



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

SPANISH NATIONAL STOCK MARKET COMMISSION

Pursuant to the provisions in articles 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April, on market abuse, and 226 of the consolidated text of the Spanish Stock Market Act, approved by Royal Legislative Decree 4/2015 of 23 October and its concordant provisions, Árma Real Estate SOCIMI, S.A. (hereinafter, “Árma” or the “Company”) hereby notifies the following

INSIDE INFORMATION

Árma files to the CNMV the H1 2020 Consolidated Financial Statements as well as Earnings Report.

Please find attached hereafter the Earnings Report and press release.

Madrid, 28th July 2020

Mr Luis Alfonso López de Herrera-Oria
Chief Executive Officer
Árma Real Estate

ÁRIMA

HALF YEAR
RESULTS

2020



> EXECUTIVE SUMMARY H1 2020 AT A GLANCE

EMBRACING OPPORTUNITY WITH DISCIPLINED ACQUISITIONS

- One high-quality office building (12,000 sqm) acquired in Madrid for a total investment of EUR 39 million, in an off-market transaction with a significant market discount
- Overall, a defensive and opportunity rich c.90,000 sqm office-focused portfolio built since IPO comprising a well-balanced mix, with a strong focus on asset improvement and a significant upside potential medium term
- Selective pipeline under analysis with EUR 30 million currently under due-diligence

RESILIENT FINANCIAL PERFORMANCE DESPITE THE MARKET UNCERTAINTY

- GAV of EUR 253 million at 30 June 2020¹, delivering +14% value growth in the 6-month period and +22% on acquisition price², driven by accretive acquisitions at very competitive prices and steady progress with the redevelopment programme
- EPRA NAV³ per share of EUR 10.8, +2.4% over the last six months and +12.5% since IPO
- Gross rental income for the 6-month period of EUR 2.5m, +131% YoY and +5.9% 6-month like-for-like basis. Annualised GRI at Jun'20 of EUR 5.4m
- 100% of rental collection year-to-date, despite COVID with no exposure to retail or leisure. Working closely with tenants and implementing safety preventive measures to support their return to the workplace
- NRI margin stable at 89%, despite the higher number of assets under refurbishment
- Net profit of EUR 2.5 million, and EPS of EUR 0.09

ACTIVE ASSET MANAGEMENT PROVING CRITICAL TO SATISFY CURRENT TENANT NEEDS

- New office lease signed post lockdown at +25% “leasing spread”⁴ and +5.9% above June'20 valuers ERV, reflecting the scarcity of Class A space and the increasing focus on quality due to Covid. The new lease to generate additional annual rental income of c. €140k
- Strong redevelopment pipeline progressing on track, with minor delays during lockdown: 4 office schemes (32,000 sqm) currently ongoing; 1 new project committed (12,000 sqm); all in Madrid
- Organic growth potential: 6.5-7% ERV yield post-capex vs c.4% market yield

EXCEPTIONAL BALANCE SHEET STRENGTH WITH FURTHER INVESTMENT CAPACITY

- Strong liquidity position with EUR 152 million in cash and equivalents
- EUR 48m of net cash position
- Best-in-class financing conditions:
 - 1.5% all-in costs⁵ for a 7-year weighted average maturity
 - 95% repayments due from 2025 onwards

SUSTAINABILITY AND WELLBEING AT THE CORE

- 80% of portfolio expected to be LEED/BREEAM certified in 2021/22, and all repositioning projects expected to be WELL certified
- 66% of Árima's financing composed of green loans
- Engaged in the 2020 GRESB assessment and committed to CDP for 2021
- EPRA member since IPO, and the only RICS-accredited⁶ commercial real estate company in Spain

COVID-19 MARKET UPDATE: SIGNIFICANT ECONOMIC UNCERTAINTY, BUT NO SIGNS OF DISTRESS. STRONG CONSENSUS ON QUALITY

- Leasing and investment markets subdued due to the practical effects of the lockdown and economic uncertainty, but no signs of distress
- Vacancy rates, rent levels and prime yields stable
- Shortage of Grade A space remains acute and pipeline at controlled levels
- Tenants view homeworking still as an experiment, while clear consensus exists on reversing occupation density, flexibility as well as quality and safe working environments

Note: **(1)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2020; **(2)** 2.7% 6-month LfL valuation growth, 0% 6m LfL adjusted for the capex invested in the period (EUR 5.9m); **(3)** In accordance with EPRA Best Practice Recommendations; **(4)** Compared to other existing leases in the same building; **(5)** Weighted average; all-in costs include spread, up-front costs and hedge; **(6)** Royal Institution of Chartered Surveyors;

“

We remain in a position of great strength with a portfolio full of opportunity, low gearing and ample liquidity. Despite the unprecedented conditions, the Árima team has pulled together well, and our portfolio is as prepared as can be for the situation. We strongly believe in the prospects of our strategy and have a strong selective pipeline. We keep monitoring the market and expect to be net buyers going forward




Luis López de Herrera-Oria
Chief Executive Officer



> INVESTMENT ACTIVITY IN THE QUARTER



> INVESTMENT ACTIVITY MANOTERAS – FIRST ACQUISITION POST COVID LOCKDOWN

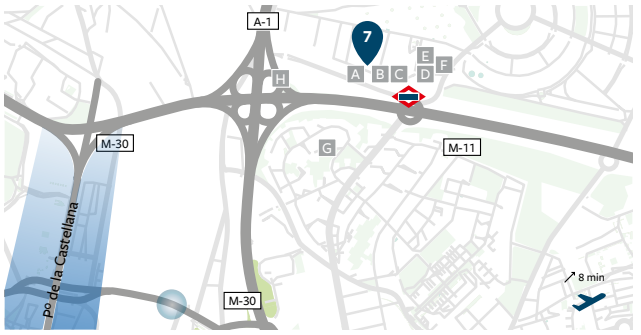
					
LOCATION	ACQ. DATE	STRATEGY	GLA	PARKING UNITS	TENANTS
Madrid Las Tablas/Manoterás	June 2020	Full refurbishment ¹	11,962 sqm	245	-

