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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 FY 2019 Consolidated Financial Statements as well as Earnings Report.

Please find attached hereafter the Earnings Report and press release.

Madrid, 24th February 2020

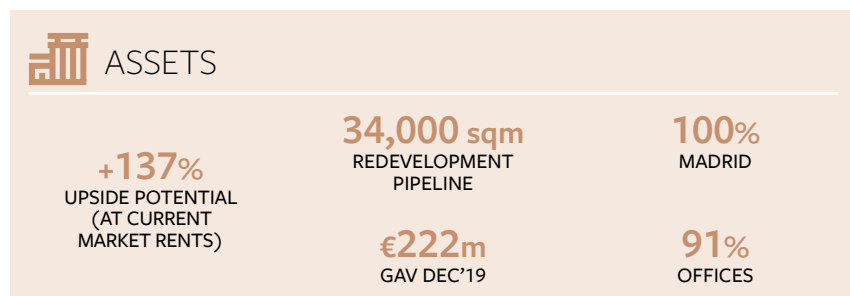
Mr Luis Alfonso López de Herrera-Oria
Chief Executive Officer
Árma Real Estate



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 LfL¹. **GAV of EUR 222 million** at 31 December 2019²
- 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 **€191m³**. 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 NAV⁴ 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 5.2m⁵
- 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 YTD⁶

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 |
|--|------------|----------------|
| Gross Asset Value (GAV)¹ | 39,976 | 221,650 |
| Gross Debt | - | 72,637 |
| Cash & Equivalents | 57,967 | 153,967 |
| Gross LTV (%) | n.a. | 32.8% |
| EPRA NAV² | 97,088 | 300,513 |
| EPRA NAV p.s.² | 9.8 | 10.6 |

> KEY INCOME STATEMENT METRICS

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

€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 costs³ 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

