office as directors, which is three years.

The Secretary of the Board of Directors, Mr. Iván Azinovic Gamo, acts as Secretary of the Appointments and Compensation Committee, assisting the Chairman and reflecting in the minutes the development of the meetings, the content of the deliberations and the resolutions adopted.

The directors who are members of the Nomination and Compensation Committee and who have participated in the definition of the Remuneration Policy are independent directors, with the exception of Mr. Stanislas Marie Luc Henry, who is a proprietary director.

B.1.2 Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the year. policy that has occurred during the fiscal year.

No deviations have occurred.

B.1.3 Indicate whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

Not applicable.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting the system to the company's long-term objectives, values and interests. Include a reference to the measures that have been adopted to guarantee that the company's long-term results have been taken into consideration in the remuneration accrued and that a suitable balance has been achieved between the fixed and variable components of the payments made, the measures adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile, and the measures adopted to avoid conflicts of interest, where appropriate.

In addition to the variable remuneration, detailed in section A.1.6, the accrual and payment of which is decided by the Board of Directors, the only variable remuneration plan is the Incentive Plan, which, following the amendment of the remuneration policy, is designed for the period from 1 July 2020 to 30 June 2024 and is fully aligned with the interests of the shareholders, such that the right to receive it only accrues if it creates accrued value for them.

The main value for the shareholder is the revaluation of the company's assets in accordance with the Net Tangible Asset Value according to EPRA.

Based on their active management through repositioning and leasing in the marketplace, an intrinsic value is obtained which becomes a greater value of the underlying assets of the Company, which should be reflected over time in a higher stock market value of the company although the company cannot guarantee the evolution or performance of the share price.
The long-term undertaking is determined by the fact that the variable remuneration scheme consists of handing over shares that are subject to a blocking period or prohibition on their disposal, with the Scheme's beneficiaries committing to the future of the Company.
In the event that the Net Book Value of the assets drops in successive years for reasons unrelated to their management, new incentives will not accrue until this value recovers to a level higher than the last maximum obtained. In other words, any possible rebound effect cannot be taken advantage of by beneficiaries of the Scheme.
The Incentive Scheme itself does not provide specific measures in the event that the figures used to determine its application have been fraudulently obtained. It is the legal system, the Spanish Capital Companies Act and the Spanish Criminal Code that lay down the rules that would be applicable in the event that the Board of Directors or the Managing Director have overstepped their duties in any way.
However, to guarantee the company's processes, the value of the properties is calculated by companies of known repute in the sector, and PriceWaterhouseCoopers has been commissioned to carry out a report of agreed procedures for correctly determining the amount accruing every year in the Incentive Scheme.

B.3. Explain how the remuneration accrued and consolidated over the year meets the provisions in the current remuneration policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

Furthermore, report on the relationship between the payments received by directors and the company's results or other performance indicators in the short and long term, explaining, where applicable, how any variations in the company's performance may have influenced changes in the payments made to directors, including amounts that have accrued and have been deferred, and how these contribute to the company's short- and long-term results.

The remuneration accrued in financial year 2023 corresponds to the current remuneration policy approved at the General Shareholders' Meeting of 28 June 2022 and contributes to the sustainable and long-term performance of the Company as specified in the previous section.

In addition, the accrued remuneration has not exceeded the total amount of remuneration that the Company may pay to all of its directors.

B.4. Report the results of the consultative vote at the General Shareholders' Meeting regarding remuneration paid during the preceding year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	23,633,572	83.13

	Number	% of votes cast
Votes against	3,947,639	16.70
Votes in favour	19,685,933	83.30
Blank ballot		0.00
Abstentions		0.00

B.5. Explain how the fixed amounts accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year.

The fixed components accrued during the year were set by the company's Annual General Meeting of Shareholders held on 28 June 2022 and remain unchanged from the previous year.

B.6. Explain how the salaries accrued by each of the executive directors for the performance of their management duties over the past financial year were determined, and how they changed with respect to the previous year.

The fixed components accrued during the year were established by the General Shareholders' Meeting of the company held on 28 June 2022 and have changed compared to the previous year due to the increase in the remuneration of one of the executive directors as well as the appointment of a new executive director.

B.7. Explain the nature and the main characteristics of the variable components accrued under the remuneration systems during the year ended.

In particular:

a) Identify each of the remuneration plans that have determined the different variable payments accrued by each of the directors during the year ended, including information on their scope, their date of approval, their date of implementation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.

b) In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions necessary both to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term in which they can be exercised.

c) Each of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), who are beneficiaries of remunerations systems or plans that include variable remuneration.

d) Where applicable, information is to be provided on the periods for the accrual or deferral of payment that have been applied, and/or the periods for withholding/unavailability of shares or other financial instruments, where they exist.