ACQUISITION RATIONALE

- **Off-market deal of a Class A office building in Madrid**, acquired at a significant market discount with an outlook to leasing it upon works completion
- **Free-standing building** located in the Madrid up-and-coming **Manoterás area**, the extension of Castellana's Madrid CBD. **Excellent connections** to public transport and motorway networks
- **Large, bright and highly-efficient floor plates** (2,000sqm), and common areas with great potential
- **Preliminary concept design completed**, with refurbishment works expected to end in H2 2022. LEED Platinum and WELL Gold certification expected
- **Yield on cost estimated in excess of >7.5%**



LOCAL MAP



- | | | |
|-----------------|-------------|------------|
| A Leche Pascual | D Liberbank | G La Caixa |
| B Iberdrola | E Sopra | H Deloitte |
| C Evers | F BOE | I BMW |

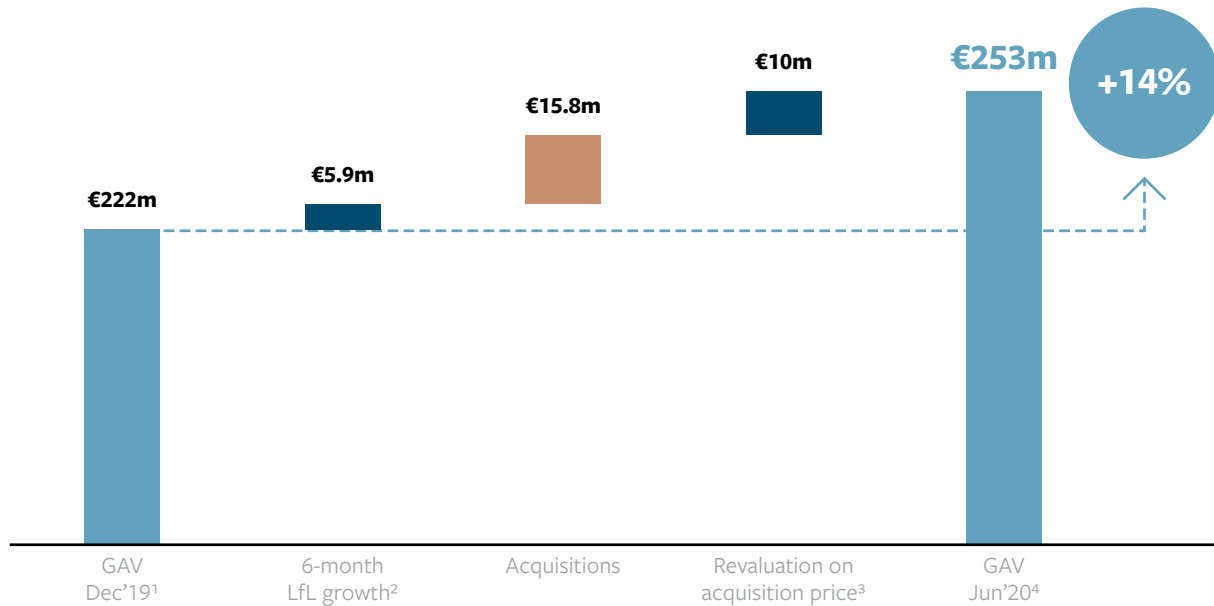
Note: (1) Private turnkey sale agreement executed in June 2020. The building is expected to be completed and delivered before December 2022

> PORTFOLIO VALUATION



> PORTFOLIO VALUATION GAV GROWTH

STEADY GROWTH IN UNDERLYING ASSET VALUES MAINLY DRIVEN BY CAPEX AND ACCRETIVE ACQUISITIONS...



€253m
GAV JUN'20⁴

+22%
ON ACQUISITION
PRICE⁵

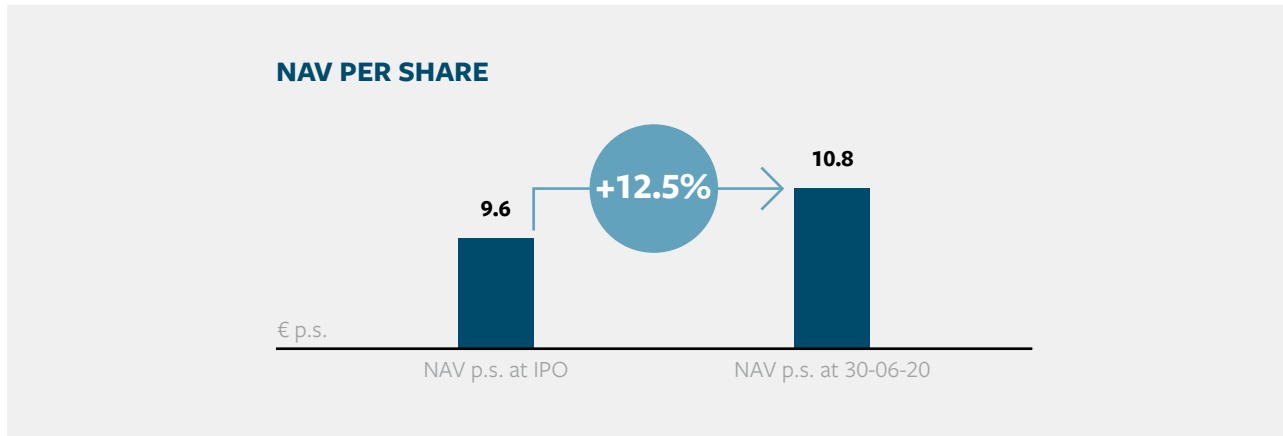
+18%
ON TOTAL
INVESTMENT⁶

- Gross asset value (GAV) of EUR 253 million as of June 30, 2020
- +14% portfolio value growth driven by capex investments and assets acquired in the period
- +22% portfolio valuation growth on acquisition price since IPO, and +18% on total investment (acquisition price plus capex invested)⁶
- Stable 6-month LfL value growth adjusted for capex⁷
- Redevelopment plan on track, with the majority expected to be finalised in the next 12-18 months
 - Refurbishment works ongoing in 4 office properties in 2020 (32,000 sqm)
 - 1 committed office project expected to be completed by end 2022 (12,000 sqm)

