



Árma Real Estate SOCIMI, S.A.  
Edificio Torre Serrano  
Serrano, 47 - 4º Izda.  
28001 Madrid - Spain  
T. (+34) 910 532 803  
info@arimainmo.com

## COMISIÓN NACIONAL DEL MERCADO DE VALORES

De conformidad con lo previsto en los artículos 17 del Reglamento (UE) 596/2014, del Parlamento Europeo y del Consejo, de 16 de abril, sobre abuso de mercado, y 226 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, Árma Real Estate SOCIMI, S.A. (en adelante, “Árma” o la “Sociedad”) comunica la siguiente

### INFORMACIÓN PRIVILEGIADA

Árma remite a la CNMV sus Estados Financieros Consolidados e Informe de Resultados correspondientes al ejercicio del año 2019.

Se adjuntan a continuación Informe de Resultados y nota de prensa.

Madrid, 24 de febrero de 2020

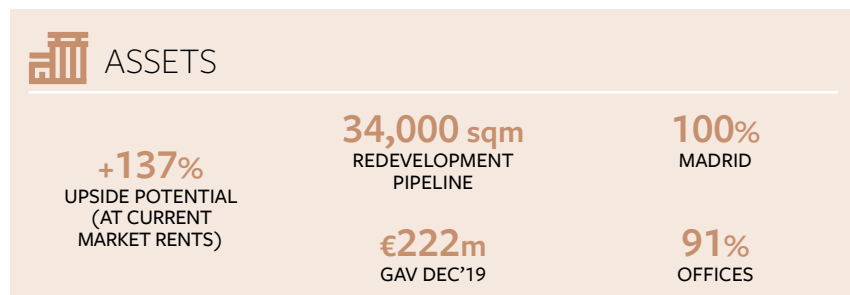
D. Luis Alfonso López de Herrera-Oria  
Consejero Delegado  
Árma Real Estate



ÁRIMA

FULL YEAR  
RESULTS  
2019

## > EXECUTIVE SUMMARY 2019 AT A GLANCE



### STRONG AND STEADY VALUATION UPLIFT SINCE IPO

- +16% **portfolio valuation growth** on acquisition price since IPO, and +9.5% 12-month LfL<sup>1</sup>. **GAV of EUR 222 million** at 31 December 2019<sup>2</sup>
- Capital value growth driven by accretive acquisitions at very competitive prices and good progress on redevelopment plan

### INTENSE INVESTMENT AND ACTIVE ASSET MANAGEMENT ACTIVITY

- Continued strategic deployment of firepower with proceeds raised in the year expected to be fully deployed in the next 12 months
- 7 properties acquired since IPO, all in line with the investment strategy, for a total amount of **€191m<sup>3</sup>**. The high-quality and well-balanced portfolio has a strong uplift potential
- **Redevelopment pipeline on track:** two schemes in offices (18,600 sqm) with refurbishment works currently ongoing, and two additional (15,200 sqm) with building permits granted and works expected to begin in Q2 2020
- **Office lettings** with 3,636 sqm signed in the period with an average releasing spread of +9.2% The scarcity of large class A space is pushing market rents up
- **6.7% ERV yield** post-capex vs c.4% market yield

### ROBUST FINANCIAL PERFORMANCE IN LINE WITH COMPANY GROWTH

- **EPRA NAV<sup>4</sup> per share of EUR 10.6**, up +9.8 % since IPO
- Gross rental income for the year of EUR 4.7m. Annualised GRI at Dec'19 was EUR 5.2m<sup>5</sup>
- Net profit of EUR 15.4m, and EPS of EUR 1.05 p.s.
- Gross LTV of 32.8%, cash in banks and equivalents of EUR 154 million

### ACTIVE MANAGEMENT OF OUR CAPITAL STRUCTURE

- Successfully executed two capital increases during the year to fund further growth:
  - **EUR 40m in April '19:** 40% of the share capital, fully deployed in 3 months
  - **EUR 150m in November '19:** c.100% of the share capital, with Ivanhoé Cambridge as new anchor investor subscribing c.50%. Funds deployment already started in Dec'19
- Overall, multiplying **x3** the company's share capital and **x2** the share liquidity
- Long-term bilateral loan agreements signed for a notional amount of EUR 93m YTD<sup>6</sup>

### SUSTAINABILITY AND RESPONSIBILITY, A CORE PART OF OUR BUSINESS

- **80% of portfolio** expected to be LEED/BREEAM certified in 2021
- **EPRA member** since IPO, and the only rental property portfolio company in Spain **RICS-accredited**
- **ESG certificates** already being assessed, only 12 months post-IPO

**Notes:** (1) 12-month like-for-like compares with the same properties included in the portfolio at 31 December 2018; (2) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) 31 December 2019; (3) Portfolio acquisition price; (4) In accordance with EPRA Best Practice Recommendations; (5) Lease in office building America terminated ahead of refurbishment works; (6) Post-period, a new bilateral loan agreement signed in Jan'20 for a notional of EUR 9.4m; (7) Weighted average; all-in costs include spread, up-front costs and hedge

## > FY19 FINANCIAL RESULTS



## > FINANCIAL RESULTS

### > KEY BALANCE SHEET ITEMS

€'000 unless specified	31/12/2018	31/12/2019
<b>Gross Asset Value (GAV)<sup>1</sup></b>	39,976	<b>221,650</b>
<b>Gross Debt</b>	-	<b>72,637</b>
<b>Cash &amp; Equivalents</b>	57,967	<b>153,967</b>
<b>Gross LTV (%)</b>	n.a.	<b>32.8%</b>
<b>EPRA NAV<sup>2</sup></b>	97,088	<b>300,513</b>
<b>EPRA NAV p.s.<sup>2</sup></b>	9.8	<b>10.6</b>

### > KEY INCOME STATEMENT METRICS

€'000 unless specified	31/12/2018	31/12/2019
<b>Gross Rental Income (GRI)</b>	12	<b>4,719</b>
<b>Net Rental Income (NRI)</b>	12	<b>4,337</b>
<b>EBIT</b>	1,124	<b>16,133</b>
<b>Net profit</b>	1,124	<b>15,389</b>
<b>EPS (€ p.s.)</b>	0.11	<b>1.05</b>

### €18.4 MILLION OF NET PROFIT, WITH THE PORTFOLIO STILL BEING BUILT UP AND REPOSITIONINGS IN EARLY PHASE

- Portfolio assets – Cristalia, América, additional M Molina, Guadalix, Ramírez de Arellano and LS7 – not contributing in full to Arima's FY 2019 P&L. They were acquired during the period and some are undergoing refurbishment works. Thus, Arima's FY2019 P&L does not reflect the real operating income of the company's current portfolio of assets
- Expected revaluation of the assets through smart capex and active property management. Strong focus on repositioning and refurbishment of the assets

### FURTHER STRENGTHENED CAPITAL STRUCTURE TO FUND FURTHER GROWTH

- Multiplying **x3** the company's share capital through 2 capital increases in the period
- Long-term bilateral loan agreements signed for a notional amount of EUR 83 million, of which EUR 10 million remain undrawn as of 31st December 2019
  - 1.5% all-in costs<sup>3</sup> for a 7-year weighted average maturity
- Post-period, a new bilateral loan agreement has been signed for a notional of EUR 9.4 million. The agreement has a 5-year term and a loan-to-value (LTV) of approximately 42%. The financed property is the logistics warehouse located in Guadalix, Madrid

Note: **(1)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2019; **(2)** In accordance with EPRA Best Practice Recommendations; **(3)** Weighted average; all-in costs include spread, up-front costs and hedge

