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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 2021 Consolidated Financial Statements as well as Earnings Report.

Please find hereafter the Earnings Report and press release.

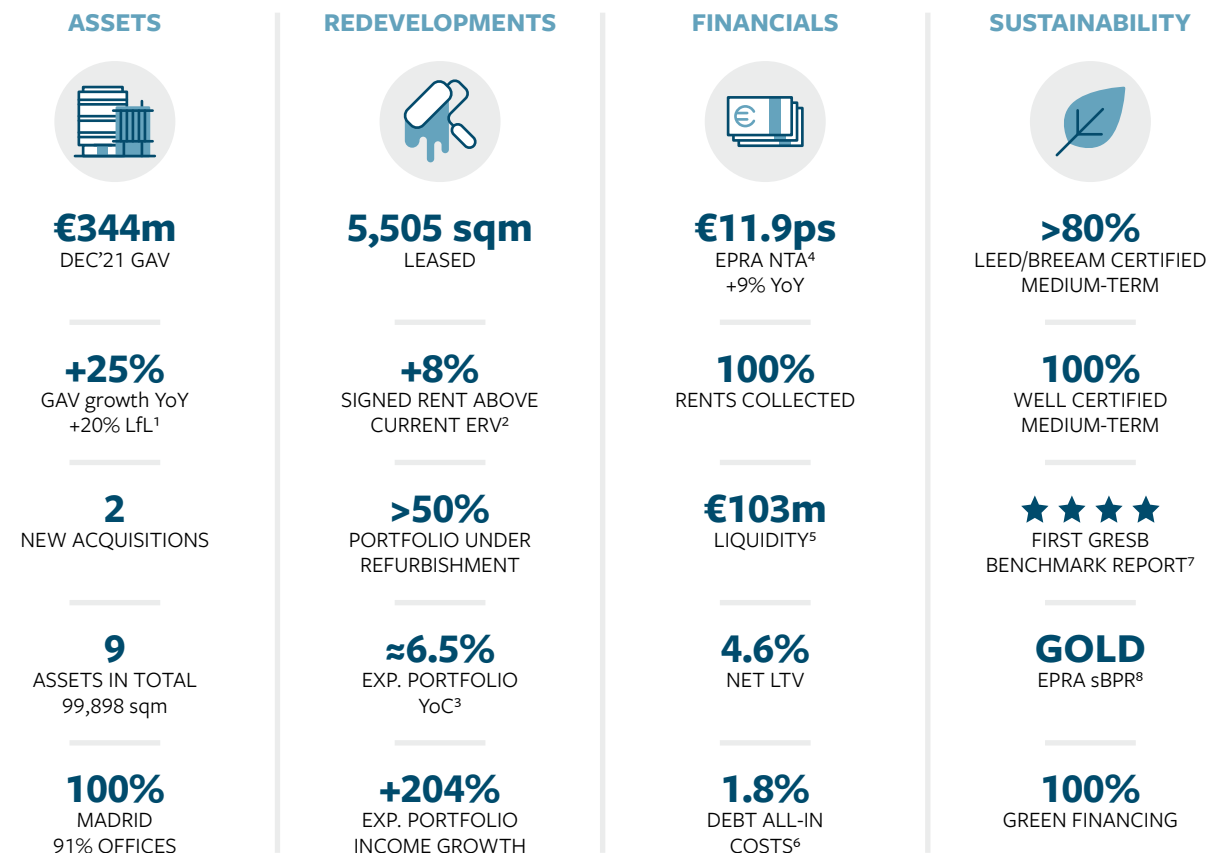
Madrid, 24<sup>th</sup> February 2022

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





## 2021 at a glance



I am pleased to report outstanding results driven by strong operational performance. The leasing of our first refurbishment scheme to be delivered, ahead of completion and above rental expectations, endorses our strategy since inception. The demand for high-quality, sustainable office space is growing apace. Árima remains fundamentally well positioned to meet these requirements.

We have also moved forward with our investment pipeline, completing a highly complex transaction with strong upside potential thus demonstrating our ability to identify unique opportunities in very challenging conditions.

We have delivered positive valuation results, despite our low leverage, proving our capacity to execute our redevelopment pipeline diligently. Our position remains very solid with one of the healthiest balance sheets in the sector. We expect to remain net buyers for the foreseeable future.

**Luis López de Herrera-Oria**  
Chief Executive Officer

(1) 12-month like-for-like compares the investment properties at 31.12.2021 that were also part of the portfolio at 31.12.2020; (2) In relation to the new lease in Habana (4,355 sqm); CBRE Valuation Advisory rental estimates for current valuation at 31 December 2021; (3) Yield on cost defined as post-capex GRI divided by total investment (net acquisition price plus acquisition cost and expected capex); (4) In accordance with EPRA Best Practice Recommendations; (5) Including cash in banks and undrawn facilities; (6) Weighted average; all-in costs include spread, up-front costs and hedge; (7) Árima obtained 85 points on the 2021 GRESB assessment vs. Árima's peer group (80 points). 2021 GRESB assessment is the company's first year assessment following the 1-year GRESB grace period; (8) EPRA Sustainability Best Practices Recommendations.