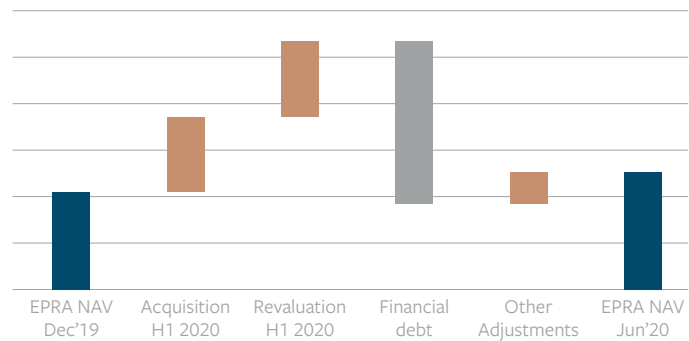
Notes: (1) Based on the external independent valuation carried out by CBRE and Savills at 31 December 2019; (2) 6-month LfL valuation compares with the same properties included in the portfolio at 31 January 2019; (3) Revaluation on the properties acquired in the period; (4) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2020; (5) Revaluation on total portfolio acquisition price; (6) Total investment includes acquisition price plus capex invested as of the valuation date; (7) 2.7% 6-month LfL valuation growth, 0% 6m LfL adjusted for the capex invested in the period (EUR 5.9m), -1.4% 6m LfL adjusted for the capex invested in the period and GLA projects increases

> PORTFOLIO VALUATION NAV GROWTH

...CRYSTALLIZING SHAREHOLDER VALUE...



NAV BRIDGE



STRONG ACQUISITIONS TRACK RECORD, DELIVERING RETURNS

- +12.8% NAV p.s. since IPO driven by 8 accretive acquisitions
- 87,589 sqm GLA – 100% Madrid – in line with investment strategy
- Significant capacity for further investment
- Expect to be net buyers

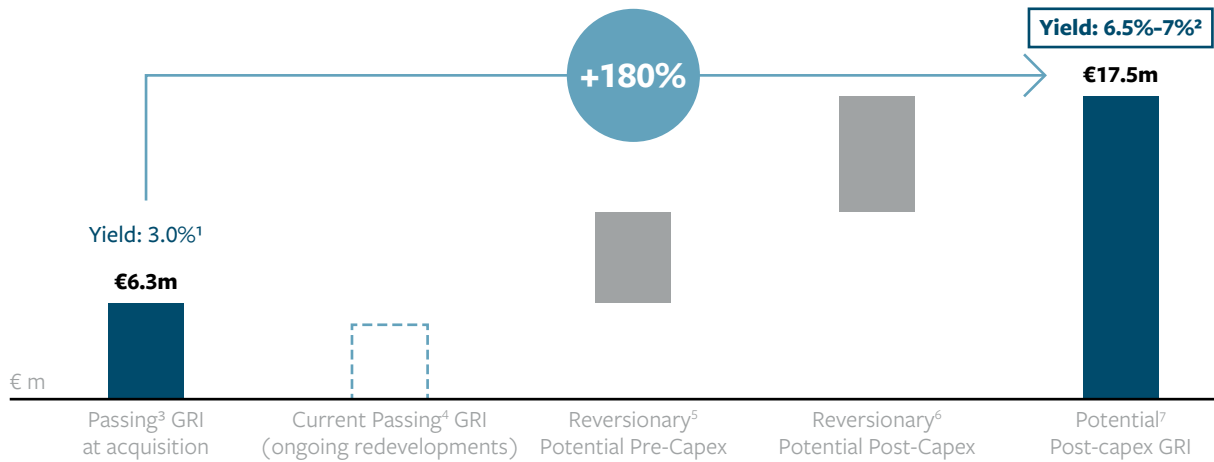


> PORTFOLIO VALUATION PORTFOLIO UPSIDE POTENTIAL

...AND STILL WITH SIGNIFICANT UPSIDE POTENTIAL MEDIUM TERM

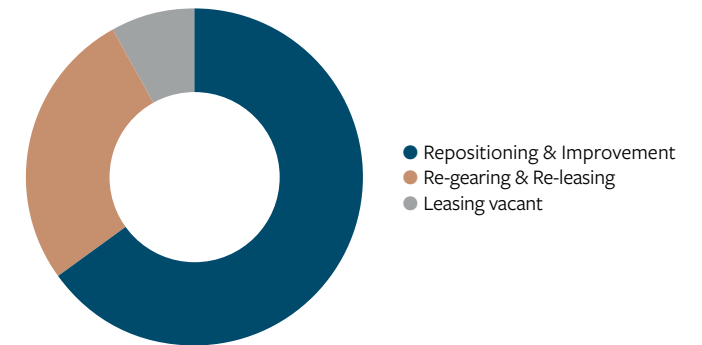
COVID-19 update: near-term uncertainty but confident on the long-term opportunity

> 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 buildings Habana and Botanic 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