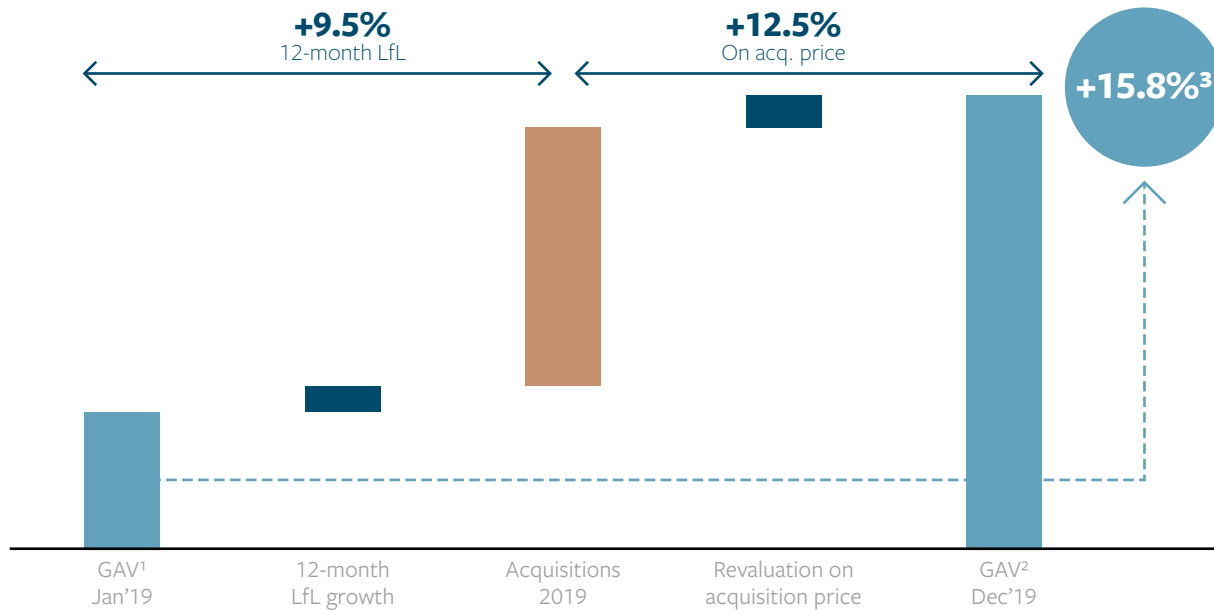


## > PORTFOLIO VALUATION



## > PORTFOLIO VALUATION GAV GROWTH

ROBUST GROWTH IN UNDERLYING ASSET VALUES MAINLY DRIVEN BY ACCRETIVE ACQUISITIONS AT ATTRACTIVE PRICES...



**€222m**  
GAV DEC'19²

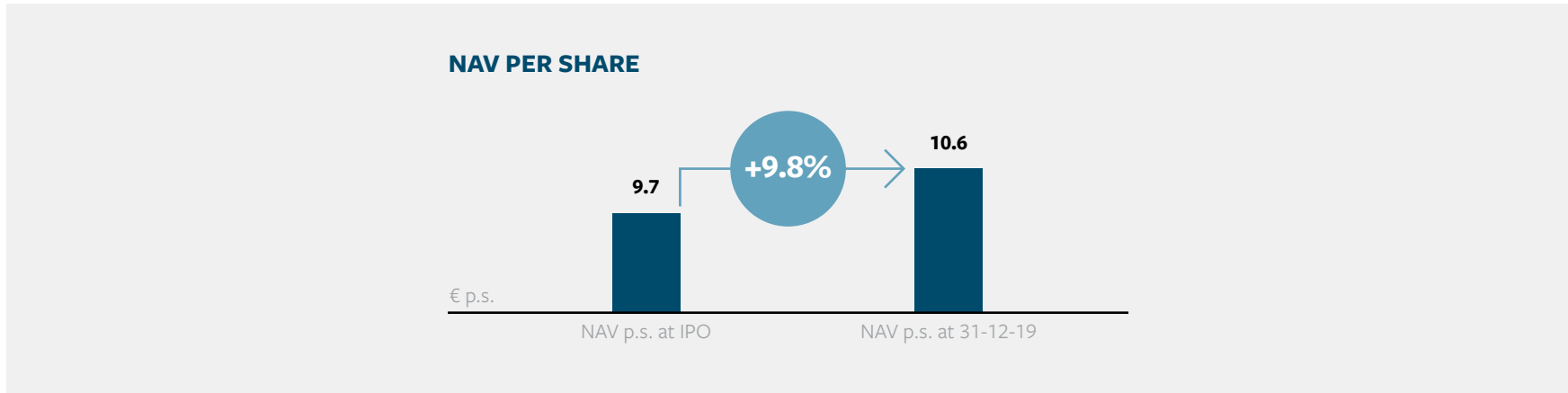
**+16%**  
ON ACQUISITION  
PRICE IN  
12 MONTHS

**+9.5%**  
12-MONTH  
LIKE-FOR-LIKE  
GROWTH

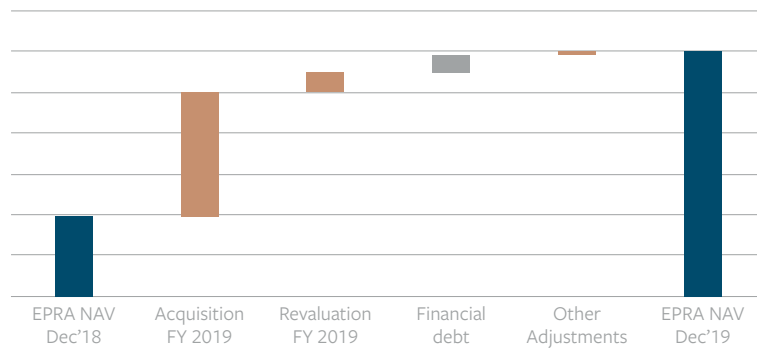
- Gross asset value (GAV) of EUR 222 million as of December 31, 2019
- Capital value growth driven by disciplined and accretive acquisitions at competitive prices
- Redevelopment plan on track, expected to be finalised in the next 12-15 months
  - Permits granted for refurbishment works in 3 office properties in 2020
  - M. Molina refurbishment expected to be completed in Q1 2020

Notes: **(1)** Based on the external independent valuation carried out by CBRE and Savills at 31 January 2019; **(2)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2019; **(3)** Revaluation on total portfolio acquisition price

> PORTFOLIO VALUATION **NAV GROWTH**  
 ...ALREADY CRYSTALLIZING IN SHAREHOLDER VALUE...