## 2021 at a glance

### UNPARALLELED ABILITY TO IDENTIFY OPPORTUNITIES WITH GREAT POTENTIAL AND CREATE UNIQUE ASSETS

- Acquisition of 2 assets adjacent to P54, completing the complex multi-owner off-market transaction to create a large institutional lot very close to Madrid's CBD for a total investment of EUR 47m<sup>1</sup>
- The site assembly of this completed transaction also allows to increase the buildable area by c.20%
- Habana 100% leased ahead of works completion, at +270% re-leasing spread<sup>2</sup> and +8% ahead of current (Dec'21) valuers ERV<sup>3</sup>, implying further upside potential possible
- Strong growth in new office lettings with 5,505 sqm signed in the year, achieving a +227% re-leasing spread<sup>2</sup> on average
- The COVID crisis is further reinforcing the demand for higher quality space

### STRONG VALUATION UPLIFT DRIVEN BY DISCIPLINED INVESTMENTS AND GOOD REDEVELOPMENT PROGRESS

- GAV of EUR 343.6 million as of 31 December 2021, +25% YoY
- Valuation growth of +20% 12m-LfL<sup>4</sup> and +28% on total investment, included capex spent by year-end
- c.70% of the valuation increase attributed to our asset management activities and disciplined acquisitions

### SOLID FINANCIAL PERFORMANCE

- EPRA NTA<sup>5</sup> EUR 11.9 per share, +23% since IPO and +9% year-on-year
- 100% rent collection, working closely with tenants for the return to the office
- Annualised GRI as of Dec'21 of EUR 5.2m<sup>6</sup>
- >50% of portfolio<sup>7</sup> still undergoing refurbishment, not yet contributing to Árima's P&L
- Net profit for the 12-month period of EUR 26.1m and EPS of EUR 0.94p.s.

### PORTFOLIO WITH SIGNIFICANT UPSIDE POTENTIAL

- Unique portfolio built through disciplined and accretive acquisitions at very competitive prices
- Redevelopment pipeline progressing on track: four office schemes (50,000 sqm) currently ongoing and improvements to introduce renewable energy self-consumption in logistics (25,694 sqm)
- One new major project committed for an office complex (11,925 sqm) in Madrid
- Organic growth potential: >200% potential portfolio income growth

### ROBUST BALANCE SHEET TO SEIZE MARKET OPPORTUNITIES

- Strong liquidity position with c.EUR103m cash in banks and undrawn facilities at period-end
- EUR 16m net debt position and 4.6% net LTV
- Outstanding financing conditions, with 95% repayments only due from 2025 onwards

### CONTINUED FOCUS ON SUSTAINABILITY AND SOCIAL RESPONSIBILITY

- 80% of portfolio expected to be LEED/BREEAM certified short-medium term
- 100% of repositioning projects expected to be WELL certified short-medium term
- 100% of portfolio fully financed with green loans
- Key sustainable development goals set in line with the UN 2030 Agenda
- 4-star on the first GRESB Benchmark Report, and above Árima's peer group average<sup>8</sup>
- EPRA GOLD LEVEL and MOST IMPROVED awards on the first year reporting the sBPR<sup>9</sup>
- The only RICS-accredited<sup>10</sup> commercial real estate company in Spain

(1) Including expected capex; P56 and P58 acquired in Q4 2021, P54 acquired in Q4 2020; (2) compared to pre-refurbishment rent; (3) CBRE Valuation Advisory rental estimates at 31 December 2021; (4) 12-month like-for-like compares the investment properties at 31.12.2021 that were also part of the portfolio at 31.12.2020; (5) In accordance with EPRA Best Practice Recommendations; (6) Lease expiries in P54 accelerated ahead of demolition works; (7) In GAV terms; (8) Árima obtained 85 points on the 2021 GRESB assessment vs. Árima's peer group (80 points). 2021 GRESB assessment is the company's first year assessment following the 1-year GRESB grace period; (9) EPRA Sustainability Best Practices Recommendations; (10) Royal Institution of Chartered Surveyors




# RECENT DEVELOPMENTS









# Pradillo: highly complex multi-owner off-market acquisition (I)

UNPARALLELED ABILITY TO IDENTIFY OPPORTUNITIES WITH GREAT POTENTIAL

 <b>LOCATION</b> Inner Madrid	 <b>ACQ. DATE</b> Oct'20-Sep'21	 <b>STRATEGY</b> Full refurbishment	 <b>GLA</b> 11,925 sqm <sup>1</sup>	 <b>PARKING UNITS</b> 180
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(1) Total expected buildable area post site assembly and refurbishment