Explain the short-term variable components of the remuneration systems:

The short-term variable remuneration corresponding to the Company's result in financial year 2023 amounts to 85% of the fixed remuneration for financial year 2023, that is, 57% of the maximum STIP of 150%. To determine such variable remuneration, the criteria, parameters and weightings established in the current Remuneration Policy, approved at the 2022 General Shareholders' Meeting, and referred to in section A.1.6. of the last Annual Report on Directors' Remuneration (2022), have been taken into account. The degree of compliance corresponding to financial year 2023 is detailed below:

- Shareholder return (weighting 25%): the level of compliance did not reach the minimum level established, so the percentage accrued was 0%.

- NAV discount vs competition (weighting 25%): this objective was met above its maximum level, so the percentage accrued for this result was 37.50%.

- Parameters relating to portfolio management:

1) The valuation of assets (weighting 12.5%): the level of compliance has been intermediate, and a percentage of 0% has been applied.

2) Quality and Sustainability certifications (weighting 12.5%): the level of compliance has not reached the established minimum, as the certifications were still pending at year-end, so the percentage accrued was 15.90%.

- Parameters relating to ESG:

1) GRESB (weighting 12.5%): the level of compliance has been intermediate, in this case 100%, resulting in an accrued percentage of 12.50%.

2) EPRA (weighting 12.5%): the level of compliance has been maximum, in this case 150%, resulting in an accrual of 150%.

This variable remuneration will be delivered in cash during the first quarter of the 2024 financial year.

Explain the long-term variable components of the remuneration systems

In addition to the short-term variable remuneration, there is a long-term incentive plan based on the delivery of shares whose beneficiaries are the employees and executive directors of the Company. Said plan, which began with the Company's IPO, was modified and approved by the General Shareholders' Meeting on June 28, 2022, and is detailed in the Remuneration Policy published on the Company's website (www.arimainmo.com).

The Incentive Plan accrues annually provided that, for each calculation period (between July 1 and June 30 of the following year), certain conditions for generating value are met. This generation of value is a function of the active management of the company's assets and is measured objectively through their revaluation, according to the Net Value of the Tangible Asset according to EPRA.

The Incentive Plan cannot collectively exceed a maximum of 10% of the Company's total common shares issued and outstanding at any given time. As a consequence of the foregoing, taking into account the outstanding share capital of the Company, under no circumstances, as long as this does not vary, and provided that the shares already accrued are delivered to their beneficiaries, the percentage of Incentive Shares in any year, nor in aggregate may exceed 7.0% of the Ordinary Shares of the Company on the day of formulation of this policy of the annual accounts for the year ended December 31, 2023.
For the second period of validity of said plan, which ended on June 30, 2022, the Board of Directors has evaluated compliance with the conditions, which were as follows:
- Shareholder return rate (SRR%) in said period: 13.4%
- Positive profitability rate with respect to the High Water Mark (HWM%) in said period: 16.3%

As a result of the level of compliance achieved, 306,584 shares will be delivered to all beneficiaries only when the three established deferral periods end - one third of the shares after 12 months from the end of the applicable calculation period, another third of the shares after 18 months from the end of the applicable calculation period and the remaining third after 24 months - and provided that the beneficiary maintains his status as an employee (or director of the Company, in the case of executive directors) at the end of each deferral period.
In accordance with said share delivery schedule, 102,196 shares have been delivered as of December 31, 2023.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of reduction or clawback clauses, why they were implemented and the years to which they refer.

If it is proven that, to calculate the variable remuneration of the executive directors, false data fraudulently manipulated had been used, in such a way that, if the real values had been taken, the percentage of variable remuneration that would have corresponded was lower, without prejudice to any other responsibilities that could be determined, the executive directors will be obliged to reimburse the Company for the fraudulent percentage. accrued in the shortest possible time or said amount will be deducted from your fixed remuneration.

Likewise, in the event that it is proven that, for the calculation of the Incentive Plan, false data had been used because it had been fraudulently manipulated, in such a way that if the real values had been taken, the number of Incentive Shares that would have corresponding was lower, without prejudice to any other responsibilities that could be resolved, the executive directors will be obliged to reimburse the Company the fraudulently accrued percentage in the shortest possible time.

B.9. Explain the main characteristics of the long-term saving schemes whose amount or equivalent annual cost is shown in the tables contained in Section C, including retirement and any other survival benefit, where these are wholly or partially financed by the company, whether funded internally or externally, stating the type of scheme, whether it is a defined contribution or benefit scheme, the conditions for the consolidation of economic rights in favour of the directors and the compatibility thereof with any kind of indemnity for early termination of the contractual relationship between the company and the director.