### NAV BRIDGE



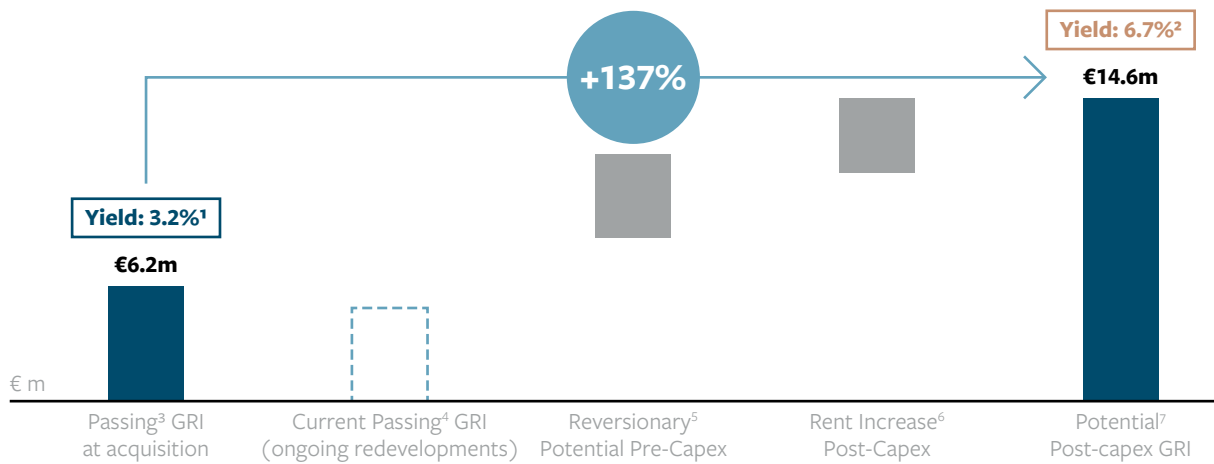
### FIRST CAPITAL INCREASE FULLY INVESTED AND MOST RECENT EXPECTED TO BE DEPLOYED IN THE NEXT 12 MONTHS

- 7 accretive acquisitions successfully closed since IPO
- +9.8% NAV p.s. increase since IPO
- 75,628 sqm GLA – 100% Madrid
- EUR 22m capex plan



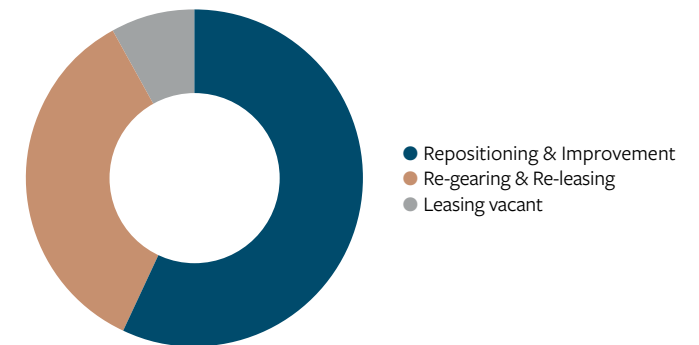
## > PORTFOLIO VALUATION PORTFOLIO UPSIDE POTENTIAL ...AND STILL WITH SIGNIFICANT UPSIDE POTENTIAL AHEAD

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



### FOLLOWING DIFFERENT VALUE CREATION STRATEGIES

> BY GAV

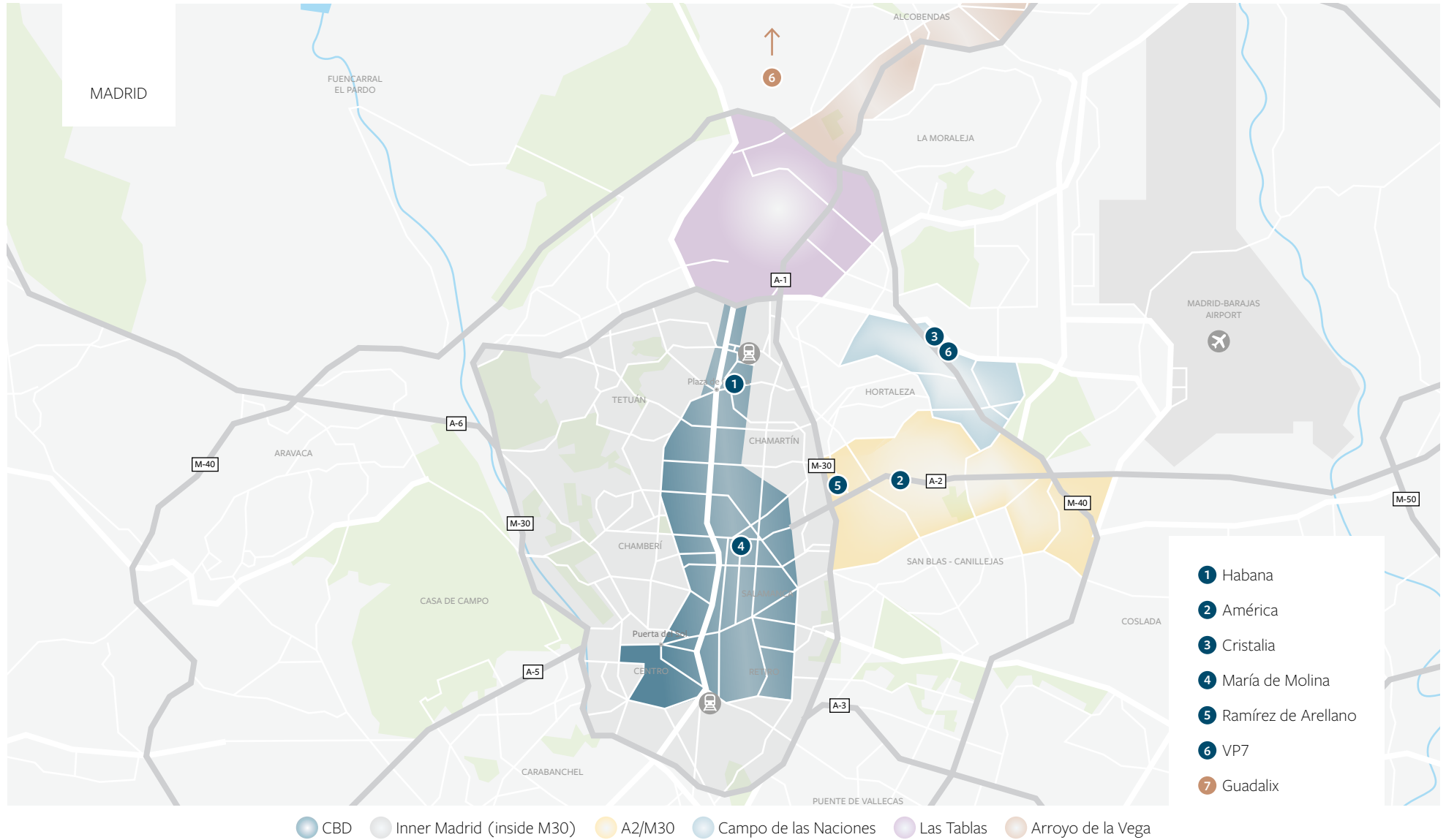


Notes: **(1)** Passing gross yield defined as passing gross rents over total portfolio acquisition price; **(2)** Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex); **(3)** Annualized gross rents; **(4)** Lease in office building América terminated 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