> FINANCIAL RESULTS



> FINANCIAL RESULTS

> KEY INCOME STATEMENT METRICS

€'m unless specified	30/06/2019	30/06/2020	YoY
Gross Rental Income (GRI)	1.602	2.549	59%
Net Rental Income (NRI)	1.438	2.259	57%
EBIT	14.983	3.106	-79%
Net profit	14.735	2.537	-83%
EPS (€ p.s.)	1.24	0.09	-93%

> KEY BALANCE SHEET ITEMS

€'m unless specified	30/06/2019	30/06/2020	YoY
Gross Asset Value (GAV)¹	175.300	253.220	44%
Gross Debt	45.863	104.107	127%
Cash & Equivalents	21.391	152.039	611%
Net Debt	24.472	(47.932)	-296%
Gross LTV	26.2%	41.1%	57%
Net LTV	14.0%	(18.9%)	-236%

RESILIENT FINANCIAL PERFORMANCE, IN LINE WITH BUSINESS PLAN

- 100% rent collection YTD, with no exposure to retail and no corporate tenants operating in the industries most impacted by COVID-19²
- Redevelopment pipeline ongoing (62% of portfolio), and works resumed post lockdown
- Gross rental income for the 6-month period of EUR 2.5m, +131% YoY and +5.9% 6-month like-for-like basis
- Annualised GRI at Jun'20 of EUR 5.4m
- NRI margin stable at 89%, despite the higher number of assets under refurbishment
- Net profit of EUR 2.5 million, and EPS of EUR 0.09

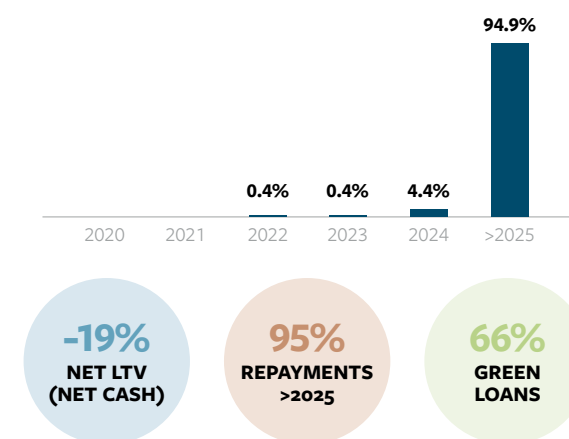
ROBUST BALANCE SHEET TO WEATHER ANY POTENTIAL STORM AND PROVIDING CAPACITY FOR FUTURE INVESTMENTS

- Strong liquidity position with EUR 152 million in cash and equivalents at period-end
- EUR 48m of net cash position and -19% net LTV (net cash)
- Best-in-class financing conditions enhanced with green loans:
 - 1.5% all-in costs³ for a 7-year weighted average maturity
 - 95% repayments due from 2025 onwards
 - 66% of Árima's financing already composed of green loans

STRONG SHAREHOLDER RETURN SINCE IPO

- 28.8% total shareholder return since IPO⁴
- Árima's Directors and Management team reduced their remuneration by 50% during the State of Alarm to fund 65% of the company's charitable donations supporting COVID initiatives
- In addition, the Management team agreed to postpone the delivery of the accrued incentive shares