Not applicable.

B.10. Explain, where applicable, the severance pay or any other type of payment that has accrued and/or been received by directors during the year ended as the result of a director's early dismissal or resignation or as the result of the termination of the contract in the terms provided for therein.

Not applicable.

B.11. Indicate whether there have been any significant changes in the contracts of persons performing senior management duties, such as executive directors, and, where applicable, explain such changes. In addition, explain the main conditions set out in any new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

Not applicable.

B.12. Explain any supplementary remuneration accrued by directors in consideration of services provided other than those inherent in their position.

Not applicable.

B.13. Explain any remuneration resulting from the grant of advances, loans and guarantees, with details of the interest rate, main features and amounts potentially repaid, as well as the obligations assumed on their behalf by way of security.

Not applicable.

B.14. Give details of the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary items.

Remuneration in kind paid to executive directors during the financial year 2023 amounted to 65 thousand euros and consisted of medical and life insurance and the provision of vehicles.

B.15. Indicate the remuneration accrued by the director by virtue of the payments made by the listed company to a third party organisation to which the director provides services, when these payments are allocated to the remuneration of the director's services at the company.

Not applicable.

B.16. Explain and detail the amounts accrued during the year in relation to any other remuneration item other than the above, regardless of its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, as the case may be, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

Not applicable.

C. DETAILS OF THE INDIVIDUAL REMUNERATION PAID TO EACH DIRECTOR

Name	Type	Accrual period 2022
MR. FERNANDO BAUTISTA SAGÜÉS	Independent Director	From 01/01/2023 to 31/12/2023
MR. DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Independent Director	From 01/01/2023 to 31/12/2023
MR. LUIS ARREDONDO MALO	Independent Chairman	From 01/01/2023 to 31/12/2023
MR. CATO HENNING STONEX	Independent Director	From 01/01/2023 to 31/12/2023
MR. STANISLAS MARIE LUC HENRY	Proprietary Director	From 01/01/2023 to 31/12/2023
MR. LUIS LOPEZ DE HERRERA-ORIA	Managing Director	From 01/01/2023 to 31/12/2023
MS. CHONY MARTIN VICENTE-MAZARIEGOS	Executive Director	From 01/01/2023 to 31/12/2023
MS. MARÍA DEL CARMEN BOYERO GARRIDO	Executive Director	From 23/05/2023 to 31/12/2023
MS. PILAR FERNÁNDEZ PALACIOS	Proprietary Director	From 23/05/2023 to 31/12/2023

C.1. Complete the following tables in relation to the individual remuneration accrued by each of the directors (including remuneration for the performance of executive duties) during the financial year.

a) Company payments forming the subject of this report:

i) Cash payments accrued (thousands of €)

Name	Fixed Payment	Allowances	Payment for for membership of board committees	Salary	Short-term variable payment	Long-term variable payment	Compensation	Other items	Total for 2023	Total for 2022
FERNANDO BAUTISTA SAGÜÉS		100							100	100
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ		100							100	100
LUIS ARREDONDO MALO		125							125	125
CATO HENNING STONEX		100							100	100
STANISLAS MARIE LUC HENRY										
LUIS LOPEZ DE HERRERA-ORIA	600				420	300		30	1.350	1.107
CHONY MARTIN VICENTE-MAZARIEGOS	335				277	62		15	639	537

MARÍA DEL CARMEN BOYERO GARRIDO	250				162	58		33	503	439
PILAR FERNÁNDEZ PALACIOS										

The amounts reflected in the table correspond to those received in fiscal year 2023.

During the fiscal year closed, executive directors have received short-term variable remuneration corresponding to the Company's results in fiscal year 2022, consisting of a bonus of 70% of the fixed remuneration for fiscal year 2022. Said remuneration was approved by the Board of Directors on February 22, 2023 in line with the provisions of section A.1.6.

The amounts accrued in fiscal year 2023 are detailed in section D.1.

ii) Table of changes to payments based on shares and gross profit from consolidated shares or financial instruments

Remarks

Name	Name of Plan	Financial instruments at the beginning of 2022		Financial instruments awarded during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Net profit from shares or consolidated financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
FERNANDO BAUTISTA SAGÜÉS	Plan							0.00				
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Plan							0.00				
LUIS ARREDONDO MALO	Plan							0.00				
CATO HENNING STONEX	Plan							0.00				
STANISLAS MARIE LUC HENRY	Plan							0.00				
LUIS LOPEZ DE HERRERA-ORIA	Plan							0.00				
CHONY MARTIN VICENTE-MAZARIEGOS	Plan							0.00				
MARÍA DEL CARMEN BOYERO GARRIDO	Plan							0.00				

PILAR FERNÁNDEZ PALACIOS	Plan							0.00				

iii) Long-term savings plans.

