

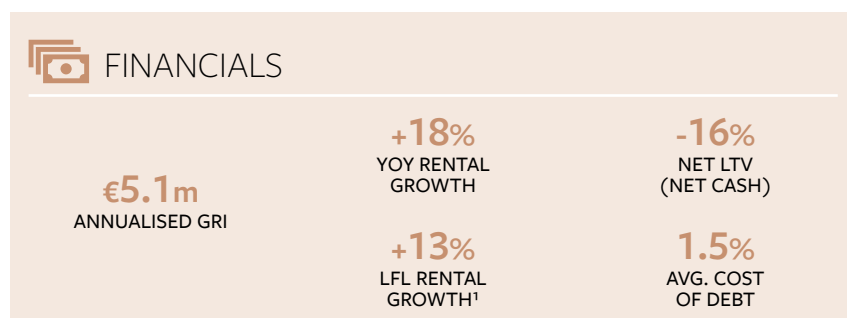
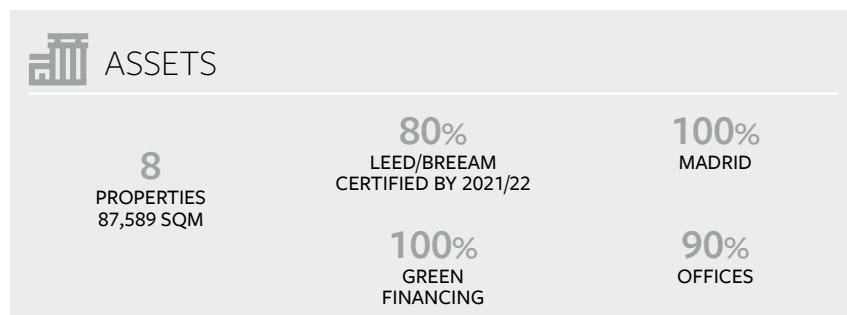
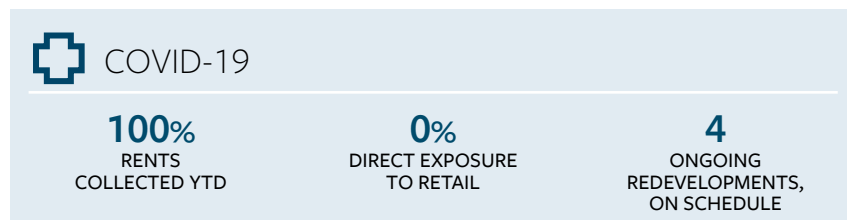


TRADING UPDATE
THIRD QUARTER

2020



> EXECUTIVE SUMMARY 3Q20 AT A GLANCE



Notes: **(1)** 12-month like-for-like compares with the same investment properties included in the portfolio at 30 September 2019; **(2)** LS7 renamed Cadenza for commercial purposes; **(3)** Weighted average; all-in costs include spread, up-front costs and hedge; forward swaps starting in 2021; **(4)** Royal Institution of Chartered Surveyors

RESILIENT FINANCIAL PERFORMANCE, LARGELY UNAFFECTED BY COVID-19

- Rent collection remains strong at 100% year-to-date, with no exposure to retail or leisure. Working closely with tenants and implementing safety preventive measures in all buildings
- Gross rental income for the 9-month period of EUR 3.8m, +18% YoY and +13% on a like-for-like basis¹. Annualised GRI at Sep'20 of EUR 5.1m
- 50% of portfolio undergoing refurbishment works, hence not yet contributing to Árima's P&L
- Net profit of EUR 2.4m, and EPS of EUR 0.09 p.s.

SIGNIFICANT PORTION OF THE PORTFOLIO IN EARLY STAGE OF REPOSITIONING

- Strong redevelopment pipeline continues to advance according to schedule, with works resumed post lockdown: 4 office schemes (40,000 sqm: Habana, Botanic, Cadenza² and Manoteras), all in Madrid
- Ongoing works expected to be completed by year-end 2021 (Habana, Botanic, Cadenza) and year-end 2022 (Manoteras)

DEFENSIVE PORTFOLIO WITH SUBSTANTIAL UPSIDE POTENTIAL

- Unique portfolio built through disciplined and accretive acquisitions at very competitive prices
- +155% GRI upside potential even applying a more conservative, in-house view of rental levels
- 6.0%-6.5% ERV yield post-capex vs c. 3.5%-4% market yield

SOLID BALANCE SHEET TO WEATHER ANY POTENTIAL STORM

- Strong liquidity position, with EUR144m in cash and equivalents at quarter-end and a net cash position of EUR 41m (16% net cash)
- Best-in class financing conditions: 1.5% all-in costs³ for a 7-year weighted average maturity, and 95% repayments due from 2025 onwards