> DEBT MATURITY PROFILE AS OF 30 JUNE 2020

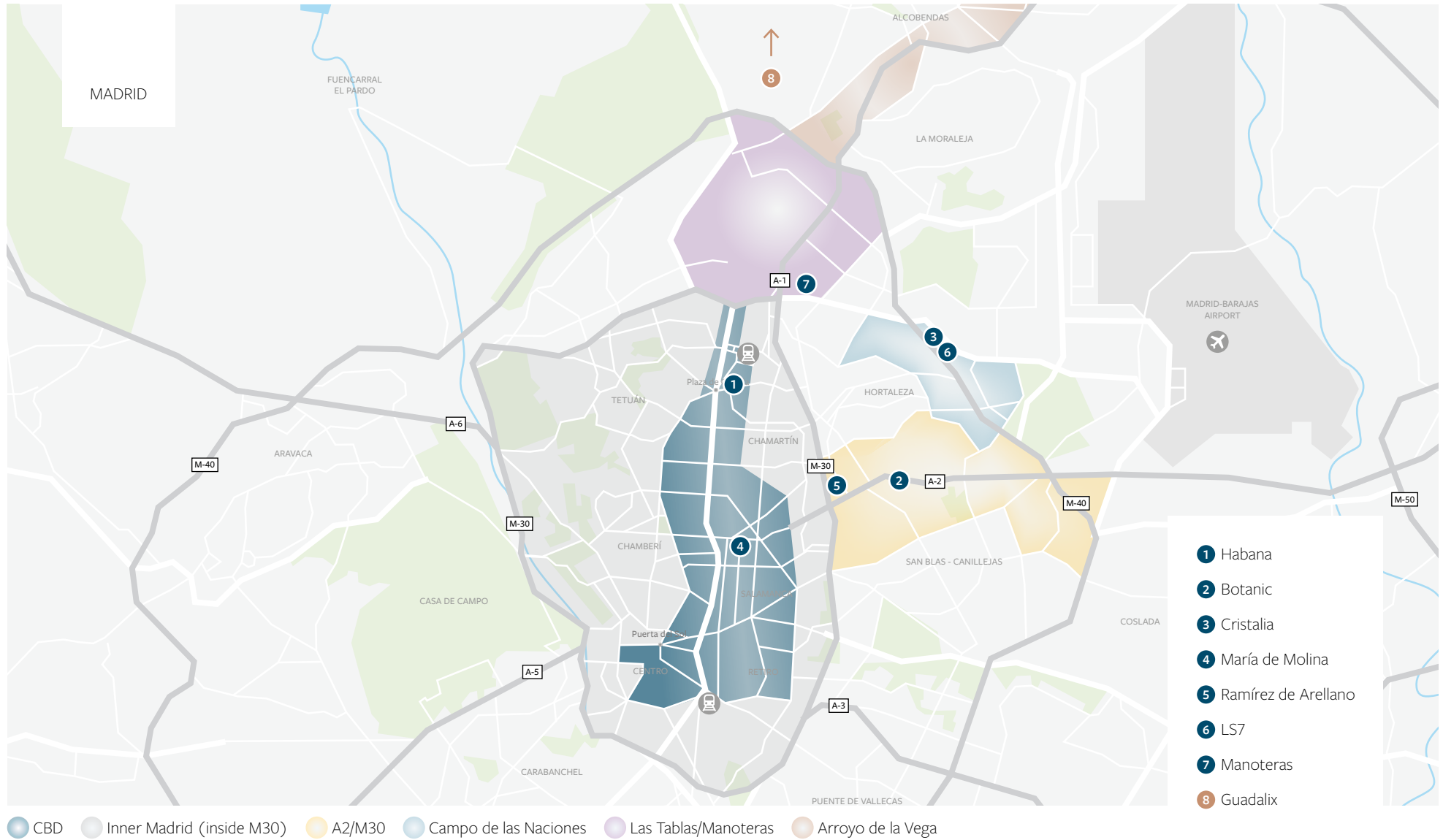


Note: **(1)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2019 and 30 June 2020; **(2)** Source: S&P Global Market Intelligence; **(3)** Weighted average; all-in costs include spread, up-front costs and hedge; **(4)** Calculation in accordance with the Listing Prospectus issued on 15 November 2019, reviewed by PwC and approved by the Remuneration Committee

> PORTFOLIO OVERVIEW



> PORTFOLIO OVERVIEW ASSET MAP

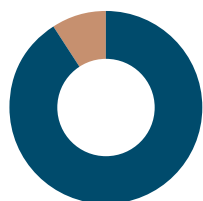


> PORTFOLIO OVERVIEW PORTFOLIO BREAKDOWN

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) ³	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (€/sqm) ⁴	GAV ¹ (EURm)	Occupancy rate	Annualised GRI ⁵ (€'000)	Annualised NRI (€'000)	Gross yield ⁶	EPRA NIY ⁷
INVESTMENT PROPERTIES²												
Offices	3	21,807	332	95	98	4,048	104	70%	3,263	2,737	3.4%	2.7%
Madrid	3	21,807	332	95	98	4,048	104	70%	3,263	2,737	3.4%	2.7%
CBD	1	4,120	20	24	24	5,558	31	14%	0,145	(0,069)	0.6%	-0.2%
Inner Madrid (M30)	1	6,759	110	32	33	4,315	32	100%	1,456	1,462	4.5%	4.5%
Greater Madrid	1	10,928	202	39	40	3,314	41	72%	1,663	1,344	4.2%	3.6%
Logistics	1	25,694	0	16	17	638	23	100%	1,815	1,702	11.1%	7.4%
Madrid	1	25,694	0	16	17	638	23	100%	1,815	1,702	11.1%	7.4%
Total investment properties	4	47,501	332	112	115	2,204	127	86%	5,078	4,439	4.5%	3.6%
REDEVELOPMENTS²												
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					
Total investment properties	4	40,088	711	95	98	2,100	127					
Total Portfolio	8	87,589	1,043	207	213	2,204	253					

Notes: (1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2020. External independent valuations are carried out twice a year, as of 30 June and 31 December; (2) As per EPRA recommendations, investment properties comprise rented or under commercialisation properties, excluding redevelopments. Current undergoing redevelopments include Habana, Botanic, LS7 and Manteras. 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

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**
- Already receiving interest from **prospecting tenants**



OFFICES

Name: Botanic
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.
- **New lease** signed with a TMT company
- Implemented **COVID and safety preventive measures**, and supported tenant as the return to the workplace is planned



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** near completion
- Value creation strategy includes **consolidation of single ownership, with negotiations underway**
- Implemented **COVID and safety preventive measures**, and supported tenant as the return to the workplace is planned

> 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**
- **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**, and supported tenant as the return to the workplace is planned



OFFICES

Name: LS7
Acq. Date: Dec'19
Location: Madrid CDN
GLA: 14,651 sqm
Parking units: 217
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**
- **Excellent visibility**, and large floor plates (2,865sqm) and common areas with great potential
- **Significant reversionary potential** upon completion of refurbishment works.
- Refurbishment works ongoing and LEED & WELL Gold certifications expected
- Project enhanced with **COVID and safety preventive measures**



OFFICES

Name: Manoteras 28
Acq. Date: Jun'20²
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
- Preliminary Concept Design completed, with refurbishment works expected to start in 2021



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**
- **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 experienced very high level of activity during the lockdown

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)** Private turnkey sale agreement executed in June 2020. The building is expected to be completed and delivered before December 2022

> ACTIVE ASSET MANAGEMENT



> ACTIVE ASSET MANAGEMENT **LEASING ACTIVITY** SATISFYING TENANT NEEDS PROVING CRITICAL IN TIMES OF UNCERTAINTY



Flight to quality accelerating

- Tenants increasing focus on quality and safe office environments
- Quality space is letting despite the fall in market activity during the lockdown

Portfolio well positioned to capture demand

- One new lease signed in Cristalia post lockdown
- New lease terms reflecting strong interest for quality:
- +25% “leasing spread”¹
- +12.3% above Dec’19 valuers’ ERV and +5.9% above June’20 valuers ERV
- The new lease to generate additional annual rental income of c. €140k
- Currently negotiating the remaining unoccupied space of the property

