



Árma Real Estate SOCIMI, S.A.
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SPANISH NATIONAL SECURITIES MARKET COMMISSION

In compliance with the disclosure requirements set out in article 17 of Regulation (EU) 596/2014 of the European Parliament and the Council of 16 April 2004 on market abuse and article 226 of the consolidated text of the Securities Market Law (Royal Legislative Decree 4/2015) and its related provisions, Árma Real Estate SOCIMI, S.A. (hereinafter, "Árma" or the "Company") notifies the following

INSIDE INFORMATION NOTICE

Árma hereby announces that on November 1, 2019, the Company has entered into a subscription agreement (the "**Subscription Agreement**") with Ivanhoé Cambridge Holdings UK LTD ("**Ivanhoé Cambridge**", an investment subsidiary of Ivanhoé Cambridge) pursuant to which Ivanhoé Cambridge has undertaken to subscribe and pay for new shares to be issued by Árma for an aggregate investment amount of EUR60,000,000 and at a maximum subscription price of EUR10.4 per share. Such new shares will be issued by Árma in the context of the share capital increase on a non-pre-emptive basis for an aggregate amount of EUR100,000,000 million (subject to a potential upside option to an aggregate amount EUR150,000,000 if the Board of Directors deems it appropriate to meet demand on the basis of the authority delegated by the Annual General Meeting of the Company held on 21 March 2019) submitted for the approval of the Extraordinary General Shareholders Meeting of the Company (the "**EGM**") to be held on 4 November 2019, on first call, and on 5 November 2019, on second call (the "**Capital Increase**"). Pursuant to the



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Subscription Agreement Árma has undertaken to issue and allot to Ivanhoé Cambridge the relevant number of new shares in such Capital Increase.

Ivanhoé Cambridge's commitment is subject to the satisfaction or waiver of certain conditions precedent including, among others:

- Approval of the Capital Increase by the Company's EGM and of the execution and implementation thereof by the Board of Directors;
- Appointment of a person nominated by Ivanhoé Cambridge as proprietary director of the Company's Board of Directors by means of the co-optation system (*cooptación*) and as a member of both the Remuneration and Appointments Committee and the Audit and Control Committee;
- Amendment of the Company's Board of Directors Regulations to provide that the amendment of Árma's existing business, as described in the Company's prospectuses filed with the Spanish National Securities Market Commission (*Comisión Nacional de Mercado de Valores* or "CNMV") on 9 October 2018 and 8 April 2019 and in the prospectus that will be filed for the admission to trading of the new shares that will be issued under the Capital Increase, shall require the affirmative vote of five of the six directors.
- Setting up an Investment Pipeline Committee (including the Chief Executive Officer and other members of the Company's management team and one member nominated by Ivanhoé Cambridge) which will periodically review and discuss the pipeline of investment opportunities and its underwriting by the Company (provided



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that such committee will be a forum of discussion only without any delegated authority).

Ivanhoé Cambridge's interest in the Company after completion of the Capital Increase will be not less than 20.3 per cent. nor more than 29.9 per cent. of the Company's share capital and voting rights, depending on the final amount of the Capital Increase.

Ivanhoé Cambridge's commitment can be terminated if the Capital Increase is not completed by 27 November 2019 or in the event that Árma's share price drops below EUR8.08.

Pursuant to the Subscription Agreement, in the event that Ivanhoé Cambridge holds at any time a number of shares of the Company representing 28.57 per cent. or more of the share capital of the Company Ivanhoé Cambridge will be entitled to request an increase of the number of directors of the Company from six to seven directors and appoint a second proprietary director. The management of the Company shall support such request both at the Board of Directors and at the relevant shareholders' meeting.

Pursuant to the Subscription Agreement in any non-preemptive offering of newly issued shares or convertible bonds of the Company Ivanhoé Cambridge will be entitled to subscribe its pro-rata portion of such offering under the same terms and conditions as any other investors.



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The Subscription Agreement will be terminated, among others, where Ivanhoé Cambridge's stake is reduced below: (i) 12.5 per cent. of the share capital of the Company for a period of three consecutive months, or (ii) 10 per cent. of the share capital of the Company for a period of two consecutive months.

Madrid, 1 November 2019

Mr Luis Alfonso López de Herrera-Oria
Chief Executive Officer
Árma Real Estate SOCIMI, S.A.



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IMPORTANT NOTICE

This announcement and the information contained herein are not for release, distribution or publication in or into the United States, Canada, Australia, Japan, South Africa or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction. The offering of the new shares (the “Offering”) and the distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. This announcement is not an offer to sell or a solicitation of any offer to buy or subscribe for any securities of the Company in any jurisdiction where such offer, sale or subscription would be unlawful and the announcement and the information contained herein is not for distribution or release in whole or in part, directly or indirectly, in or into such jurisdictions.

The information contained in this announcement does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement.

This announcement is an advertisement and does not constitute a prospectus or offering memorandum and nothing herein constitutes an offering of securities. If the Capital Increase is approved by the Company’s EGM and the Company’s Board of Directors decides to execute and implement the Capital Increase, Árma will file with the CNMV for



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its approval a prospectus (*folleto informativo*) in connection with the admission to listing of the new shares issued pursuant to the Capital Increase (the "**Admission**"). Once approved by and registered with the CNMV, the prospectus will be available on the respective websites of the Company (www.arimainmo.com) and the CNMV (www.cnmv.es).

In any EEA member state, this communication is only addressed to and is only directed at qualified investors in that member state within the meaning of the European Parliament and Council Directive 2003/71/EC of 4 November 2003 (and amendments thereto, including Directive 2010/73/EU).

Any securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. There will be no public offer of the securities described herein in Australia, Canada, Japan or South Africa.

In the United Kingdom, this announcement and any other materials in relation to the securities described herein are only being distributed to, and are only directed at, and any investment or investment activity to which this announcement relates is available only to,



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and will be engaged in only with, "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities, and other persons to whom it may be lawfully communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this announcement and should not act or rely on it or any of its contents.

The Offering may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Offering will proceed to completion and that the Admission will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering and the Admission at this stage.

This announcement includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "aims", "aspires", "assumes", "believes", "estimates", "anticipates", "expects", "intends", "hopes", "may", "outlook", "would", "should", "could", "will", "plans", "potential", "predicts" and "projects" as well as their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements



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regarding the Company's investment strategy and the Company's intentions, beliefs or current expectations concerning, among other things, the Company's financial performance, prospects, growth, strategies and the industry in which the Company intends to operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements rely on a number of assumptions, including with respect to the supply and demand for office space and future prices, the Company's ability to identify and acquire properties at commercially reasonable prices, maintenance and re-positioning costs, the Company's ability to ramp-up and scale its business successfully and the availability of external financing to grow their business. Such assumptions are inherently subject to significant business, operational, economic and other risks and uncertainties. You are hereby cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial condition, results of operations and cash flows, and the development of the industry in which the Company will operate, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Company's financial condition, results of operations and cash flows, and the development of the industry in which it will operate are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Company's results or developments in subsequent periods and may be impacted by important factors. No representation or warranty is made that any forward-looking



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statement will come to pass. No one undertakes to publicly update or revise any such forward-looking statement.

The information, opinions and forward-looking statements contained in this release speak only as at its date and are subject to change without notice.