SUSTAINABILITY AND CORPORATE RESPONSIBILITY AT THE CORE

- 100% of portfolio fully financed with green loans
- 80% of portfolio expected to be LEED/BREEAM certified in 2021/22
- 100% of repositioning projects expected to be WELL certified in 2021/22
- 2020 GRESB assessment above expectations, and on track to be top-ranked in 2021
- EPRA BPR Most Improved Award, achieving Silver level
- The only RICS-accredited⁴ commercial real estate company in Spain



It is reassuring that we remain in a position of great strength with a portfolio full of opportunity, low gearing and ample liquidity. Despite the near-term uncertainty, we strongly believe in the long-term prospects of our strategy and our portfolio. However, market activity remains subdued. We are taking a very prudent investment approach with a highly selective pipeline — Luis López de Herrera-Oria, Chief Executive Officer

> FINANCIAL RESULTS



> FINANCIAL RESULTS

> KEY INCOME STATEMENT METRICS

€'m unless specified	30/09/2019	30/09/2020
Gross Rental Income (GRI)	3.231	3.820
Net Rental Income (NRI)	2.981	3.504
EBIT	15.758	3.231
Net profit	15.281	2.420
EPS (€ p.s.)	1.22	0.09

> KEY BALANCE SHEET ITEMS

€'m unless specified	30/09/2019	30/09/2020
Gross Asset Value (GAV)¹	175.566	253.220
Gross Debt	65.087	104.130
Cash & Equivalents	39.684	144.756
Net Debt	25.403	(40.626)
Gross LTV	37%	41%
Net LTV	14%	(16%)

RESILIENT FINANCIAL PERFORMANCE, WITH EXISTING PORTFOLIO LARGELY UNAFFECTED BY COVID-19

- Rent collection remains strong at 100% YTD. No exposure to retail and no corporate tenants operating in the industries most impacted by COVID-19²
- Gross rental income for the 9-month period of EUR 3.8m, +18% YoY and +13% on a like-for-like basis
- Annualised GRI at Sep'20 of EUR 5.1m
- NRI margin at 92%, despite the higher number of assets under refurbishment
- Net profit of EUR 2.4m, and EPS of EUR 0.09 p.s.

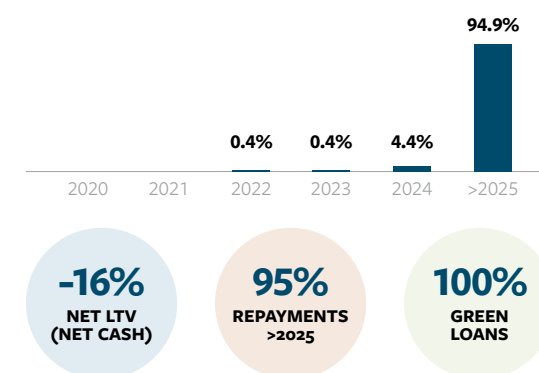
SIGNIFICANT PORTION OF THE PORTFOLIO IN EARLY STAGE OF REPOSITIONING, AS PER BUSINESS PLAN

- Redevelopment works (50% of portfolio: Habana, Botanic, Cadenza³ and Manoteras) continue to advance according to schedule, with works resumed post lockdown
- All ongoing works not yet contributing to Árima's P&L, expected to be completed by year-end 2021 and year-end 2022

ROBUST BALANCE SHEET TO WEATHER ANY POTENTIAL STORM AND SEIZE MARKET OPPORTUNITIES

- Strong liquidity position with EUR144m in cash and equivalents at period-end
- EUR 41m net cash position and -16% net LTV (net cash)
- Best-in class financing conditions:
 - 100% of Árima's financing composed of green loans
 - 1.5% all-in costs⁴ for a 7-year weighted average maturity
 - 95% repayments due from 2025 onwards