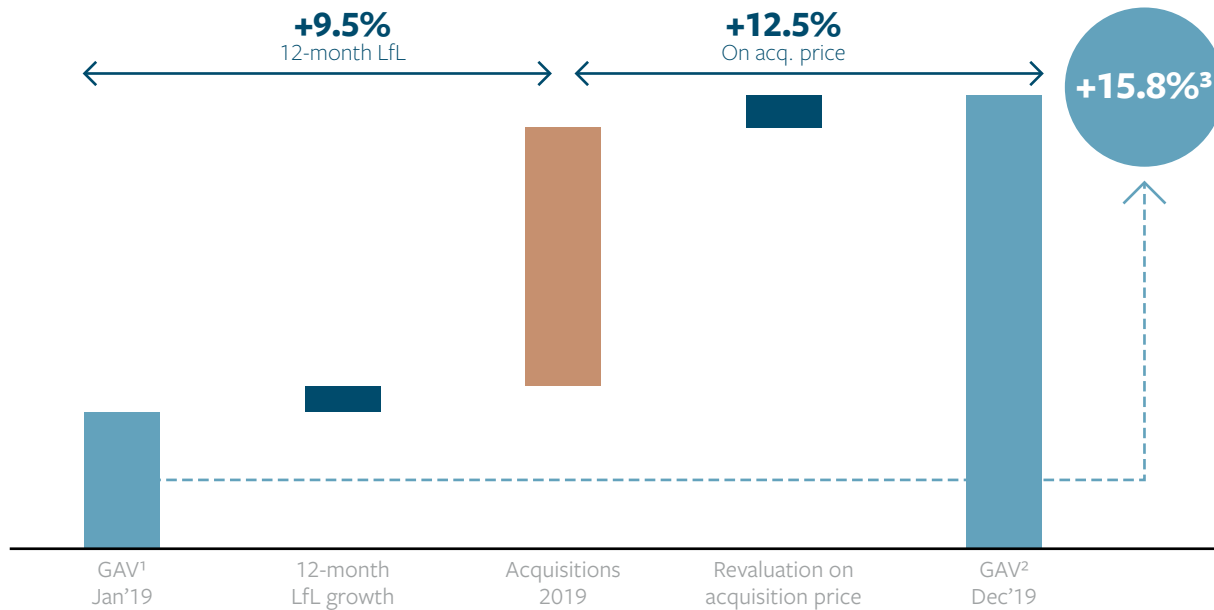


> PORTFOLIO VALUATION



> PORTFOLIO VALUATION GAV GROWTH

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



€222m
GAV DEC'19²

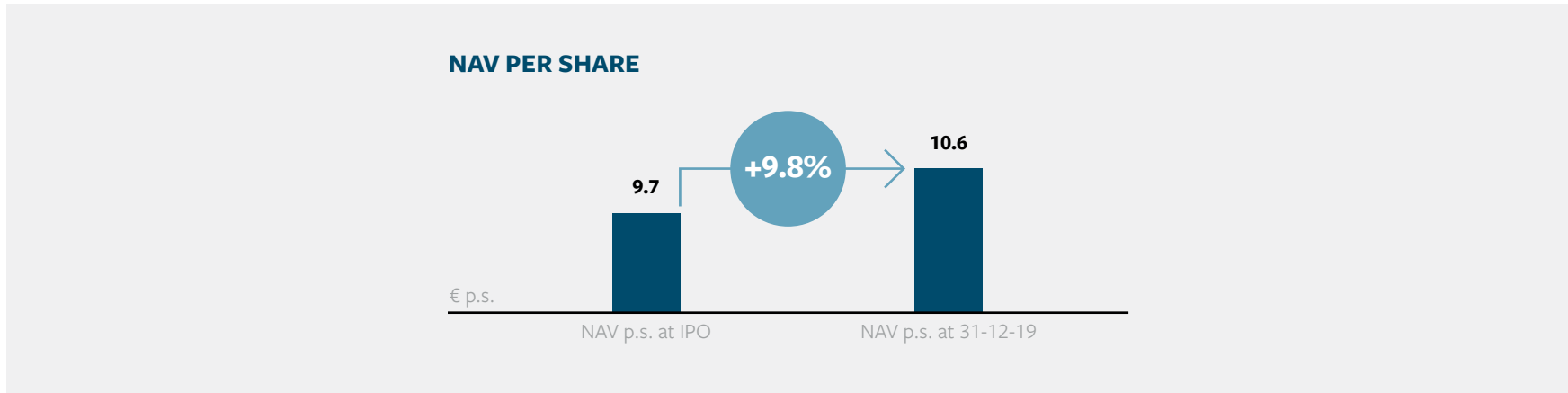
+16%
ON ACQUISITION
PRICE IN
12 MONTHS

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

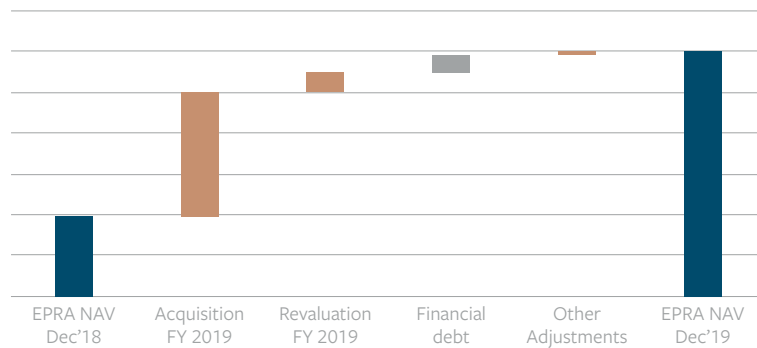
- Gross asset value (GAV) of EUR 222 million as of December 31, 2019
- Capital value growth driven by disciplined and accretive acquisitions at competitive prices
- Redevelopment plan on track, expected to be finalised in the next 12-15 months
 - Permits granted for refurbishment works in 3 office properties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