Name	Remuneration from consolidation of rights to savings system
FERNANDO BAUTISTA SAGÜÉS	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	
LUIS ARREDONDO MALO	
CATO HENNING STONEX	
STANISLAS MARIE LUC HENRY	
LUIS LOPEZ DE HERRERA-ORIA	
CHONY MARTIN VICENTE-MAZARIEGOS	
MARÍA DEL CARMEN BOYERO GARRIDO	
PILAR FERNÁNDEZ PALACIOS	

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Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
FERNANDO BAUTISTA SAGÜÉS								
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ								
LUIS ARREDONDO MALO								
CATO HENNING STONEX								
STANISLAS MARIE LUC HENRY								
LUIS LOPEZ DE HERRERA-ORIA								
CHONY MARTIN VICENTE-MAZARIEGOS								
MARÍA DEL CARMEN BOYERO GARRIDO								
PILAR FERNÁNDEZ PALACIOS								

Remarks

iv) Details of other items

Name	Item	Amount paid
FERNANDO BAUTISTA SAGÜÉS	Item	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Item	
LUIS ARREDONDO MALO	Item	
CATO HENNING STONEX	Item	
STANISLAS MARIE LUC HENRY	Item	
LUIS LOPEZ DE HERRERA-ORIA	HEALTH AND LIFE INSURANCE, VEHICLE.	30
CHONY MARTIN VICENTE-MAZARIEGOS	HEALTH AND LIFE INSURANCE, VEHICLE.	15
MARÍA DEL CARMEN BOYERO GARRIDO	HEALTH AND LIFE INSURANCE AND TRANSPORTATION PLUS	33
PILAR FERNÁNDEZ PALACIOS	Item	

Remarks

b) Remuneration of the company's directors for their membership of the boards of other group companies:

i) Cash payments accrued (thousands of €)

Name	Fixed Payment	Allowances	Payment for membership of board committees	Salary	Short-term variable payment	Long-term variable payment	Compensation	Other items	Total for 2022	Total for 2021
FERNANDO BAUTISTA SAGÜÉS										
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ										
LUIS ARREDONDO MALO										
CATO HENNING STONEX										
STANISLAS MARIE LUC HENRY										
LUIS LOPEZ DE HERRERA-ORIA										
CHONY MARTIN VICENTE-MAZARIEGOS										
MARÍA DEL CARMEN BOYERO GARRIDO										
PILAR FERNÁNDEZ PALACIOS										

Remarks

ii) Table of changes to payments based on shares and gross profit from consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at the beginning of 2022		Financial instruments awarded during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/consolidated shares	Price of consolidated shares	Net profit from shares or consolidated financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
FERNANDO BAUTISTA SAGÜÉS	Plan							0.00				
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Plan							0.00				
LUIS ARREDONDO MALO	Plan							0.00				
CATO HENNING STONEX	Plan							0.00				
STANISLAS MARIE LUC HENRY	Plan							0.00				
LUIS LOPEZ DE HERRERA-ORIA	Plan							0.00				
CHONY MARTIN VICENTE-MAZARIEGOS	Plan							0.00				
MARÍA DEL CARMEN BOYERO GARRIDO								0.00				
PILAR FERNÁNDEZ PALACIOS								0.00				

Remarks

iii) Long-term savings plans.

Name	Remuneration from consolidation of rights to savings system
FERNANDO BAUTISTA SAGÜÉS	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	
LUIS ARREDONDO MALO	
CATO HENNING STONEX	
STANISLAS MARIE LUC HENRY	
LUIS LOPEZ DE HERRERA-ORIA	
CHONY MARTIN VICENTE-MAZARIEGOS	
MARÍA DEL CARMEN BOYERO GARRIDO	
PILAR FERNÁNDEZ PALACIOS	

Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
FERNANDO BAUTISTA SAGÜÉS								
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ								
LUIS MARÍA ARREDONDO MALO								
CATO HENNING STONEX								
STANISLAS MARIE LUC HENRY								
LUIS LOPEZ DE HERRERA-ORIA								
CHONY MARTIN VICENTE-MAZARIEGOS								
MARÍA DEL CARMEN BOYERO GARRIDO								
PILAR FERNÁNDEZ PALACIOS								