> DEBT MATURITY PROFILE AS OF 30.09.2020

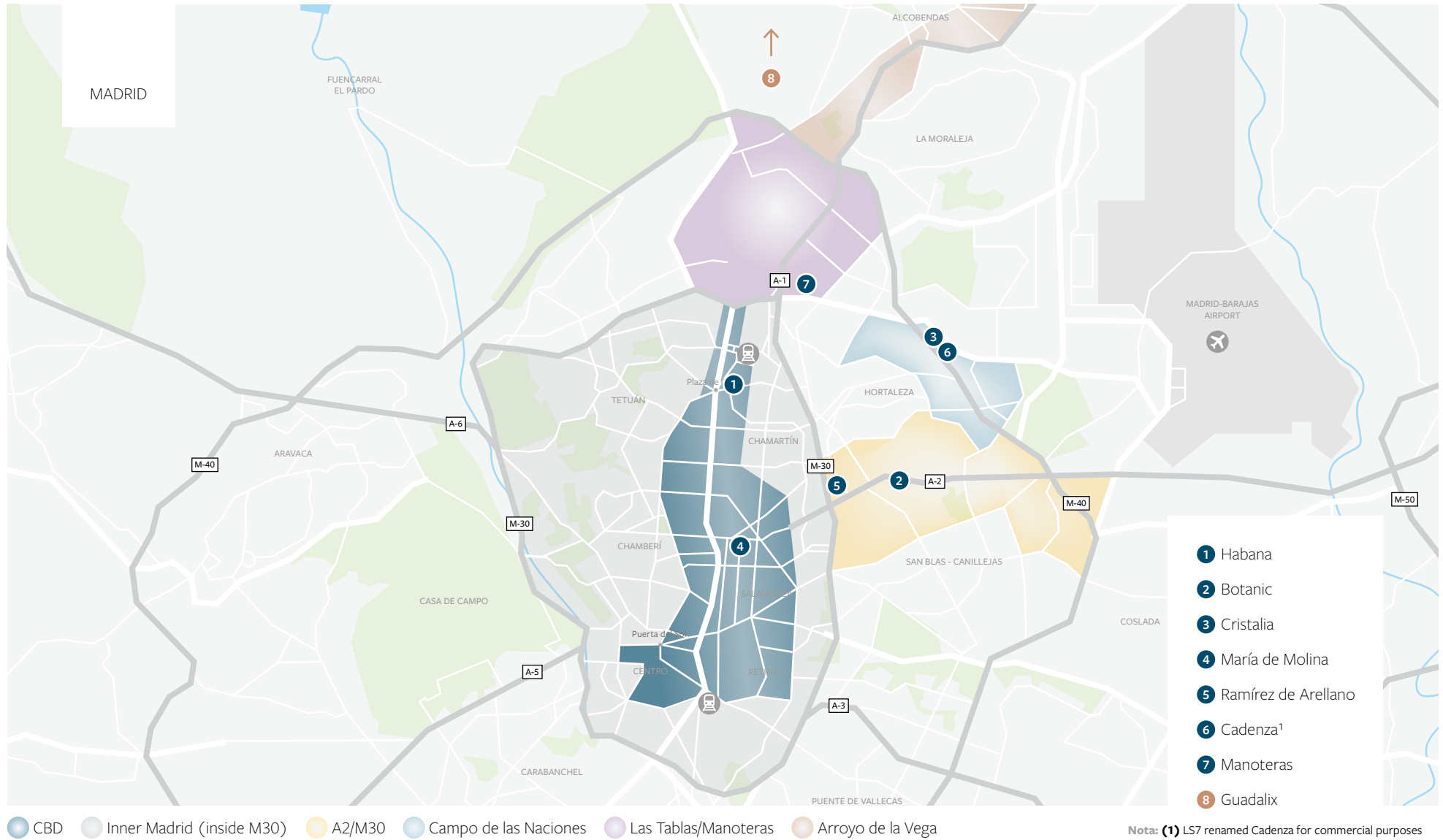


Notes: (1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2019 and 30 June 2020; (2) Source: S&P Global Market Intelligence; (3) LS7 renamed Cadenza for commercial purposes; (4) Weighted average; all-in costs include spread, up-front costs and hedge; forward swaps starting in 2021