> PORTFOLIO OVERVIEW



## > PORTFOLIO OVERVIEW ASSET MAP

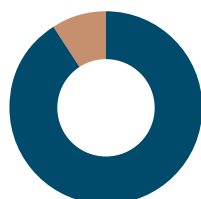


## > PORTFOLIO OVERVIEW PORTFOLIO AT A GLANCE

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



GAV BY SECTOR



● Offices ● Logistics

GAV BY LOCATION



● Madrid

### > PORTFOLIO BREAKDOWN

EUR m. unless specified	Assets (#)	GLA (sqm)	Parking (slots) <sup>3</sup>	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (€/sqm) <sup>4</sup>	GAV <sup>1</sup> (EURm)	Occupancy rate	Annualised GRI <sup>5</sup> (€'000)	Annualised NRI (€'000)	Gross yield <sup>6</sup>	EPRA NIY <sup>7</sup>
<b>INVESTMENT PROPERTIES<sup>2</sup></b>												
<b>Offices</b>	<b>4</b>	<b>26,043</b>	<b>374</b>	<b>114</b>	<b>117</b>	<b>4,052</b>	<b>129</b>	<b>73%</b>	<b>3.621</b>	<b>3.413</b>	<b>3.20%</b>	<b>2.60%</b>
Madrid	4	26,043	374	114	117	4,052	129	73%	3.62	3.413	3.20%	2.60%
CBD	2	8,356	62	42	43	4,804	54	58%	0.65	0.612	1.50%	1.10%
Inner Madrid (M30)	1	6,759	110	32	33	4,315	34	100%	1.46	1.493	4.50%	4.40%
Greater Madrid	1	10,928	202	39	40	3,314	42	67%	1.52	1.308	3.90%	3.10%
<b>Logistics</b>		<b>25,694</b>	<b>0</b>	<b>16</b>	<b>17</b>	<b>638</b>	<b>23</b>	<b>100%</b>	<b>1.531</b>	<b>1.453</b>	<b>9.30%</b>	<b>6.40%</b>
Madrid	1	25,694	0	16	17	638	23	100%	1.531	1.453	9.30%	6.40%
<b>Total investment properties</b>	<b>5</b>	<b>51,737</b>	<b>374</b>	<b>130</b>	<b>134</b>	<b>2,357</b>	<b>152</b>	<b>86%</b>	<b>5.152</b>	<b>4.866</b>	<b>4.00%</b>	<b>3.20%</b>

### REDEVELOPMENTS<sup>2</sup>

<b>Offices</b>	<b>2</b>	<b>23,891</b>	<b>389</b>	<b>61</b>	<b>63</b>	<b>2,319</b>	<b>70</b>
Madrid	2	23,891	389	61	63	2,319	70
CBD	0	-	-	-	-	-	-
Inner Madrid (M30)	0	-	-	-	-	-	-
Greater Madrid	2	23,891	389	61	63	2,319	70
<b>Logistics</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Total investment properties</b>	<b>2</b>	<b>23,891</b>	<b>389</b>	<b>61</b>	<b>63</b>	<b>2,319</b>	<b>70</b>

<b>Total Portfolio</b>	<b>7</b>	<b>75,628</b>	<b>763</b>	<b>191</b>	<b>197</b>	<b>2,345</b>	<b>222</b>
------------------------	----------	---------------	------------	------------	------------	--------------	------------

**Notes:** (1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2019; (2) As per EPRA recommendations, investment properties comprise rented or under commercialisation properties, excluding redevelopments. Current undergoing redevelopments include America and LS7. Planned portfolio redevelopments still considered investment properties during the project definition phase; (3) Includes underground parking slots only; other types such as overground slots or motorcycle slots are not included in this figure; (4) Adjusted for parking; (5) Topped-up passing rental income; (6) Topped-up annualized GRI divided by GAV; (7) As per EPRA recommendations, calculated as the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property

> PORTFOLIO OVERVIEW PORTFOLIO IN DETAIL

**OFFICES**



 <b>LOCATION</b> Madrid CBD	 <b>ACQ. DATE</b> December 2018	 <b>STRATEGY</b> Full refurbishment
 <b>GLA</b> 4,300 sqm	 <b>PARKING UNITS</b> 65	 <b>TENANTS</b> Cegos Formación

- Acquisition of a **free-standing office building** in Madrid CBD, with a metro station within 5 minutes walking distance
- Acquired **c.40% below comparable market transactions**
- Free-standing complex benefits from **excellent visibility**
- **Spacious floor plates** of c. 1,000 sqm
- Currently occupied by **single tenant under a sale-and-lease back** while project definition phase finalised
- Upon end of lease, **full refurbishment expected** to result in a Class A building with LEED Gold certification
- Refurbishment project designed by Fenwick Iribarren Arquitects with full involvement of Arima's team, includes renovation of façade, entrance hall and common areas. Works expected to begin in Q2 2020

**OFFICES**



 <b>LOCATION</b> Madrid A2-M30	 <b>ACQ. DATE</b> January 2019	 <b>STRATEGY</b> Partial refurbishment
 <b>GLA</b> 9,391 sqm	 <b>PARKING UNITS</b> 193	 <b>TENANTS</b> La Razón Planeta

- Acquisition of a **prominent office building** in the well- established Madrid submarket of A2-M-30
- **Excellent visibility** from the A2 highway, located next to the new premises of Banco Santander and near Arturo Soria
- **Well-connected** building with quick access to the airport with a good number of public transports options within walking distance
- Good floor plates and common areas with great potential
- **Partial refurbishment** project design ongoing to redefine a Class A building office with LEED Gold certification
- Occupied at 74% at acquisition. Tenant accommodated lease terms to start refurbishment works in Q2 2020

**OFFICES**



 <b>LOCATION</b> Madrid C. Naciones	 <b>ACQ. DATE</b> January 2019	 <b>STRATEGY</b> Lease-up and re-leasing
 <b>GLA</b> 10,928 sqm	 <b>PARKING UNITS</b> 202	 <b>TENANTS</b> Aegon

- Acquisition of a **free-standing office building** located in the **consolidated Cristalía Business Park**, in Campo de las Naciones
- Located in 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
- Currently **partially occupied** (67%), with the remainder showing strong traction amongst **high-quality tenants**
- **Attractive reversionary potential** through re-gearing existing leases and leasing-up current vacant space

> PORTFOLIO OVERVIEW PORTFOLIO IN DETAIL

**OFFICES**



 <b>LOCATION</b> Madrid CBD	 <b>ACQ. DATE</b> December 2018 February 2019	 <b>STRATEGY</b> Single ownership
 <b>GLA</b> 4,122 sqm	 <b>PARKING UNITS</b> 24	 <b>TENANTS</b> —

- **Acquisition** in various transactions of 5th, 6th, 9th and 10th floors of a prominent office building located in **Madrid's prime CBD**
- Located on one of **Madrid's prime arteries**, benefitting from **excellent access and communications**
- **Prominent office building** with **strong signage potential** and spacious floor plates above 1,000sqm
- Value creation strategy includes **consolidation of single ownership, with negotiations underway**
- **Floor-by-floor refurbishment to be completed by Q1 2020**, and eventually renovation of façade targeted
- Future **leasing strategy** focused on **multi-tenant approach**

**OFFICES**









 <b>LOCATION</b> Inner Madrid (M30)	 <b>ACQ. DATE</b> June 2019	 <b>STRATEGY</b> Re-leasing
 <b>GLA</b> 6,759 sqm	 <b>PARKING UNITS</b> 110	 <b>TENANTS</b> Sonae Spain

- Acquisition of a **free-standing prime** office building located in the well-established Avenida de América-Torrelaguna office area in **Madrid**
- Located in one of the **most active areas for corporate lettings** in Madrid in recent years
- **Highly efficient building** with **BREEAM "Very Good"** sustainability certification and column-free flexible floor plates of over 1,000sqm
- Acquired at an **attractive entry point and initial yield**
- **Fully occupied** with high-quality tenant, and **strong reversionary potential** through re-leasing medium-term

**LOGISTICS**



 <b>LOCATION</b> Madrid 2 <sup>nd</sup> ring	 <b>ACQ. DATE</b> April 2019	 <b>STRATEGY</b> Re-gearing
 <b>GLA</b> 25,694 sqm	 <b>LOADING BAYS</b> 29	 <b>TENANTS</b> Eroski

- **Prime logistics** warehouse acquired at an **attractive entry point**
- **High-yielding** cold storage facility with a **long-term lease**
- Located in San Agustín de Guadalix, in a consolidated industrial estate 30 km north of Madrid (2nd ring), benefitting from **excellent access and communications** to the north of Spain and France
- The platform was built to comply with the highest standards and is in **excellent condition**
- Value creation strategy includes longer term restructuring of the unit's occupation to improve liquidity and mortgageability
- **Increased demand** for this type of specialist facility from institutional investors