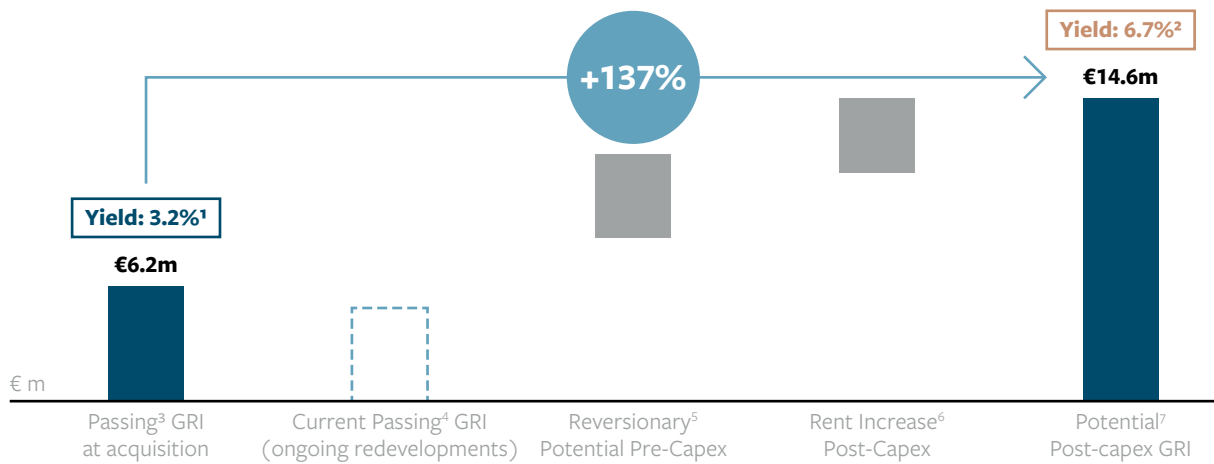


FIRST CAPITAL INCREASE FULLY INVESTED AND MOST RECENT EXPECTED TO BE DEPLOYED IN THE NEXT 12 MONTHS

- 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

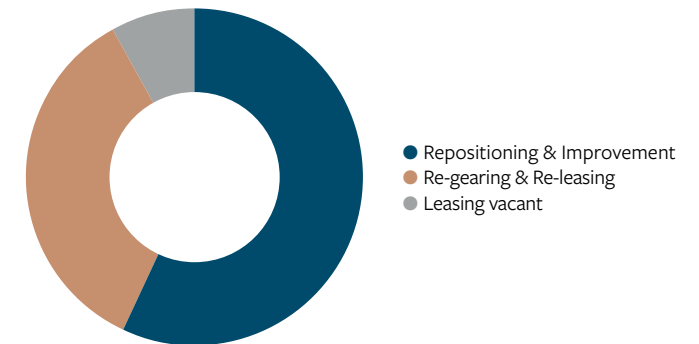
> PORTFOLIO VALUATION PORTFOLIO UPSIDE POTENTIAL ...AND STILL WITH SIGNIFICANT UPSIDE POTENTIAL AHEAD