> PORTFOLIO OVERVIEW



> PORTFOLIO OVERVIEW ASSET MAP

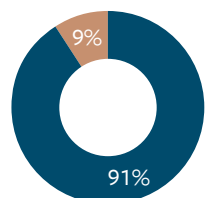


> PORTFOLIO OVERVIEW PORTFOLIO BREAKDOWN

UNIQUE PROPOSITION WITH CLEAR FOCUS ON MADRID OFFICES BUILT VIA DISCIPLINED AND ACCRETIVE ACQUISITIONS

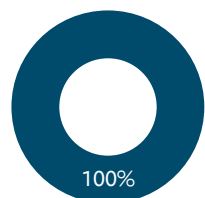
> PORTFOLIO BREAKDOWN

GAV BY SECTOR



● Offices ● Logistics

GAV BY LOCATION



● Madrid

EUR m. unless specified	Assets (#)	GLA (sqm)	Parking (slots) ¹	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (€/sqm) ²	GAV ³ (EURm)	Occupancy rate	Annualised GRI "Topped-up" (€'000)	Annualised NRI (€'000)	Gross yield "Topped-up"	EPRA NIY "Topped-up"
INVESTMENT PROPERTIES												
Offices	3	21,807	332	95	98	4,048	104	70%	3,255	2,770	3.4%	2.8%
Madrid	3	21,807	332	95	98	4,048	104	70%	3,255	2,770	3.4%	2.8%
CBD	1	4,120	20	24	24	5,558	31	14%	0,145	0,045	0.6%	0.1%
Inner Madrid (M30)	1	6,759	110	32	33	4,315	32	100%	1,456	1,427	4.5%	4.4%
Greater Madrid	1	10,928	202	39	40	3,314	41	72%	1,654	1,298	4.2%	3.5%
Logistics	1	25,694	0	16	17	638	23	100%	1,815	1,018	11.1%	7.5%
Madrid	1	25,694	0	16	17	638	23	100%	1,815	1,018	11.1%	7.5%
Total investment properties	4	47,501	332	112	115	2,204	127	86%	5,070	3,788	4.5%	3.6%
REDEVELOPMENTS												
Offices	4	40,088	711	95	98	2,100	127					
Madrid	4	40,088	711	95	98	2,100	127					
CBD	1	4,236	42	19	19	4,070	25					
Inner Madrid (M30)	-	-	-	-	-	-	-					
Greater Madrid	3	35,852	669	77	79	1,868	102					
Logistics	0	0	0	0	0	-	0					
Madrid	0	0	0	0	0	-	0					
Total Redevelopments	4	40,088	711	95	98	2,100	127					
Total Portfolio	8	87,589	1,043	207	213	2,204	253					

Notes: (1) Includes underground parking slots only; other types such as overground slots or moto slots are not included in this figure; (2) Adjusted for parking; (3) Most recent valuation + acquisition price

> PORTFOLIO OVERVIEW **PORTFOLIO IN DETAIL**



OFFICES

Name: Habana
 Acq. Date: Dec'18
 Location: Madrid CBD
 GLA: 4,300 sqm
 Parking units: 65
 Strategy: Full Refurbishment

- **Free-standing office building** located in Madrid Prime CBD, with spacious floor plates of c. 1,000sqm
- Acquired **c.40% below comparable market transactions**
- **Significant reversionary potential** through full refurbishment. LEED & WELL Gold certifications expected
- Refurbishment works ongoing
- Project enhanced with **COVID and safety preventive measures**
- Have already received interest from prospective tenants



OFFICES

Name: Botanic²
 Acq. Date: Jan'19
 Location: Madrid A2/M30
 GLA: 9,462 sqm
 Parking units: 212
 Strategy: Partial Refurbishment

- **Prominent office building** located in Madrid A2/M30 sub- market, with excellent visibility
- Acquired **c.10% below comparable market transactions**
- **Significant reversionary potential** through asset repositioning and re-leasing. LEED Platinum and WELL Gold certifications expected
- Refurbishment works ongoing upon termination of existing lease
- Project enhanced with COVID and safety preventive measures
- Already receiving interest from prospecting tenants



OFFICES

Name: Cristalia
 Acq. Date: Jan'19
 Location: Madrid CDN
 GLA: 10,928 sqm
 Parking units: 202
 Strategy: Lease up & re-leasing

- **Free-standing office building** located in Campo de las Naciones Madrid sub-market, a **highly sought** after business park with a strong tenant roster
- **Highly-efficient** building with **LEED Gold** certification and column-free floor plates of 1,400 sqm
- Acquired **c.20% below comparable market transactions**
- **Attractive reversionary potential** through re-gearing existing leases and leasing-up vacant space. **Partially occupied (72%)** to a world leading insurance and TMT company.
- Implemented COVID and safety preventive measures



OFFICES

Name: M. Molina
 Acq. Date: Dec'18-Feb'19
 Location: Madrid CBD
 GLA: 4,122 sqm
 Parking units: 24
 Strategy: Single Onwership

- **Free-standing office building** located in Madrid Prime CBD, with spacious floor plates of c. 1,000sqm
- Acquired **c.30% below comparable market transactions**
- **Complex transaction**, with a multi-owner structure. **Floor-by-floor refurbishment** already completed
- Value creation strategy includes **consolidation of single ownership, with negotiations underway**
- Implemented COVID and safety preventive measures

Notes: **(1)** Source: CBRE Research for comparable transactions as of Feb'20, Árima for portfolio data. Árima assets include acquisition price and expected capex, i.e. total investment; **(2)** América renamed as Botanic for commercial purposes

> PORTFOLIO OVERVIEW PORTFOLIO IN DETAIL



OFFICES

Name: Ramírez de Arellano
Acq. Date: Jun'19
Location: Inner Madrid (M30)
GLA: 6,759 sqm
Parking units: 110
Strategy: Regearing