## > INVESTMENT ACTIVITY LS7 – ACCRETIVE ACQUISITION POST CAPITAL RAISE

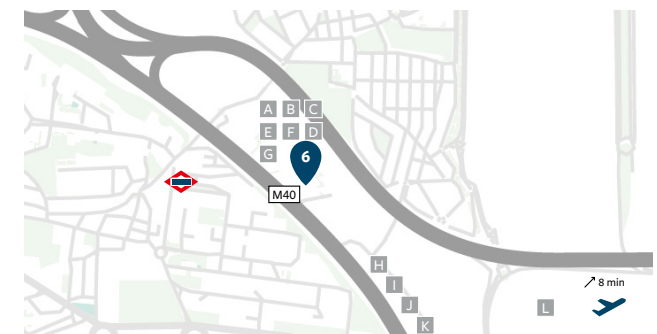
					
<b>LOCATION</b>	<b>ACQ. DATE</b>	<b>STRATEGY</b>	<b>GLA</b>	<b>PARKING UNITS</b>	<b>TENANTS</b>
Madrid C. Naciones	December 2019	Full refurbishment	14,500 sqm	196	-



### ACQUISITION RATIONALE

- **Free-standing** office building acquired in an off-market deal
- Located in the **Campo de las Naciones** submarket, next to the new ING 35,000 sqm headquarters
- **Excellent visibility** from the M-40 orbital motorway and excellent road access to the airport and CBD via M-11
- **Large floor plates** (2,865sqm) and common areas with great potential
- **Refurbishment already ongoing** to redefine a **class A** office building with **LEED Gold certification**
- **Attractive reversionary potential** upon completion of refurbishment works

### LOCAL MAP



A UPS	E Electronic Arts	I EMC
B Metro de Madrid	F Ericsson	J Sacyr Flúor
C Novo Nordisk	G ING	K Coca-Cola
D Altadis	H Santalucía	L IFEMA

> ACTIVE ASSET MANAGEMENT





# > ACTIVE ASSET MANAGEMENT ACTIVE ASSET MANAGEMENT PLAN

## PROPERTY MANAGEMENT DESIGNED TO CAPTURE GRADE A DEMAND, RENTAL UPSIDE AND IMPROVE TENANT EXPERIENCE

→ Redevelopment and asset management plan progressing well on track

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

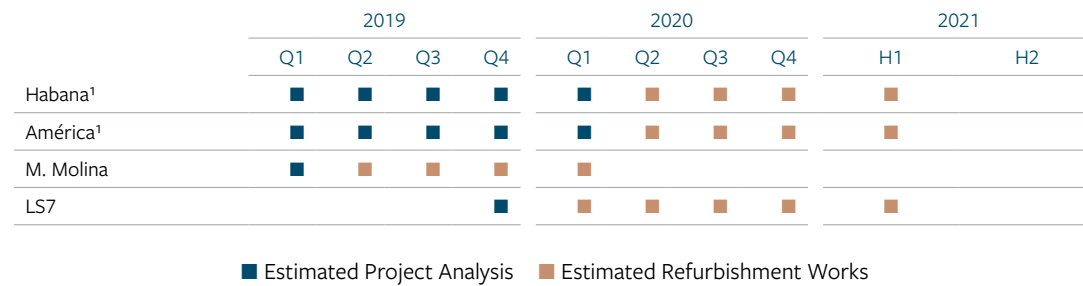
→ Combination of different strategies leading to a **balanced portfolio with significant upside**

→ **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) America lease agreement with existing tenant terminated in Dec'19, and Habana's agreed to terminate in Feb'20. Refurbishment works expected to commence for both buildings in Q2 2020; (2) Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

# > ACTIVE ASSET MANAGEMENT ONGOING REDEVELOPMENT PROJECTS

## ACTIVE PROPERTY MANAGEMENT TO CAPTURE GRADE A DEMAND, RENTAL UPSIDE AND IMPROVE TENANT EXPERIENCE

> BEFORE



> AFTER



### HABANA

Name: Habana  
 Acq. Date: Dec'18  
 Location: Madrid CBD  
 GLA: 4,300 sqm  
 Strategy: Full Refurbishment  
 Target Quality: Class A & LEED Gold  
 (expected H1 2021)

- Building Permit already granted
- Working drawings finalized in Q4 2019
- Agreement with existing tenant to leave the building in Feb'20. Refurbishment works to start in Q2 2020

**7.0%**  
 ESTIMATED  
 POST-CAPEX  
 YOC<sup>1</sup>

> BEFORE



> AFTER



### AMÉRICA

Name: América  
 Acq. Date: Jan'19  
 Location: Madrid A2/M30  
 GLA: 9,391 sqm  
 Strategy: Partial Refurbishment  
 Target Quality: Class A & LEED Gold  
 (expected H1 2021)

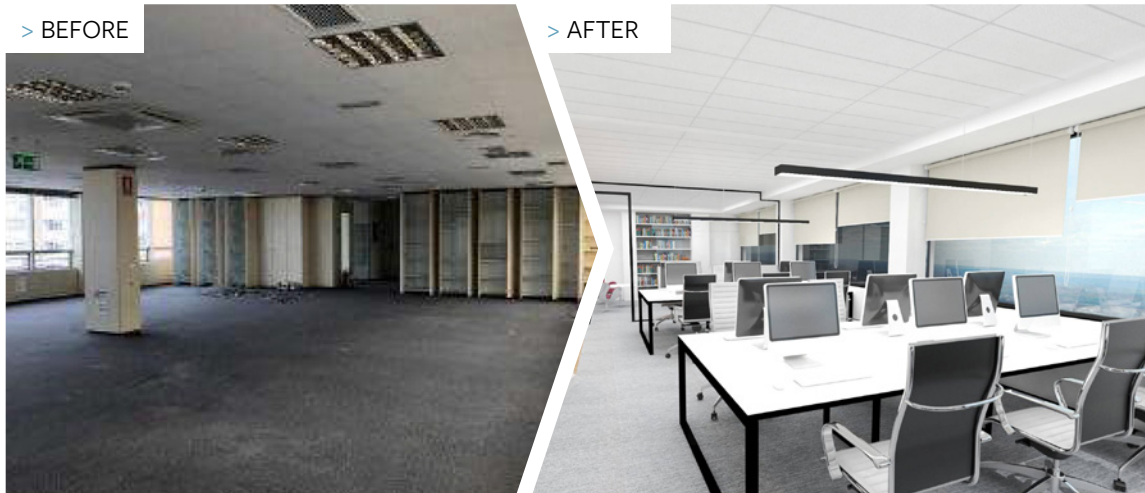
- Building Permit granted in Q4 2019
- Working drawings finalized in Q4 2019
- Agreement with existing tenant to terminate the contract in Q4 2019. Refurbishment works to start in Q2 2020

**7.4%**  
 ESTIMATED  
 POST-CAPEX  
 YOC<sup>1</sup>

Notes: (1) Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

## > ACTIVE ASSET MANAGEMENT ONGOING REDEVELOPMENT PROJECTS

ACTIVE PROPERTY MANAGEMENT TO CAPTURE GRADE A DEMAND, RENTAL UPSIDE AND IMPROVE TENANT EXPERIENCE



### M. MOLINA

Name: M. Molina  
 Acq. Date: Dec'18-Feb'19  
 Location: Madrid CBD  
 GLA: 4,122 sqm  
 Strategy: Full Refurbishment  
 Target Quality: Class A (expected year-end 2019)

- Refurbishment works began in July 2019, and are expected to end in Q1 2020
- Commercialisation phase to start immediately upon works completion