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



FOLLOWING DIFFERENT VALUE CREATION STRATEGIES

> BY GAV

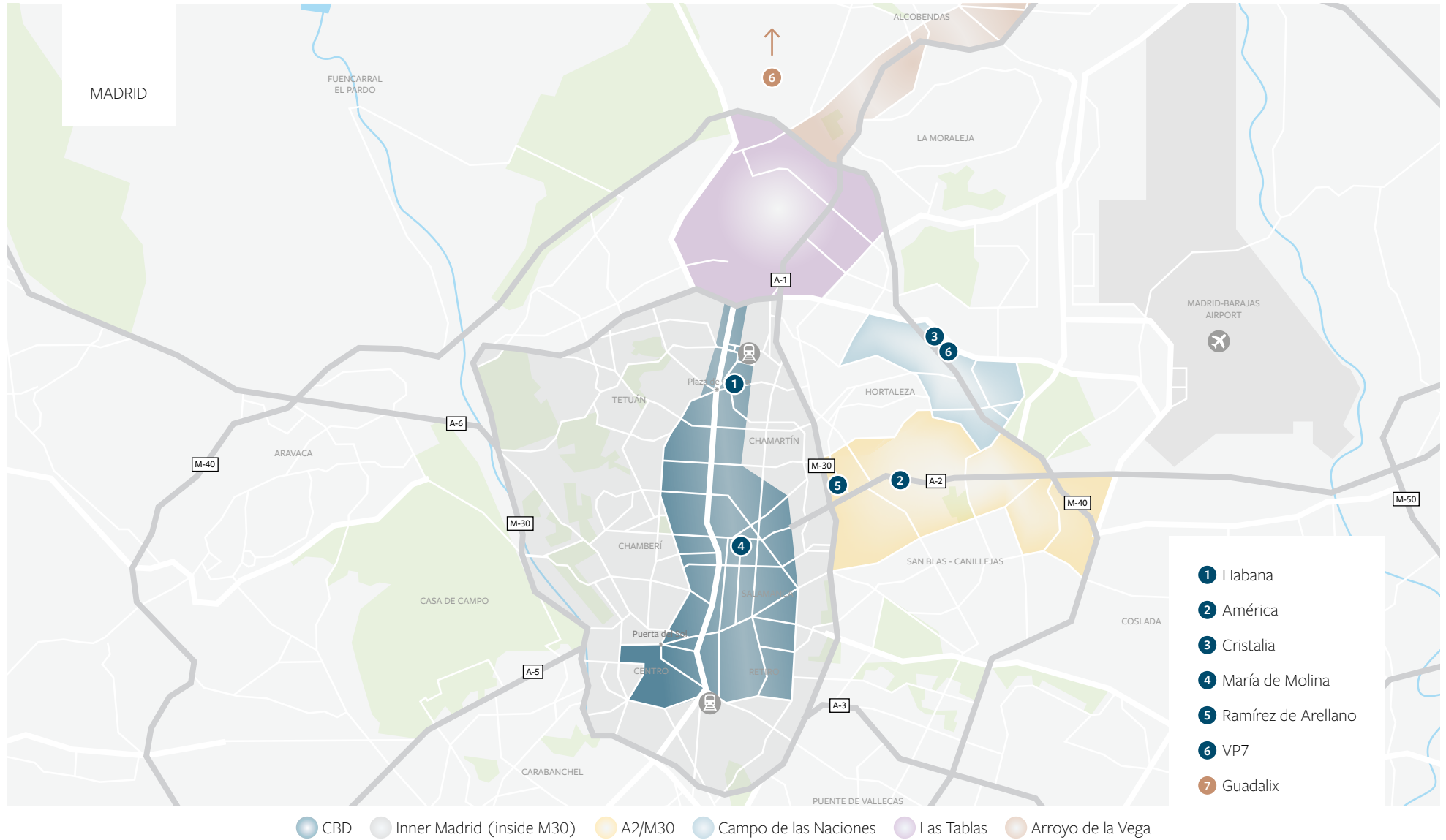


Notes: **(1)** Passing gross yield defined as passing gross rents over total portfolio acquisition price; **(2)** Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex); **(3)** Annualized gross rents; **(4)** Lease in office building América terminated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

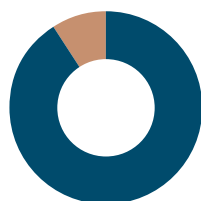


> PORTFOLIO OVERVIEW PORTFOLIO AT A GLANCE

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) 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 | 4 | 26,043 | 374 | 114 | 117 | 4,052 | 129 | 73% | 3.621 | 3.413 | 3.20% | 2.60% |
| 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% |
| Logistics | | 25,694 | 0 | 16 | 17 | 638 | 23 | 100% | 1.531 | 1.453 | 9.30% | 6.40% |
| Madrid | 1 | 25,694 | 0 | 16 | 17 | 638 | 23 | 100% | 1.531 | 1.453 | 9.30% | 6.40% |
| Total investment properties | 5 | 51,737 | 374 | 130 | 134 | 2,357 | 152 | 86% | 5.152 | 4.866 | 4.00% | 3.20% |
| REDEVELOPMENTS² | | | | | | | | | | | | |
| Offices | 2 | 23,891 | 389 | 61 | 63 | 2,319 | 70 | | | | | |
| 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 | | | | | |
| Logistics | 0 | 0 | 0 | 0 | 0 | - | 0 | | | | | |
| Total investment properties | 2 | 23,891 | 389 | 61 | 63 | 2,319 | 70 | | | | | |
| Total Portfolio | 7 | 75,628 | 763 | 191 | 197 | 2,345 | 222 | | | | | |