Notes: **(1)** Compared to the average existing lease in the same building

> ACTIVE ASSET MANAGEMENT ACTIVE ASSET MANAGEMENT PLAN

PROPERTY MANAGEMENT DESIGNED TO CAPTURE GRADE A DEMAND AND MATCH TENANT NEEDS

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

→ Strong redevelopment and asset improvement progress¹

→ 4 schemes in total (32,000 sqm) ongoing

→ 1 new major project committed (12,000 sqm)

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

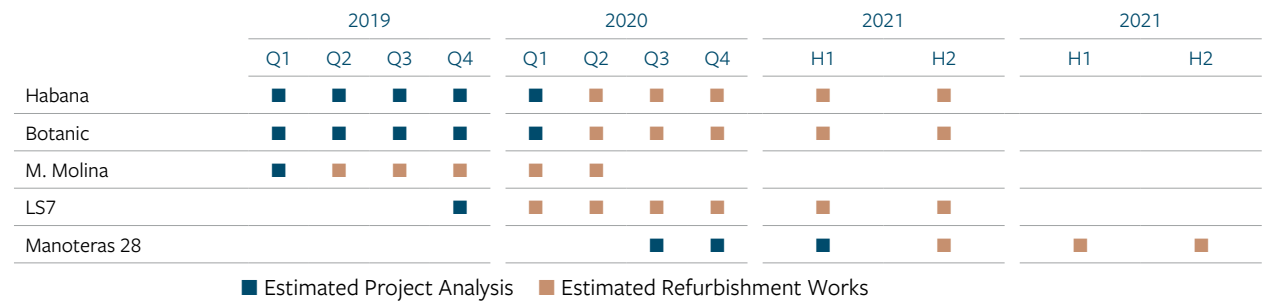
→ Combination of different strategies leading to a **balanced portfolio with significant upside**

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

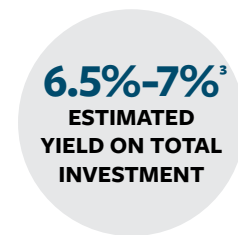
→ **Leasing vacant**, re-gearing and **maximising occupancy**

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

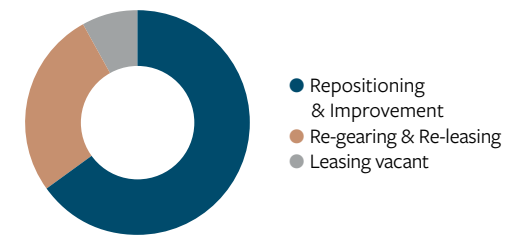
> REDEVELOPMENT & ASSET MANAGEMENT PLAN



> VALUE CREATION STRATEGY



> BY GAV



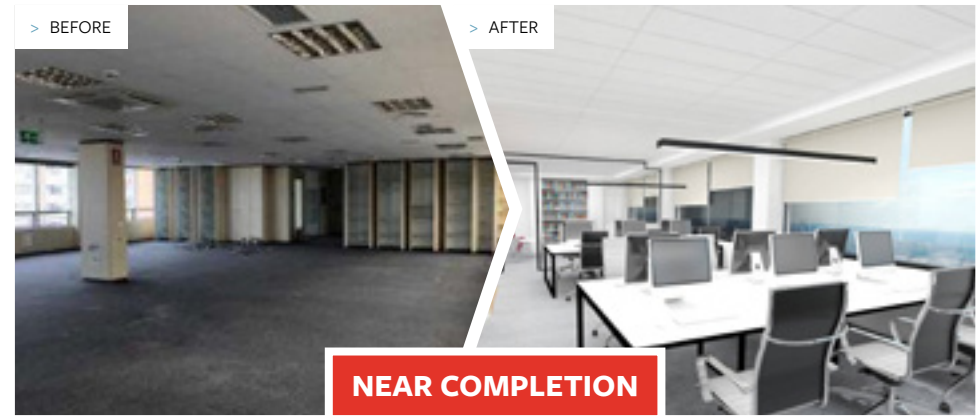
Notes: **(1)** 4 schemes (40,000 sqm) considered redevelopments, as per EPRA recommendations: Habana, Botanic, LS7, Manoteras; M. Molina (4,000 sqm) considered improvement; **(2)** Includes capex committed for Manoteras; **(3)** Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

> ACTIVE ASSET MANAGEMENT ONGOING REDEVELOPMENT PROJECTS

ACTIVE PROPERTY MANAGEMENT TO CAPTURE GRADE A DEMAND AND MATCH TENANT NEEDS



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



M. MOLINA
 Location: Madrid CBD
 GLA: 4,122 sqm
 Expected Delivery: Q2 2020



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



LS7
 Location: Madrid A2/M30
 GLA: 14,500 sqm
 Expected Delivery: H2 2021

> SUSTAINABILITY & CORPORATE RESPONSIBILITY



> SUSTAINABILITY & CORPORATE RESPONSIBILITY

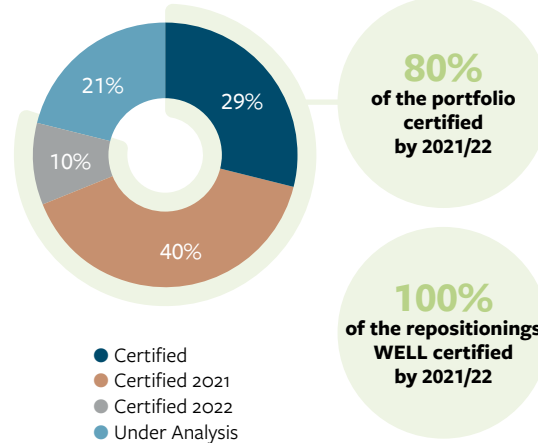
COMMITTED TO SUSTAINABLE ENVIRONMENTS AND SOCIAL WELLBEING

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
- Engaged in the **2020 GRESB assessment**:
 - First-year participant only 18-months post-IPO
- Committed to the **2021 CDP reporting**
- The **only RICS-accredited¹** commercial real estate company in Spain
- **EPRA member** since IPO