- **Free-standing office building** located in the well-established Avenida de América-Torrelaguna Madrid sub-market
- Acquired **in line with comparable market transactions**⁽¹⁾
- **Highly-efficient** building with **BREEAM "Very Good"** building, and column-free flexible floor plates of over 1,000sqm
- **Fully occupied** with high-quality tenant, and **strong reversionary potential** through re-leasing medium-term
- Implemented COVID and safety preventive measures



OFFICES

Name: Cadenza²
Acq. Date: Dec'19
Location: Madrid CDN
GLA: 14,500 sqm
Parking units: 196
Strategy: Full Refurbishment

- **Free-standing office building** located in Campo de las Naciones Madrid sub-market, to the new ING 35,000 sqm HQ
- Acquired **c.20% below comparable market transactions**⁽¹⁾
- **Excellent visibility**, and large floor plates (2,865sqm) and common areas with great potential
- **Significant reversionary potential** upon completion of refurbishment works.
- Refurbishment already ongoing and LEED & WELL Gold certifications expected and COVID prevention measures applied



OFFICES

Name: Manoteras
Acq. Date: Jun'20³
Location: Las Tablas/Manoteras
GLA: 11,962 sqm
Parking units: 245
Strategy: Full Refurbishment

- New build turnkey project of a free-standing Class A office building in the Manoteras Madrid sub-market, the extension of Castellana's Madrid CBD
- **Excellent location and connections** to public transport as well as motorway networks
- Large, bright and highly-efficient floor plates (2,000sqm), and common areas with great potential
- Acquired at a material market discount through an off-market transaction
- Significant reversionary potential upon completion of refurbishment works. LEED Platinum and WELL Gold certifications expected



LOGISTICS

Name: Guadalix
Acq. Date: Apr'19
Location: Madrid (2nd ring)
GLA: 25,694 sqm
Loading bays: 29
Strategy: Re-gearing

- **Prime logistics** warehouse located in San Agustín de Guadalix, a consolidated industrial estate 30km north of Madrid, with **excellent access**
- Acquired **c.20% below comparable market transactions**⁽¹⁾
- **High-yielding** cold storage facility with a **long-term lease**, acquired well below replacement cost
- Value creation strategy includes longer term restructuring of the unit's occupation to improve liquidity and mortgageability
- Tenant has experienced a very high level of activity during the last months

Notes: **(1)** Source: CBRE Research for comparable transactions as of Feb'20, Árima for portfolio data. Árima assets include acquisition price and expected capex, i.e. total investment; **(2)** LS7 renamed Cadenza for commercial purposes; **(3)** The private "turnkey" sale agreement was executed in June 2020. It is expected that the building will be delivered, upon completion, before December 2022.