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



| | | |
|---|---|---|
|  LOCATION Madrid CBD |  ACQ. DATE December 2018 |  STRATEGY Full refurbishment |
|  GLA 4,300 sqm |  PARKING UNITS 65 |  TENANTS 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



| | | |
|--|--|--|
|  LOCATION Madrid A2-M30 |  ACQ. DATE January 2019 |  STRATEGY Partial refurbishment |
|  GLA 9,391 sqm |  PARKING UNITS 193 |  TENANTS 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



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



| | | |
|---|---|--|
|  LOCATION Madrid CBD |  ACQ. DATE December 2018 February 2019 |  STRATEGY Single ownership |
|  GLA 4,122 sqm |  PARKING UNITS 24 |  TENANTS — |

- **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









| | | |
|---|---|--|
|  LOCATION Inner Madrid (M30) |  ACQ. DATE June 2019 |  STRATEGY Re-leasing |
|  GLA 6,759 sqm |  PARKING UNITS 110 |  TENANTS 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



| | | |
|--|--|--|
|  LOCATION Madrid 2 nd ring |  ACQ. DATE April 2019 |  STRATEGY Re-gearing |
|  GLA 25,694 sqm |  LOADING BAYS 29 |  TENANTS 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

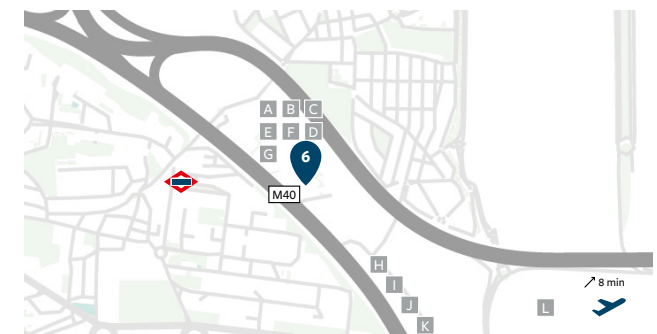
| | | | | | |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
| LOCATION | ACQ. DATE | STRATEGY | GLA | PARKING UNITS | TENANTS |
| Madrid C. Naciones | December 2019 | Full refurbishment | 14,500 sqm | 196 | - |



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**

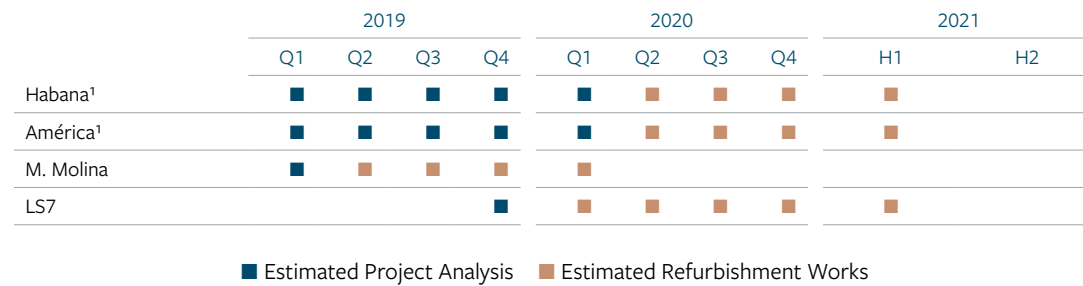
→ Combination of different strategies leading to a **balanced portfolio with significant upside**

→ **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
 YOC¹

> 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)