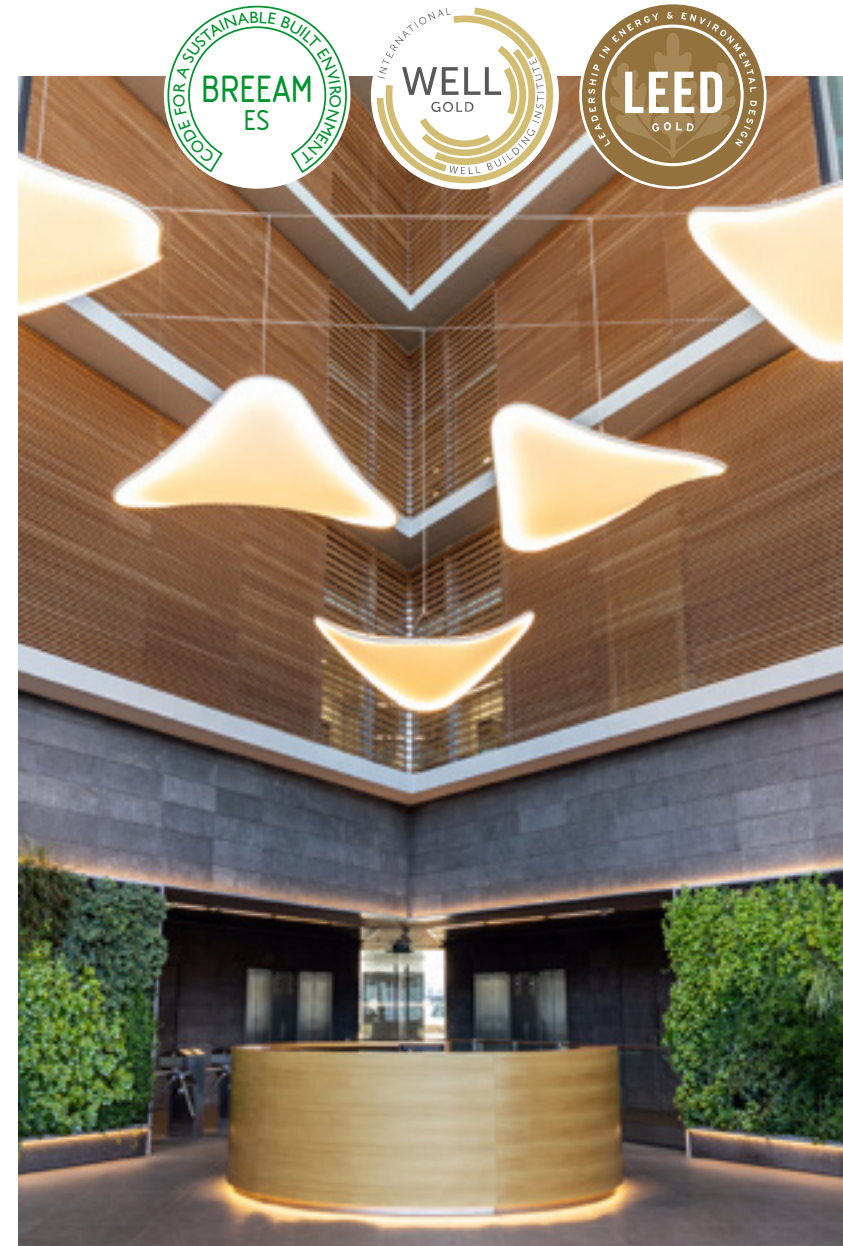
> LEED/BREEAM CERTIFICATION



> ROADMAP TO PORTFOLIO LEED, BREEAM & WELL CERTIFICATION

Asset	Sustainability Certification	Health-Safety Certification	Expected Certification Date
Cristalia	LEED GOLD	WELL GOLD	LEED Certified
Ramírez de Arellano	BREEAM Very Good	Under Analysis	BREEAM Certified
Habana	LEED GOLD	WELL GOLD	H2 2021
Botanic	LEED PLATINUM	WELL GOLD	H2 2021 (Pre-Certified)
M. Molina ²	Under Analysis	Under Analysis	Under Analysis
Guadalix	Under Analysis	Under Analysis	UnderAnalysis
LS7	LEED GOLD	WELL GOLD	H2 2021
Manoteras	LEED PLATINUM	WELL GOLD	H2 2022

- 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
- Over 80% of Árima's management team are members of the RICS, demonstrating our steadfast commitment to excellence, transparency and professional integrity in terms of 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 H1 2020 FINANCIALS

> CONSOLIDATED INCOME STATEMENT (P&L)

IFRS	30/06/2019	30/06/2020
€'000 (unless otherwise specified)		
Gross Rental Income (GRI)	1,602	2,549
Non-reimbursable property expenses	(164)	(290)
Net Rental Income (NRI)	1,438	2,259
Overheads	(1,451)	(3,528)
Operating Income (EBITDA)	(13)	(1,269)
Amortization & Provisions	(4)	(10)
Recurring EBIT	(17)	(1,279)
Net financial charges	(248)	(569)
Tax	-	-
Recurring net profit	(265)	(1,848)
Change in fair value of assets	15,033	8,550
Other income and expenses	(33)	(4,165)
Reported net profit	14,735	2,537
Reported EPS (€ p.s.)	1.24	0.09
Average no. of shares outstanding	11,928,952	28,228,998