> ACTIVE ASSET MANAGEMENT

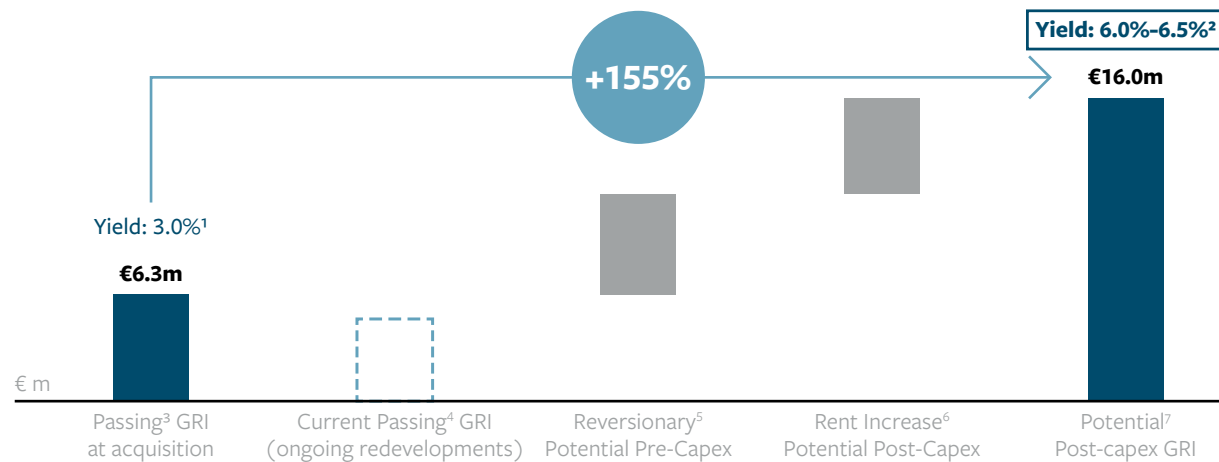


> ACTIVE ASSET MANAGEMENT PORTFOLIO UPSIDE POTENTIAL

EXISTING PORTFOLIO WITH SIGNIFICANT UPSIDE POTENTIAL IN THE NEXT 2-3 YEARS THROUGH ACTIVE ASSET MANAGEMENT

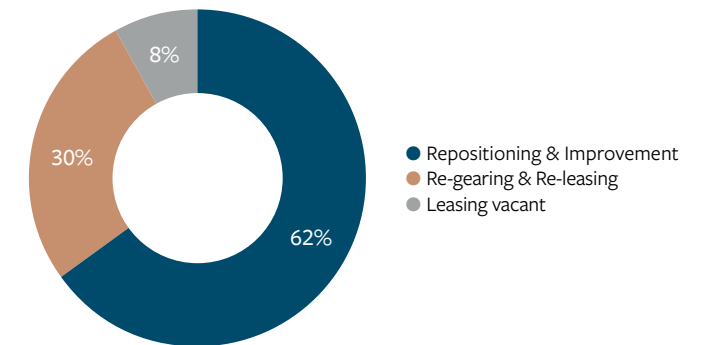
COVID-19 update: near-term uncertainty but confident of the long-term opportunity. Substantial upside potential remains even applying a more conservative, in-house view of rental levels.

> PORTFOLIO – GROSS RENTAL INCOME EXPECTED EVOLUTION (AT CURRENT MARKET RENTS)



STRONG FOCUS ON ASSET IMPROVEMENT

> BY GAV



Notes: **(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 (net acquisition cost plus expected capex); **(3)** Annualized gross rents; **(4)** Lease in office building América terminated ahead of refurbishment works; **(5)** Includes mark-to-market of existing rents and leasing vacant space; **(6)** Expected increase in rents from capex investments; **(7)** Expected gross rental income after realizing reversionary potential and effects from capital expenditures

> ACTIVE ASSET MANAGEMENT ACTIVE ASSET MANAGEMENT PLAN

PROPERTY MANAGEMENT DESIGNED TO CAPTURE GRADE-A DEMAND AND IMPROVE TENANT EXPERIENCE

COVID-19 update: minor delays during lockdown but deliveries expected on schedule

→ Redevelopment and asset management plan progressing well on schedule

→ Assets follow different **value-add strategies**

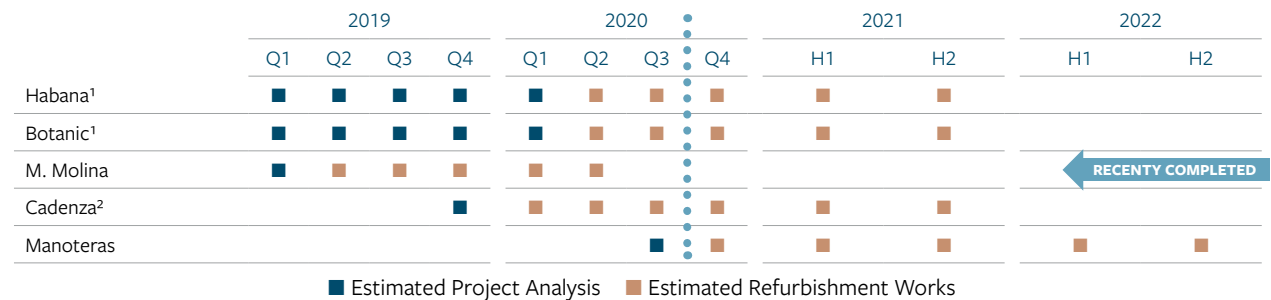
→ Combination of different strategies leading to a **balanced portfolio with significant upside**

→ **Refurbishment** and redevelopment expected to improve asset quality and capture additional rent upside in its area of influence

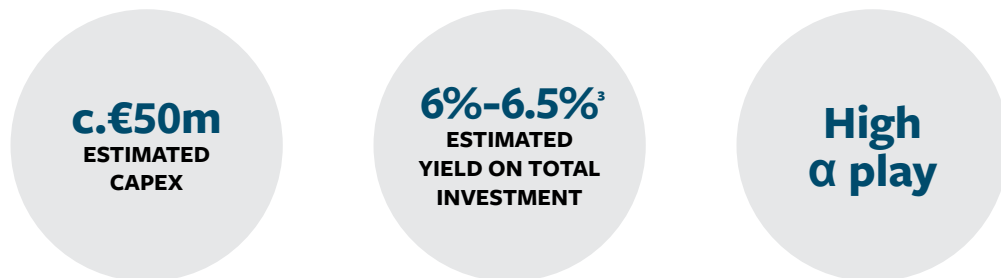
→ **Leasing vacant**, re-gearing and **maximising occupancy**