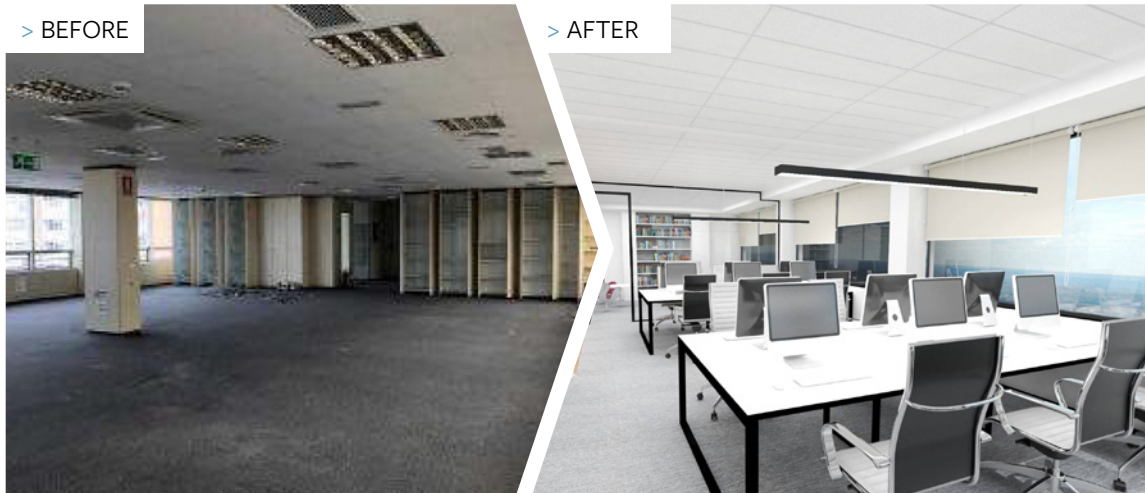
- Building Permit granted in Q4 2019
- Working drawings finalized in Q4 2019
- Agreement with existing tenant to terminate the contract in Q4 2019. Refurbishment works to start in Q2 2020

7.4%
 ESTIMATED
 POST-CAPEX
 YOC¹

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
 YOC¹



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
 YOC¹

Notes: (1) 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
SQM¹

€60k
ADDITIONAL GRI

+9.2%
LEASING SPREAD¹

- 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

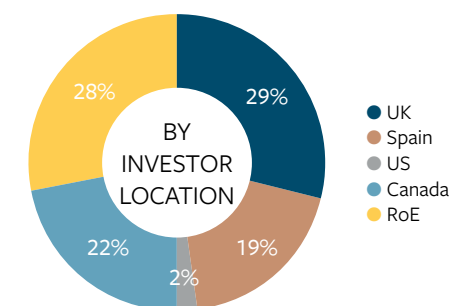
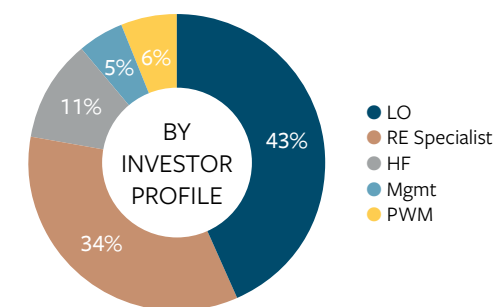