EPRA	30/06/2019	30/06/2020
€'000 (unless otherwise specified)		
EPRA earnings	(298)	(6,013)
Adjusted EPRA earnings	(265)	(1,848)
EPRA EPS (€ p.s.)	(0.02)	(0.21)
Adjusted EPRA EPS (€ p.s.)	(0.02)	(0.07)

> CONSOLIDATED BALANCE SHEET

€'000 (unless otherwise specified)	30/06/2019	30/06/2020
Non Current Assets	176,434	254,235
Property plant & equipment	67	173
Investment property	175,300	253,220
Long-term financial investments	1,067	842
Current assets	23,192	157,513
Trade and other receivables	1,603	5,064
Prepayments and accrued income	198	410
Cash & cash equivalents	21,391	152,039
Equity	149,542	302,436
Share Capital	140,063	284,294
Share Premium		5,769
Reserves	(3,934)	5,447
Treasury shares	(494)	(3,639)
Retained earnings	14,735	2,537
Other	(828)	8,028
Liabilities	50,084	109,312
Non-current liabilities	47,777	106,182
Financial debt	45,783	103,899
Financial derivatives	828	1,372
Other	1,166	911
Current liabilities	2,307	3,130
Financial debt	80	208
Trade & other payables	2,227	2,922
Number of shares outstanding, end of period	13,954,102	28,013,042

> 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



Press Release

The net asset value per share (EPRA NAV) increased to EUR 10.8, +12.5% higher since its IPO

Árma marks the end of the first half year with the acquisition of 12,000 sqm of premium office space in Madrid for EUR 38.9 million

- Its latest property – superbly located in one of Madrid’s fastest-growing office areas – was acquired off-market after lockdown was lifted. The Socimi currently has an additional EUR 30 million under due diligence
- Árma also signed a new lease agreement in Madrid as lockdown was easing. The agreed rent is 25% higher than the average paid by the other tenants in the building, reflecting the growing demand for high quality, sustainable and *healthy* properties
- As of 30th June 2020, Árma's property portfolio had a market value of EUR 253 million, a +22% uplift on the original purchase price
- Despite the current climate of uncertainty, the Socimi remains confident about the future thanks to its solid balance sheet, the lack of exposure to the retail or hotel sectors, and its defensive portfolio acquired at a highly attractive price with excellent upside potential in the medium term
- The Company continues to collect 100% of its rental income, which amounted to EUR 2.5 million during H1, up +59% y-o-y and +5.9% like-for-like compared with H2 2019
- Árma remains committed to obtaining LEED/BREEAM and WELL property certifications. At corporate level, the Company has also committed to completing the renowned GRESB and CDP sustainability assessments



Photo: Árma. Render, Manoteras Project



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

28 July 2020. Today, Árima has presented its H1 2020 results. The Company posted a NAV (Net Asset Value) of EUR 10.8 per share at 30 June 2020, +12.5% higher than the per share value at its IPO just about a year and a half ago, and following a six-month period in which COVID-19 has heavily impacted all aspects of society and the economy. Despite these circumstances, the Socimi has proven its ability to identify and seize opportunities, in line with its business plan, to generate value for shareholders.

A perfect example of this is the EUR 38.9 million acquisition of a premium office property comprising 12,000 sqm and featuring 245 parking spaces. The building is located in the Manoteras area, which is considered to be the northern extension of the Paseo de la Castellana and one of Madrid's fastest-growing office areas – home to high profile tenants such as Deloitte, BMW, Everis, Caixabank and Liberbank. The property – a turnkey project scheduled for delivery towards the end of 2022 – was secured via a complex off-market deal at a very attractive price. Árima was advised on the acquisition by Knight Frank and EY.

Following this acquisition, Árima's portfolio now boasts a total of 90,000 sqm of lettable space and over 1,000 underground parking spaces. As at 30 June 2020, its portfolio was valued at EUR 253 million according to the valuation certificate issued by CBRE Valuation Advisory – carried out to RICS (Royal Institution of Chartered Surveyors) standards – indicating a +22% uplift on the original purchase price.

As lockdown was easing, Árima also signed a new lease agreement at the Cristalia building, securing a rent +25% higher than the average paid by the other tenants in the building. The new lease, which will provide the Socimi with an annual rent of EUR 140,000, is yet another example of the management team's tried and tested expertise and reflects the growing demand for quality, sustainable and healthy properties, a trend which has gained further traction during the pandemic.

Committed to the business plan

Madrid and Barcelona have a very limited supply of properties that meet the criteria for sustainability, quality and flexibility sought in the post-COVID-19 world. The strategy employed by the Árima team is set to meet these requirements, as a way of generating an attractive return for the Company's shareholders. The Socimi is currently conducting due diligence on a property of c. EUR 30 million and is making good progress with the refurbishment works currently underway on the existing portfolio.

Luis López de Herrera-Oria, CEO of Árima, said "*We remain in a position of great strength, with low gearing and ample liquidity. Despite the unprecedented circumstances of the first half of this year, the Árima team is well and committed, and our portfolio extremely well-prepared to face the future. We firmly believe in the potential of our portfolio and have a strong, selective pipeline. We keep monitoring the market and expect to be net buyers going forward*".

Árima continues to receive 100% of its rents and posted EUR 2.5 million in rental income during H1 2020. This implies a +59% increase y-o-y and a +5.9% uptick in like-for-like terms compared to H2 2019.



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

Árma remains committed to sustainability and social well-being, aiming to achieving LEED/BREEAM and WELL certification on its properties. In addition, Árma has committed to participate in the internationally renowned GRESB and CDP sustainability assessments.

During the state of emergency, the management team and Board of Directors agreed to a 50% pay cut – which helped to fund 65% of the donations made by the Socimi – and partially postponed the delivery of the accrued incentive shares.

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 (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.

For more information

Estudio de Comunicación: Ana Pereira

apereira@estudiodecomunicacion.com +34 647 88 39 86