→ **Innovation & technology:** focus on efficiency and services

> REDEVELOPMENT & ASSET MANAGEMENT PLAN



> VALUE CREATION STRATEGY



Notes: (1) Botanic and Habana lease agreements with existing tenant terminated in Dec'19 and Feb'20 respectively. Refurbishment works in those assets in progress since May 2020; (2) LS7 renamed Cadenza for commercial purposes; (3) Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

> ACTIVE ASSET MANAGEMENT ONGOING REDEVELOPMENT PROJECTS TO CAPTURE GRADE-A DEMAND THROUGH DIFFERENTIATED HIGH-QUALITY MODERN AND FLEXIBLE SMART SPACE



HABANA
 Location: Madrid CBD
 GLA: 4,300 sqm
 Expected Delivery: H2 2021



BOTANIC
 Location: Madrid A2/M30
 GLA: 9,462 sqm
 Expected Delivery: H2 2021



CADENZA²
 Location: Campo de las Naciones
 GLA: 14,500 sqm
 Expected Delivery: H2 2021



MANOTERAS
 Location: Las Tablas/Manoterás
 GLA: 11,962 sqm
 Expected Delivery: H2 2022

Notes: (1) Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex); (2) LS7 renamed as Cadenza for commercial purposes

> SUSTAINABILITY & CORPORATE RESPONSIBILITY



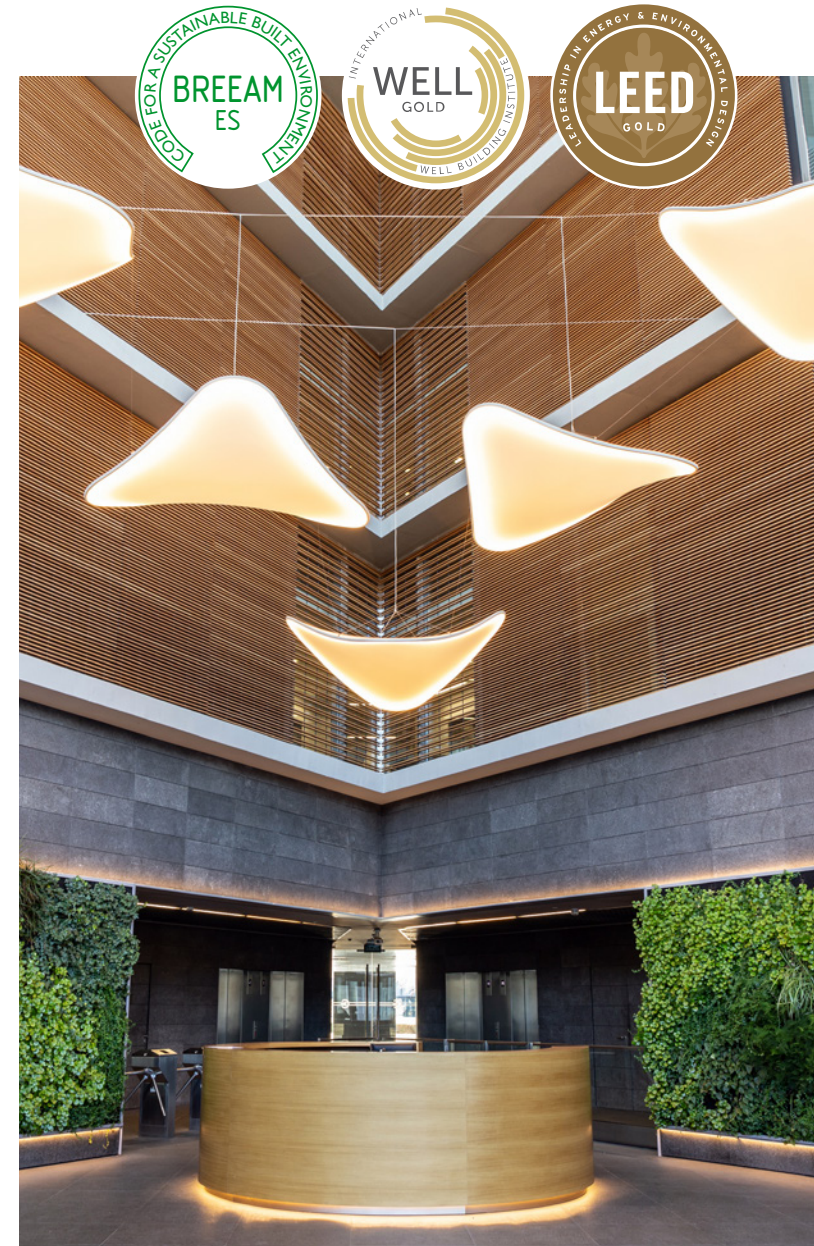
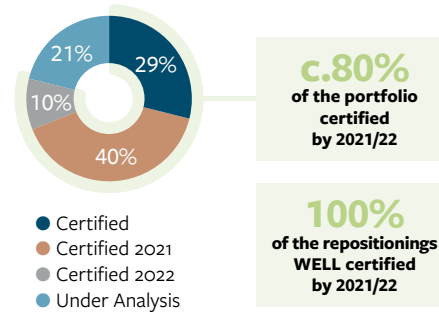
> SUSTAINABILITY & CORPORATE RESPONSIBILITY