Remarks

iv) Details of other items

Name	Item	Amount paid
FERNANDO BAUTISTA SAGÜÉS	Item	
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	Item	
LUIS ARREDONDO MALO	Item	
CATO HENNING STONEX	Item	
STANISLAS MARIE LUC HENRY	Item	
LUIS LOPEZ DE HERRERA-ORIA	Item	
CHONY MARTIN VICENTE-MAZARIEGOS	Item	
MARÍA DEL CARMEN BOYERO GARRIDO	Item	
PILAR FERNÁNDEZ PALACIOS	Item	

c) Summary of payments (thousands of €):

This summary should include the amounts corresponding to all payment items, including those indicated in this report which the director has accrued, shown in thousands of euros.

	Payments accrued within the Company					Payments accrued within group companies					
Name	Total cash payment	Net profit from shares or consolidated financial instruments	Payments from savings schemes	Payments from other items	Company total 2022	Total cash payment	Net profit from shares or consolidated financial instruments	Payments from savings schemes	Payments from other items	Group total 2022	Company + Group total 2022
FERNANDO BAUTISTA SAGÜÉS	100				100						100
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	100				100						100
LUIS ARREDONDO MALO	125				125						125
CATO HENNING STONEX	100				100						100
STANISLAS MARIE LUC HENRY											
LUIS LOPEZ DE HERRERA-ORIA	1,350				1,350						1,350
CHONY MARTIN VICENTE-MAZARIEGOS	639				639						639
MARÍA DEL CARMEN BOYERO GARRIDO	503				503						503
PILAR FERNÁNDEZ PALACIOS											
TOTAL	2,069				2,069						2,069

Remarks

The amounts reflected in the table correspond to the amounts received. The amounts accrued during the year are detailed in section D.1.

C.2. Indicate the evolution over the last 5 years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
Name	FY 2023	% Variation 2023/2022	FY 2022	% Variation 2022/2021	FY 2021	% Variation 2021/2020	FY 2020	% Variation 2020/2019	FY 2019
Executive Director									
CHONY MARTIN VICENTE-MAZARIEGOS	639	18.99	537	48.34	362	-54.86	802	175.60	291
MARÍA DEL CARMEN BOYERO GARRIDO	503	-	0	-	0	-	0	-	0
LUIS LOPEZ DE HERRERA-ORIA	1,350	21.95	1,107	27.83	866	-69.84	2,871	-	0
Independent Director									
CATO HENNING STONEX	100	0.00	100	0.00	100	25.00	80	21.21	66
DAVID JIMENEZ-BLANCO CARRILLO DE ALBORNOZ	100	0.00	100	0.00	100	8.70	92	39.39	66
FERNANDO BAUTISTA SAGÜÉS	100	0.00	100	0.00	100	8.70	92	39.39	66
LUIS MARÍA ARREDONDO MALO	120	0.00	125	0.00	125	9.65	114	37.35	83
Consolidated results of the company									
	-33,011		10,563	-59.89	26,125	99.56	13,091	-14.93	15,389
Average employee compensation									
	240	-6.25	256	33.33	192	-58.71	465	159.78	179

D. OTHER INFORMATION OF INTEREST

If there are any significant aspects of directors' remuneration which have not been mentioned in the previous sections of this report, but which should be included in the interests of providing comprehensive and reasoned information on the remunerative structure and practices of the company regarding its directors, please provide details in brief.

In order to complete the information provided in section C.1.A. in which the remuneration paid in fiscal year 2023 has been reported, the remuneration accrued in said fiscal year by the executive directors is detailed below. The information regarding the rest of the directors does not differ from that paid in 2023:

MR. LUIS ALFONSO LOPEZ DE HERRERA-ORIA:

- Fixed remuneration: 600
- Short-term variable remuneration: 510
- Long-term variable remuneration: 0
- Other concepts: 30
- Total year 2023: 1,140
- Total year 2022: 1,999

MRS. CHONY MARTIN VICENTE-MAZARIEGOS:

- Fixed remuneration: 335
- Short-term variable remuneration: 285
- Long-term variable remuneration: 0
- Other concepts: 15
- Total year 2023: 635
- Total year 2022: 760

MRS. MARIA DEL CARMEN BOYERO GARRIDO:

- Fixed remuneration: 250
- Short-term variable remuneration: 213
- Long-term variable remuneration: 0
- Other concepts: 34
- Total year 2023: 497
- Total year 2022: 0

This annual report on remuneration was approved by the company's board of directors at its meeting held on:

20/02/2024

Indicate whether any director abstained or voted against the approval of this Report.

[ ] Yes
[√] No