**6.3%**  
 ESTIMATED  
 POST-CAPEX  
 YOC<sup>1</sup>



### LS7

Acq. Date: Dec'19  
 Location: Madrid A2/M30  
 GLA: 14,500 sqm  
 Strategy: Full Refurbishment  
 Target Quality: Class A

- Refurbishment works ongoing, initiated by the vendors
- Undertaking additional improvements with Estudio Lamela, including creating a patio on the office floors, adding a new façade, improving the entrance hall and outside space
- LEED certification to be sought
- Completion of refurbishment works expected in Q2 2021

**6.8%**  
 ESTIMATED  
 POST-CAPEX  
 YOC<sup>1</sup>

Notes: <sup>(1)</sup> Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

## > ACTIVE ASSET MANAGEMENT LEASING ACTIVITY

### LETTING PERFORMANCE CAPTURING TOP-TIER INSTITUTIONAL TENANTS AND SUBSTANTIAL RENTAL UPLIFTS



**CRISTALIA**

3,636  
**SQM<sup>1</sup>**

€60k  
**ADDITIONAL GRI**

+9.2%  
**LEASING SPREAD<sup>1</sup>**

- One lease renewed totalling 3,636sqm
- Average release spread of +9.2%, securing additional annual income of c. €60k
- Remaining vacant space (2 floors) receiving strong interest from potential institutional occupiers

Notes: **(1)** Signed new rents vs. previous contracts (renewals)

## > CAPITAL STRUCTURE

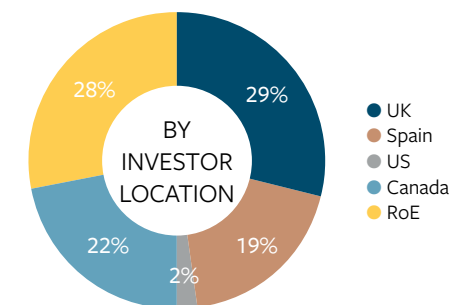
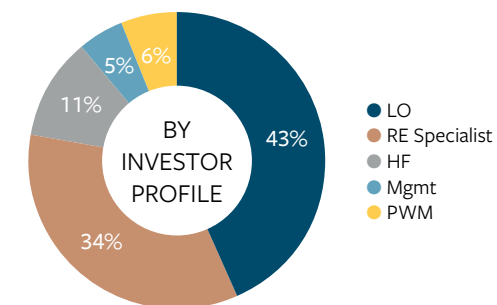


## > CAPITAL STRUCTURE

### FOLLOWING FULL DEPLOYMENT OF THE APR'19 CAPITAL INCREASE, ÁRIMA SUCCESSFULLY EXECUTED A SECOND CAPITAL INCREASE TO CONTINUE FUNDING FURTHER GROWTH

<p><b>Transaction Structure and Offering Price</b></p>	<ul style="list-style-type: none"> <li>→ Accelerated Bookbuilding Offering (“ABO”) to existing shareholders and new institutional investors</li> <li>→ <b>Ivanhoé Cambridge completed an equity investment (60% of the base deal) as reference shareholder, with participation in Arima’s Board of Directors</b></li> <li>→ €10.4 per new share, representing a <b>4.0% premium on closing price</b> prior to the transaction announcement</li> </ul>
<p><b>Size &amp; Use of Proceeds</b></p>	<ul style="list-style-type: none"> <li>→ 14,000,000 shares (103% of share capital pre-transaction)</li> <li>→ <b>Size multiplied x3</b> one year after the IPO</li> <li>→ Gross proceeds of €150 million, expected to be used on new investments, thanks to an existing pipeline of projects</li> </ul>
<p><b>Demand</b></p>	<ul style="list-style-type: none"> <li>→ <b>Upsized transaction by 50%</b> on the back of investor appetite</li> <li>→ <b>Broad high-quality investor base</b>, resulting in a well-balanced shareholding structure across profile and regions</li> <li>→ <b>Strong commitment from existing shareholder</b> base representing c.50% demand (excl. anchor investment allocation)</li> <li>→ <b>Strong interest from new investors</b>, including highly regarded Real Estate funds</li> <li>→ Strong demand with 2x books oversubscribed on the base deal size</li> </ul>
<p><b>Aftermarket</b></p>	<ul style="list-style-type: none"> <li>→ <b>Positive aftermarket performance +6%</b> (€11.00) immediately after pricing</li> <li>→ Liquidity of the share increased significantly post capital increase (c. x2 average traded volume)</li> </ul>

### > SHAREHOLDING STRUCTURE<sup>1</sup>

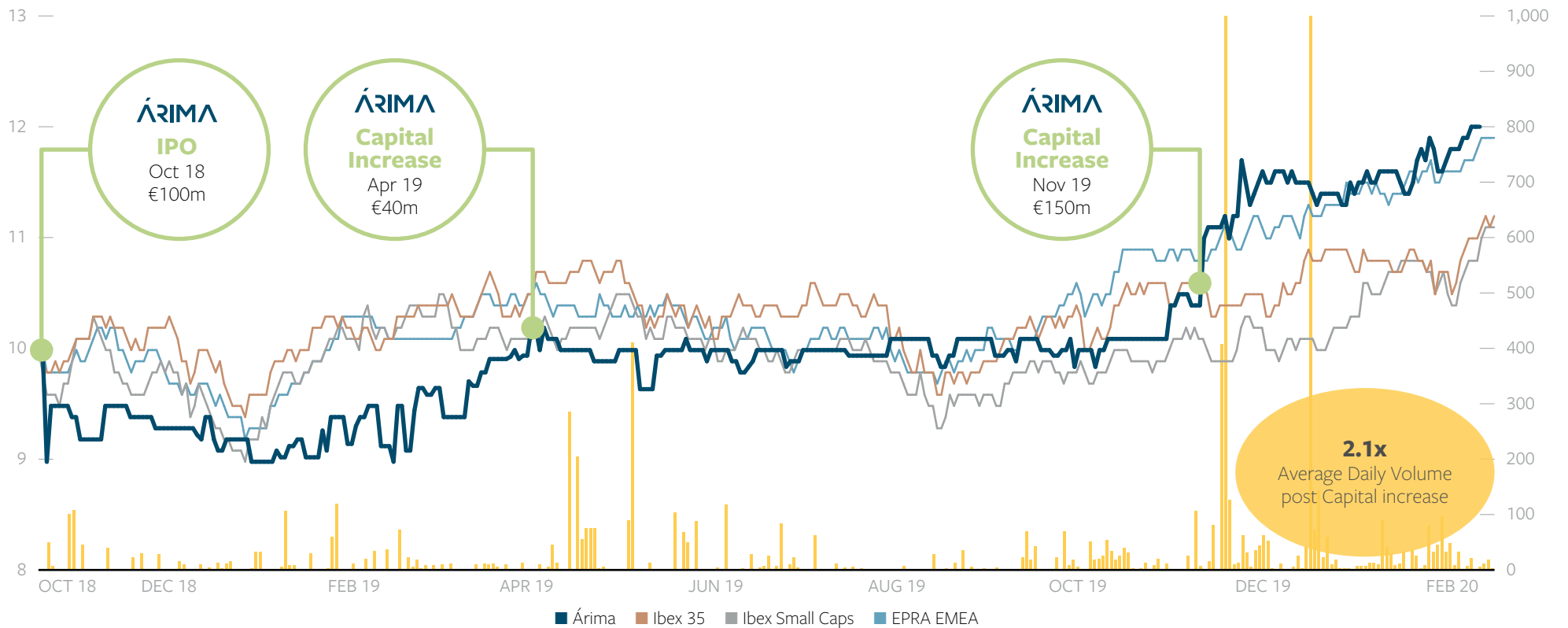


Notes: **(1)** Estimated (not confirmed) as of the capital raise closing

## > CAPITAL STRUCTURE **ÁRIMA** SHARE PERFORMANCE SINCE IPO

**ARIMA'S SHARE PRICE +20.0% SINCE IPO AND +15.4% SINCE THE MOST RECENT CAPITAL INCREASE, OUTPERFORMING THE MAIN BENCHMARK INDICES**