> CAPITAL STRUCTURE

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

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

> SHAREHOLDING STRUCTURE¹

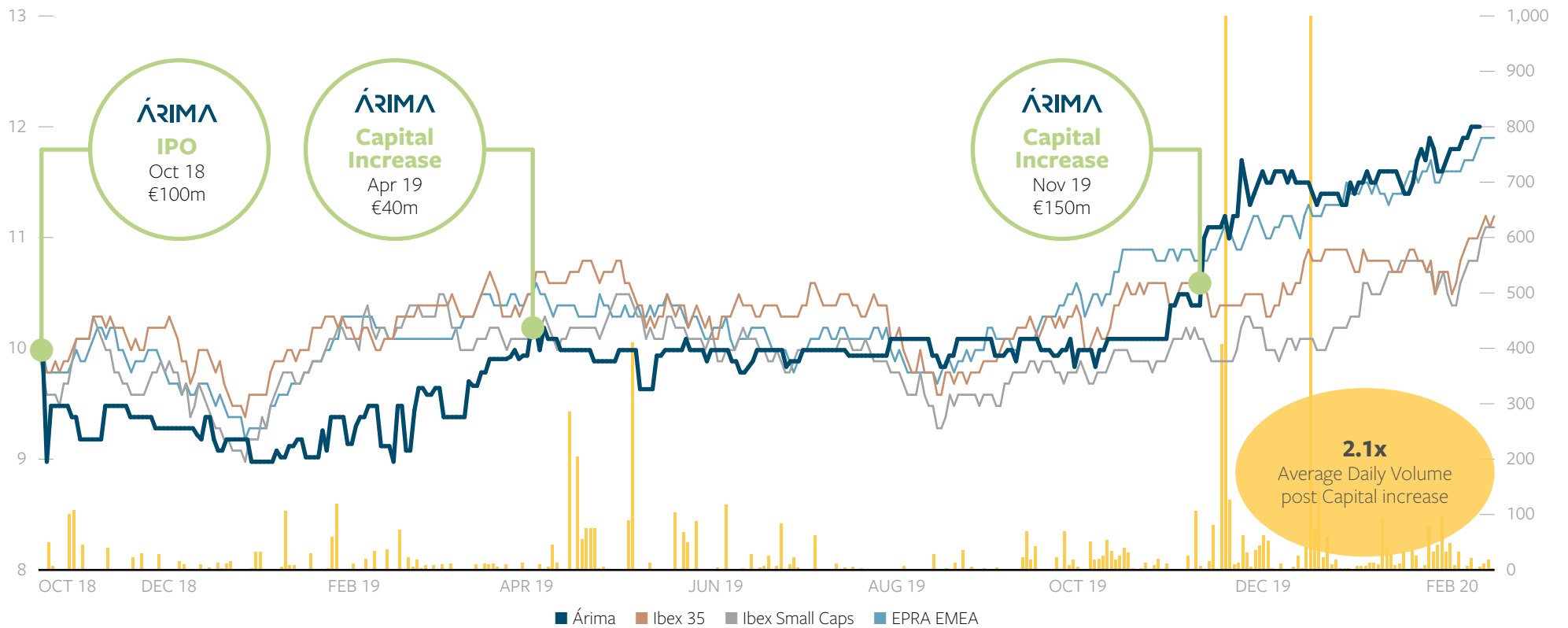


Notes: (1) Estimated (not confirmed) as of the capital raise closing

> 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

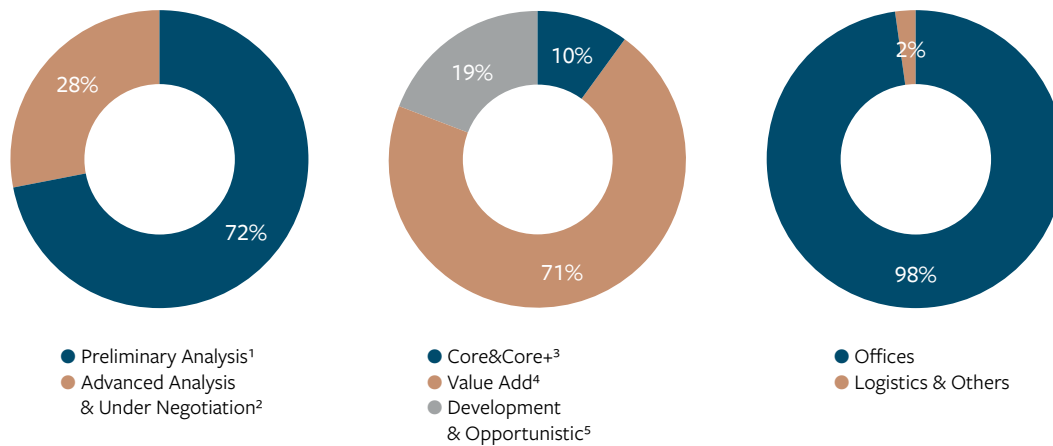


> PIPELINE

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 IRR⁶** in the range of **10% to 18%**
- **Pipeline YoC⁷** 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".

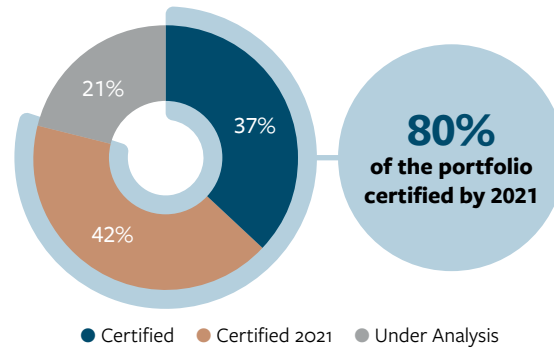
> SUSTAINABILITY & CORPORATE RESPONSIBILITY



> 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**¹
- **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 ² | 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)

