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### SPANISH NATIONAL SECURITIES MARKET COMMISSION

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

### INSIDE INFORMATION NOTICE

Following the inside information notices published on 2 April 2019 (official registration number 276,706), on 3 April 2019 official registration number 276,736) and 4 April 2019, in relation to Árma's share capital increase through an accelerated bookbuilding offering of newly-issued shares of Árma (the "New Shares"), with a nominal value of EUR 10 per share, of the same class and series as the outstanding shares of the Company and excluding pre-emption rights (the "Share Capital Increase"), Árma submits de following Press Release.

Madrid, 4 April 2019



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## Press Release

The SOCIMI increases share capital five months after its IPO

# Árma successfully completes its first share capital increase, raising EUR 40 million

- The shares were successfully subscribed by institutional and qualified professional investors, including certain members of the Company's management team, following the bookbuilding process that closed on 4 April 2019 and were issued at EUR10 per share, a figure similar to the NAV and the current share price
- Confidence in the senior management's ability was valued by both current shareholders – who already subscribed as part of the IPO – and new institutional shareholders who subscribed to the share capital increase
- Funds are expected to be used in part to complete new investments in the near future, thanks to an existing pipeline of projects currently in advanced stage of analysis



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- **The shareholders valued the well-balanced property portfolio that Árma secured since its IPO and the gradual development of the company**

**Madrid, 4 April 2019.** Five months after its incorporation, Árma Real Estate SOCIMI, S.A. (the "Company" or "Árma") has successfully completed its first share capital increase in the amount of EUR40 million, with the aim of raising additional funds to continue to make further investments. The new shares were issued at EUR10 per share, a similar price to its NAV and current share price.

With this transaction, Árma will increase its share capital by 40 per cent. The new shares are expected to start trading on the Spanish Stock Exchanges on or about 9 April 2019.

The CEO of Árma, Luis Alfonso López de Herrera-Oria, said that the increase "has been a success and further demonstrates both the confidence in Árma's activity and the work carried out by the management team, who are proving highly adept at finding the best investment opportunities". López de Herrera-Oria added that



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“the increase will allow us to grow, by making investments as part of our strategy of generating value for our shareholders”.

In the context of current market volatility, Árma has been able to gain the confidence of its shareholders by fulfilling the targets of its strategic plan, in some cases even ahead of schedule.

The share capital increase was subscribed by institutional and qualified professional investors, including certain members of the Company’s management team, from both Spain and overseas.

Árma intends to carry out new investments in the near future, thanks to an existing pipeline of projects currently in advanced stages of analysis. These are expected to be added to its balanced property portfolio (currently comprising approximately 29,000 sqm of lettable space and 445 parking spaces in Madrid's office sector), which has been formed in the few months since the company's IPO.



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Following these acquisitions, the Company's total investment in its property portfolio amounts to EUR121 million, including asset acquisition costs of EUR108 million and an investment plan (capex) of approximately EUR13 million.

Each of the Company's investments bears the hallmark of the Árma team – income-producing offices with strong potential value uplift – replicating the successful strategy that served the Company's management team so well in the past.

### **About Árma Real Estate**

*Árma Real Estate is a Spanish company that listed on the Madrid Stock Exchange as a SOCIMI (Sociedad Anónima Cotizada de Inversión Inmobiliaria) and that is led by a fully-dedicated internal management team. It was created in 2018 with the aim of becoming the leading Spanish SOCIMI in the Madrid office market. The company is headed up by Luis María Arredondo Malo (Chairman of the Board of Directors) and Luis López de Herrera-Oria (CEO) and also boasts the same highly-reputable management team that steered Axiare Patrimonio SOCIMI to success.*



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the admission to listing of the New Shares on the Spanish Stock Exchanges, through the Automated Quotation System (*Sistema de Interconexión Bursátil - Mercado Continuo*) (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](http://www.arimainmo.com)) and the CNMV ([www.cnmv.es](http://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).

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The Offering and/or the Admission 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.



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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



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