**ÁRIMA**  
**+20%**  
PERFORMANCE  
SINCE IPO (%)



Notes: (1) Factset as of 14 February 2020

> PIPELINE



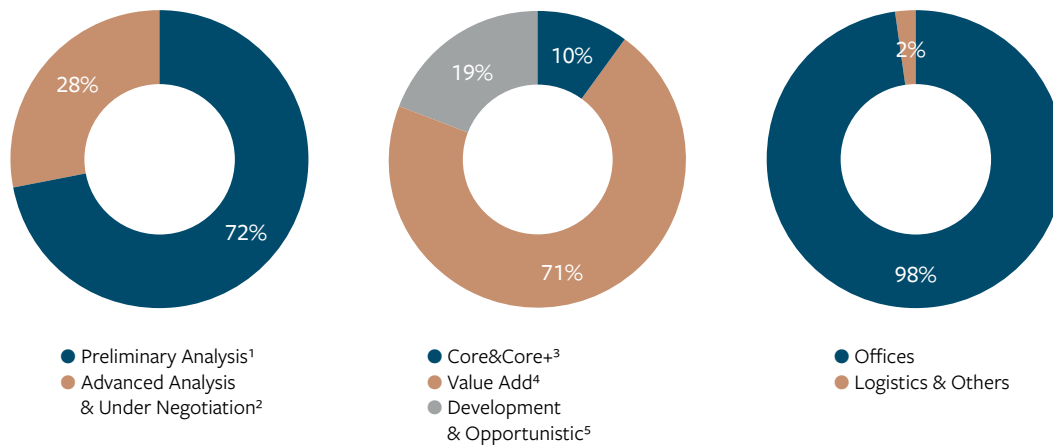


## > PIPELINE

### COMMITTED TO OUR INVESTMENT STRATEGY

#### c. €1.1bn CURRENT PIPELINE

#### > BY TOTAL ESTIMATED INVESTMENT



- Current **pipeline** mainly comprised of **Madrid offices**
- **c.€300m** in advanced analysis or under negotiations and **c.€800m** in preliminary analysis phase
- **Pipeline IRR<sup>6</sup>** in the range of **10% to 18%**
- **Pipeline YoC<sup>7</sup>** in the range of **5% to 9%**

**Note:** **(1)** Information regarding the property received but such information is either incomplete or has not yet been analysed yet in full; **(2)** Sufficient information has been received, analysed and considered adequate to perform an advanced analysis of the property, or negotiations are already ongoing with the potential seller; **(3)** Core: stabilized assets; Core+: assets in which minor refurbishments or changes in tenancy are expected; **(4)** Value Add: assets where ongoing/planned repositioning/full refurbishment programs and/or significant capex investment are expected; **(5)** Development: potential properties to be built in an urbanized plot of land or properties where more than 50% of the existing building is demolished or removed and must be redeveloped; **(6)** IRR: "Internal Rate of Return"; **(7)** YoC: "Yield on Cost".

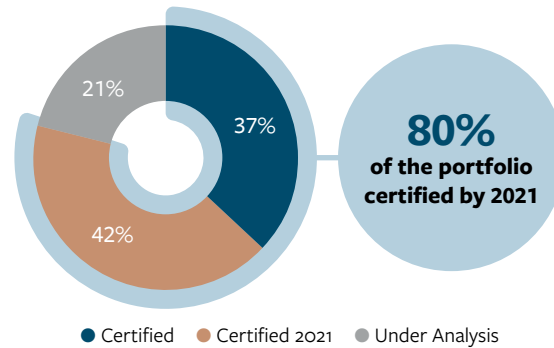
> SUSTAINABILITY & CORPORATE RESPONSIBILITY



## > SUSTAINABILITY & CORPORATE RESPONSIBILITY

### SUSTAINABILITY

- **80% of portfolio** expected to be LEED/BREEAM certified in 2021
- **EPRA member** since IPO
- The only rental property portfolio company in Spain **RICS-accredited**<sup>1</sup>
- **ESG certificates** already being assessed, only 12 months post-IPO



### > ROADMAP TO PORTFOLIO LEED/BREEAM CERTIFICATION

Asset	CertificacionType	Status	Expected Certification Date
Cristalia	LEED Core & Shell	LEED GOLD	Certified
Ramírez de Arellano	Breeam In-Use	BREEAM Very Good	Certified
Habana	LEED Core & Shell	LEED GOLD	H1 2021
América	LEED Core & Shell	LEED GOLD	H1 2021
M. Molina <sup>2</sup>	LEED	Under Analysis	Under Analysis
Guadalix	LEED/BREEAM	Under Analysis	UnderAnalysis
LS7	LEED Core & Shell	LEED GOLD	H1 2021

### CORPORATE RESPONSIBILITY

- Committed to designing and managing our buildings in the most sustainable means possible. By the same token, our tenants are increasingly focused on sustainable and healthy working environments
- c.80% of Árima’s management team RICS-accredited, demonstrating the steadfast commitment to excellence, transparency and professional integrity towards the market and our main stakeholders



Notes: (1) Royal Institution of Chartered Surveyors; (2) Final type and status to depend on extent of ownership

> APPENDIX



## > APPENDIX 2019 FINANCIALS

### > CONSOLIDATED INCOME STATEMENT (IFRS)

<b>IFRS</b>		
€ 000 (unless otherwise specified)	31/12/2018	31/12/2019
<b>Gross Rental Income (GRI)</b>	<b>12</b>	<b>4,719</b>
Non-reimbursable property expenses	-	(382)
<b>Net Rental Income (NRI)</b>	<b>12</b>	<b>4,337</b>
Overheads	(507)	(4,139)
<b>Operating Income (EBITDA)</b>	<b>(495)</b>	<b>198</b>
Amortization & Provisions	(2)	(11)
<b>Recurring EBIT</b>	<b>(497)</b>	<b>187</b>
Net financial charges	-	(744)
Tax	-	-
<b>Recurring net profit</b>	<b>(497)</b>	<b>(557)</b>
Change in fair value of assets	1,621	21,589
Other income and expenses	-	(5,643)
<b>Reported net profit</b>	<b>1,124</b>	<b>15,389</b>
<b>Reported EPS (€ p.s.)</b>	<b>0.11</b>	<b>1.05</b>
Average no. of shares outstanding	9,965,199	14,661,803

<b>EPRA</b>		
€ 000 (unless otherwise specified)	31/12/2018	31/12/2019
EPRA earnings	(497)	(6,200)
<b>Adjusted EPRA earnings</b>	<b>(497)</b>	<b>(590)</b>
EPRA EPS (€ p.s.)	(0.05)	(0.42)
<b>Adjusted EPRA EPS (€ p.s.)</b>	<b>(0.05)</b>	<b>(0.04)</b>

### > CONSOLIDATED BALANCE SHEET

€ 000 (unless otherwise specified)	31/12/2018	31/12/2019
<b>Non Current Assets</b>	<b>40,038</b>	<b>222,628</b>
Property plant & equipment	63	136
Investment property	39,975	221,650
Long-term financial investments	0	842
<b>Current assets</b>	<b>58,444</b>	<b>155,632</b>
Trade and other receivables	369	1,204
Prepayments and accrued income	105	461
Cash & cash equivalents	57,970	153,967
<b>Equity</b>	<b>97,088</b>	<b>299,778</b>
Share Capital	100,063	284,294
Share Premium	-	5,769
Reserves	(3,553)	(9,924)
Treasury shares	(546)	(625)
Retained earnings	1,124	15,389
Other	-	4,875
<b>Liabilities</b>	<b>1,394</b>	<b>78,482</b>
Non-current liabilities	0	74,118
Financial debt	0	72,427
Financial derivatives	0	735
Other	0	956
Current liabilities	1,394	4,364
Financial debt	0	210
Trade & other payables	1,394	4,154
Number of shares outstanding, end of period	9,948,170	28,373,534

## > DISCLAIMER

This document has been prepared by Árima real estate socimi, S.A. (the "Company") for information purposes only and it is not a regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. This document is neither a prospectus nor implies a bid or recommendation for investment.