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

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

> CONSOLIDATED BALANCE SHEET

| € 000 (unless otherwise specified) | 31/12/2018 | 31/12/2019 |
|---|---------------|----------------|
| Non Current Assets | 40,038 | 222,628 |
| Property plant & equipment | 63 | 136 |
| Investment property | 39,975 | 221,650 |
| Long-term financial investments | 0 | 842 |
| Current assets | 58,444 | 155,632 |
| Trade and other receivables | 369 | 1,204 |
| Prepayments and accrued income | 105 | 461 |
| Cash & cash equivalents | 57,970 | 153,967 |
| Equity | 97,088 | 299,778 |
| 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 |
| Liabilities | 1,394 | 78,482 |
| 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 |

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ÁRIMA

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Press Release

The Socimi has tripled in size following two successful share capital increases

Árima books net profit of EUR 15.4 million in its first full year

- Árima sees profits reach EUR 15.4 million during its first full year on the market. At FY 2019, its portfolio was valued at EUR 222 million, achieving an uplift of 15.8%
- Since listing on the stock exchange in October 2018, the Company has invested a total of EUR 197 million in seven properties across Madrid, and it also plans to invest a further EUR 22 million in refurbishments
- The Árima team continues to invest in properties that offer attractive prices and strong value uplift potential. This potential is achieved via the team's ability to boost rental income on its existing portfolio, and currently has a 137% upside. The Company is also accelerating the execution of its pipeline
- Árima tripled its share capital via two successful capital increases during 2019, which were both highly subscribed and helped to double the liquidity of its listed shares. In November, the international fund Invanhoé Cambridge became its leading shareholder
- Árima has outlined its corporate social responsibility plan and aims to achieve LEED/BREEAM certifications for 80% of its current portfolio by 2021



Photo: Árima. Render of Habana building



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Madrid, 24 February 2020. Today, Árma Real Estate has presented its FY 2019 results. During its first full year on the market, the Socimi recorded a net profit – IFRS accounted – of EUR 15.4 million. Its FY 2019 results show how the Company has achieved value uplift of 16% for its portfolio and a NAV of EUR 10.6 per share. The current market value of Árma's property portfolio stands at EUR 222 million, with offices accounting for 91% of the total and logistics properties for the remaining 9%.

Since listing on the stock exchange in October 2018, the Árma team has completed eight real estate transactions – for EUR 197 million – creating a well-balanced portfolio in line with its investment strategy. This portfolio currently comprises a total gross lettable area (GLA) of 75,628 sqm and 763 underground parking spaces.

All of these properties have been acquired with the unique formula of the Árma team: acquiring offices and logistics properties in Madrid with strong value uplift potential at very attractive prices, so as to generate excellent returns for the Company's shareholders. Every single asset acquired is a prime property, both in terms of specifications and location.

The potential value uplift of its existing property portfolio – measured as the potential increase in rental income – stands at 137%. To achieve this, the Company has launched a repositioning plan, with three projects planned for 2020. The Company is also accelerating the execution of its pipeline, given it has reached advanced stages of negotiation in a number of prospective deals.

The Socimi has successfully completed two share capital increases, which have allowed it to triple in size. The first was conducted in April and amounted to EUR 40 million. The second was completed in November and amounted to EUR 150 million, up 50% on the initial size estimate, after it was highly subscribed despite the volatile market conditions. In addition, Árma's leading shareholder is now the renowned Canadian investment fund Ivanhoé Cambridge, which holds a EUR 60 million stake in the Spanish listed firm.

As a result, the Company's share liquidity has doubled, reflecting the level of investor confidence in the management team and the work it is carrying out, as well as its ability to meet the targets set out in its business strategy.

Also, in just 12 months, the Árma team has already drawn up its plan for sustainability and corporate social responsibility – core values of the Company. As part of this, it has set the



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goal of achieving the internationally renowned LEED/BREEAM sustainable construction certifications for 80% of its property portfolio by 2021. In addition, it is the only property firm in Spain to be certified by RICS (Royal Institution of Chartered Surveyors), and it is now moving towards achieving ESG certifications.

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

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