COMMITTED TO SUSTAINABLE ENVIRONMENTS AND SOCIAL WELLBEING

SUSTAINABILITY, QUALITY AND HEALTH TOUCH EVERYTHING WE DO

- **Portfolio certification program on track** with redevelopment pipeline:
 - **80% of portfolio** expected to be LEED/BREEAM certified in 2021/22
 - **100% of repositioning projects** expected to be WELL certified in 2021/22
- **Engaged in the 2020 GRESB assessment:**
 - First-year participant only 18-months post-IPO
 - **Results above expectations** and on track to be top-ranked in 2021
- **EPRA member** since IPO
 - **BPR Most Improved Award**, achieving **Silver level**
- The **only RICS-accredited¹** commercial real estate company in Spain

> LEED/BREEAM CERTIFICATION



> ROADMAP TO PORTFOLIO LEED, BREEAM & WELL CERTIFICATION

Asset	Certification Type	Sustainability Certification	Health-Safety Certification	Expected Certification Date
Cristalia	LEED Core & Shell	LEED GOLD	WELL GOLD	LEED Certified
Ramírez de Arellano	Breeam In-Use	BREEAM Very Good	Under Analysis	BREEAM Certified
Habana	LEED Core & Shell	LEED GOLD	WELL GOLD	H2 2021
Botanic	LEED Core & Shell	LEED PLATINUM	WELL GOLD	H2 2021 (Pre-Certified)
M. Molina ²	LEED	Under Analysis	Under Analysis	Under Analysis
Guadalix	LEED/BREEAM	Under Analysis	Under Analysis	Under Analysis
Cadenza ³	LEED Core & Shell	LEED GOLD	WELL GOLD	H2 2021
Manoteras	LEED Core & Shell	LEED PLATINUM	WELL GOLD	H2 2022

Notes: (1) Royal Institution of Chartered Surveyors; (2) Final type and status to depend on extent of ownership; (3) LS7 renamed as Cadenza for commercial purposes

> APPENDIX



> APPENDIX Q3 2020 FINANCIALS

> CONSOLIDATED INCOME STATEMENT (P&L)

IFRS		
€'000 (unless otherwise specified)	30/09/2019	30/09/2020
Gross Rental Income (GRI)	3,231	3,820
Non-reimbursable property expenses	(250)	(316)
Net Rental Income (NRI)	2,981	3,504
Overheads	(2,203)	(4,610)
Operating Income (EBITDA)	778	(1,106)
Amortization & Provisions	(7)	(17)
Recurring EBIT	771	(1,123)
Net financial charges	(477)	(811)
Tax	-	-
Recurring net profit	294	(1,934)
Change in fair value of assets	15,033	8,550
Other income and expenses	(46)	(4,196)
Reported net profit	15,281	2,420
Recurring EPS (€ p.s.)	0.02	(0.07)
Reported EPS (€ p.s.)	1.22	0.09
Average no. of shares outstanding	12,572,951	28,048,743

EPRA		
€'000 (unless otherwise specified)	30/09/2019	30/09/2020
EPRA earnings	248	(6,130)
Adjusted EPRA earnings	261	(1,934)
EPRA EPS (€ p.s.)	0.02	(0.22)
Adjusted EPRA EPS (€ p.s.)	0.02	(0.07)

> CONSOLIDATED BALANCE SHEET

IFRS		
€'000 (unless otherwise specified)	30/09/2019	30/09/2020
Non Current Assets	176,758	256,520
Property plant & equipment	125	208
Investment property	175,566	255,420
Long-term financial investments	1,067	892
Current assets	42,437	151,936
Trade and other receivables	2,597	6,839
Prepayments and accrued income	156	341
Cash & cash equivalents	39,684	144,756
Equity	149,257	298,339
Share Capital	140,063	284,294
Share Premium	-	5,769
Reserves	(4,233)	5,447
Treasury shares	(487)	(7,545)
Retained earnings	15,281	2,420
Other	-	7,954
Liabilities	69,938	110,117
Non-current liabilities	67,461	106,329
Financial debt	64,928	103,972
Financial derivatives	1,367	1,446
Other	1,166	911
Current liabilities	2,477	3,788
Financial debt	159	158
Trade & other payables	2,318	3,630
Number of shares outstanding, end of period	13,955,463	27,561,928

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