This document includes summarized audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, corresponds to the internal recordings and accounting of the Company. Such information may have been subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that Árima considers reliable, but Árima does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties.

Neither the Company nor its legal advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to damages or loss that may derive from the use of this document or its contents. The internal analysis have not been subject to independent verification. This document may include forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements.

Under no circumstances the Company undertakes to update or release the review of

the information included herein or provide additional information. Neither the Company nor any of its legal advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein. This document discloses neither all risks nor other material issues regarding the investment on the shares of the Company. The information included in this presentation is subject to, and should be understood together with, all publicly available information. Any person acquiring shares of the Company shall do so on their own risk and judgment over the merits and suitability of the shares of the Company, after having received professional advisory or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the shares or any other securities or financial instrument of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe shares, in accordance with the provisions of article 30.bis of Law 24/1998, of July 28th, on the Securities Market, and/or the

Royal Decree 1310/2005, of November 4th and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden. Consequently, recipients of this document or those persons receiving a copy thereof shall become responsible for being aware of, and comply with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account with regard to those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.

# ÁRIMA

Árma Real Estate SOCIMI S.A.  
Edificio Torre Serrano - Serrano, 47  
28001 Madrid  
[www.arimainmo.com](http://www.arimainmo.com)



## Nota de Prensa

La Socimi ha triplicado su tamaño tras dos exitosas ampliaciones de capital

## Árma obtiene un beneficio neto de 15,4 millones de euros en su primer año completo de vida

- Árma logra un beneficio de 15,4 millones de euros en su primer año completo en el mercado. Al cierre del 2019, su cartera se había revalorizado un 15,8%, alcanzando un valor de mercado de 222 millones de euros
- La Compañía ha invertido desde la salida a bolsa, en octubre de 2018, 197 millones de euros en siete edificios en Madrid. A ello habría que añadir unos 22 millones de euros adicionales previstos para reformas
- El equipo de Árma mantiene su estrategia de inversión en inmuebles a precios atractivos y gran potencial de revalorización. Este potencial se refleja a través de la capacidad del equipo de incrementar en un 137% los ingresos por renta de la cartera existente. Además, la Compañía está acelerando su compromiso de inversión
- Árma ha triplicado el tamaño de su capital tras dos exitosas ampliaciones en el año, que han recibido una fuerte demanda y ayudado a duplicar la liquidez de la acción de la cotizada. En noviembre, el fondo internacional Invanhoé Cambridge entró como accionista de referencia
- Árma ha definido su plan de responsabilidad social corporativa y marca el objetivo para el 2021: el 80% de su cartera actual con certificaciones LEED/BREEAM



Foto: Árma. Infografía Habana



Madrid, 24 de febrero de 2020. Árma Real Estate ha presentado hoy sus resultados del año 2019. En este periodo, que equivale a su primer año completo de vida, la Socimi ha obtenido -según IFRS- un beneficio neto de 15,4 millones de euros. Con resultados de cierre de 2019, la Compañía ha obtenido una revalorización de su cartera de un **16%** y un NAV (*Net Asset Value*) de 10,6 euros por acción. Con los activos incorporados hasta la fecha, la cartera de Árma alcanza un valor de mercado de **222** millones de euros, con oficinas representando un 91% del total de la cartera y logística el 9% restante.

Desde la salida a bolsa, en octubre de 2018, el equipo de Árma ha cerrado ocho operaciones inmobiliarias, por 197 millones de euros, conformando una cartera muy equilibrada y en línea con su estrategia de inversión. La cartera cuenta a día de hoy con una superficie bruta alquilable (SBA) total de 75.628 m<sup>2</sup> y 763 plazas de aparcamiento bajo rasante.

Todos los inmuebles llevan el sello diferenciador del equipo de Árma: oficinas y activos logísticos en Madrid adquiridos a precios muy atractivos y con un gran potencial de revalorización, con el fin de generar una excelente rentabilidad para los accionistas de la Compañía. Todos encajan en el concepto *prime* por sus características y emplazamiento.

En concreto, el potencial de revalorización de la cartera actual de activos, medido como el potencial incremento de los ingresos por renta, es del 137%. Para ello, la Compañía tiene en marcha un plan de reposicionamiento, con 3 proyectos previstos para este año 2020. Además, la Compañía está acelerando su compromiso de inversión debido al estado avanzado en el que se encuentra con algunas negociaciones.

La Socimi ha llevado a cabo exitosamente dos ampliaciones de capital que le han permitido triplicar su tamaño. La primera operación se realizó en abril por un importe de 40 millones de euros y la segunda, en noviembre, por 150 millones de euros, un 50% más que el tamaño inicial previsto dada la alta demanda a pesar del momento de mercado caracterizado por la volatilidad. Además, Árma ha incorporado como accionista de referencia al prestigioso fondo de inversión canadiense Ivanhoé Cambridge, con una participación de 60 millones de euros en títulos de la cotizada española.

Con todo lo anterior, la acción ha duplicado la liquidez de su acción, demostrando la gran confianza de los inversores en el equipo gestor y el trabajo realizado, así como el cumplimiento de los objetivos marcados en su estrategia de negocio.



Árma Real Estate SOCIMI, S.A.  
Edificio Torre Serrano  
Serrano, 47 - 4º Izda.  
28001 Madrid - Spain  
T. (+34) 910 532 803  
info@arimainmo.com

Asimismo, en tan sólo doce meses, el equipo de Árma tiene ya definido el plan de sostenibilidad y de responsabilidad social corporativa, pilares básicos de la Compañía. Así, por un lado, la Socimi ha marcado el objetivo de obtener las certificaciones de construcción sostenible LEED/BREEAM, las más reconocidas internacionalmente, para el 80% de los activos en cartera en el 2021. Por otro, Árma es la única compañía patrimonialista de España que cuenta con certificación RICS (*Royal Institution of Chartered Surveyors*), y avanza en la obtención de certificaciones ESG.

#### Sobre Árma Real Estate

*Árma Real Estate es una Sociedad Anónima Cotizada de Inversión Inmobiliaria, gestionada por un equipo directivo interno y con dedicación exclusiva, creada en 2018 con el objetivo de convertirse en la SOCIMI española de referencia en el mercado de oficinas de Madrid. La compañía está liderada por Luis María Arredondo (Presidente del Consejo de Administración) y Luis López de Herrera-Oria (Consejero Delegado), y cuenta con el mismo y prestigioso equipo gestor que llevó a Axiare Patrimonio SOCIMI al éxito.*

#### Para más información

Gabinete de Prensa de Árma

Estudio de Comunicación: Ana Pereira

[apereira@estudiodecomunicacion.com](mailto:apereira@estudiodecomunicacion.com)

+34 91 576 52 50 / +34 647 88 39 86