Pradillo project pending of final concept design, currently under review



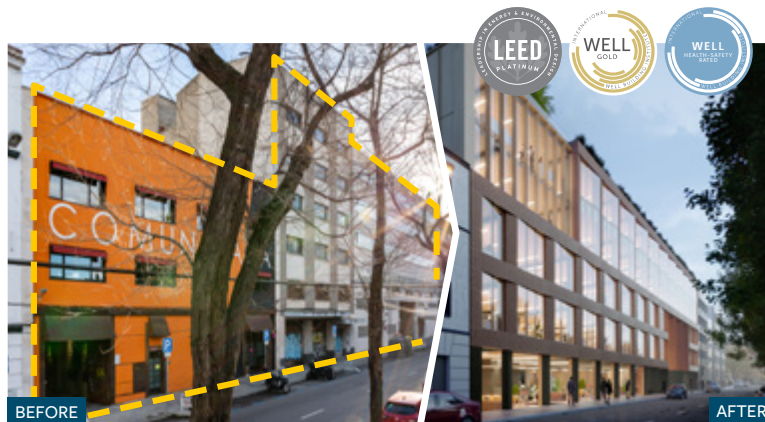
# Pradillo: highly complex multi-owner off-market acquisition (II)

THREE ADJACENT OFFICE BUILDINGS ACQUIRED IN MADRID CITY CENTRE FOR A TOTAL INVESTMENT OF EUR 47m<sup>1</sup>

## ACQUISITION RATIONALE

- Following the acquisition of P54 in October 2020 from multiple owners, Árima has completed this **highly complex multi-owner off-market** transaction by acquiring two further adjacent buildings (P56-P58) in H2 2021
- This site assembly has created a **large institutional lot with significant upside potential** in one of the best up-and-coming office sub-markets very close to Madrid's CBD. It has also **increased the buildable area** by c. 1,800sqm (≈20%)<sup>2</sup>
- Overall, the asset has been acquired for a total of EUR 21.7 million, representing a capital value of 1,820€/sqm. Capital expenditure is expected to amount c. 2,100€/sqm, bringing the total all-in investment to 3,920 €/sqm
- The asset is currently **partially occupied** (59%), and negotiations are underway to achieve vacant possession in the short term
- We are targeting the **highest design, construction quality and sustainability standards**
- **Expected yield on cost in excess of 7%**

## LOCAL MAP



Pradillo project pending of final concept design, currently under review  
 (1) Including expected capex; (2) Expected increase post site assembly and refurbishment

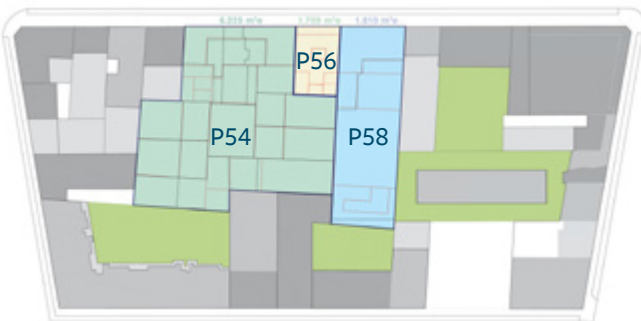
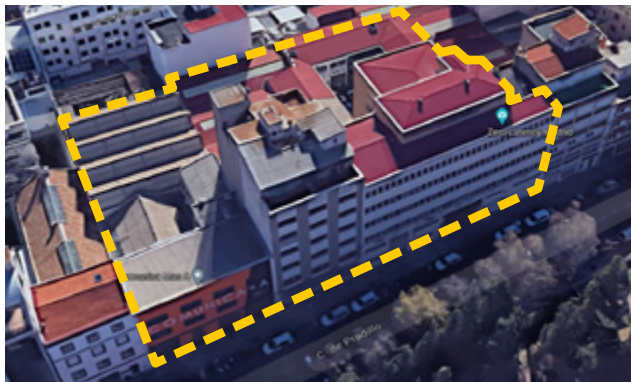


# Pradillo: highly complex multi-owner off-market acquisition (III)

SITE ASSEMBLY IN MADRID CITY CENTRE TO CREATE A UNIQUE INSTITUTIONAL LOT

## CURRENT STATUS

- 3 buildings and 6 warehouses
- GLA 10,225 sqm
- No underground parking



## NEW SCHEME

- Two inter-connected buildings
- GLA c. 12,000 sqm
- 180 underground parking spaces



- Urban planning analysis undertaken to maximize developable area, natural light, cost efficiencies and quality in addition to creating underground parking
- Buildable area expected to increase in c.1,800sqm (≈20%), in compliance with existing zoning
- Currently, reviewing competing concept ideas to select architect with the aim to design a Class A office complex
- Demolition works planned in several phases with estimated commencement date of H1 2022



# Habana: first redevelopment scheme to be delivered, leased ahead of works completion<sup>1</sup>

UNPARALLELED ABILITY TO CREATE UNIQUE ASSETS



## HABANA 100% LEASED

- New tenant selects the building as the firm's new Spanish HQ
- Agreement to secure an additional annual income of c. EUR1.8m
- 11 years lease term (break clause in year 7) with annual CPI indexation
- Lease commencement date Oct'22

## 4,355sqm SUSTAINABLE DEVELOPMENT

- LEED Gold expected
- WELL Gold expected
- WELL Health and Safety expected
- 25% of car parking spaces with electric charging facilities

## AN EXTRAORDINARY JOURNEY PROVING OUR ABILITY TO IDENTIFY UNDER-PERFORMING BUILDINGS AND TRANSFORM THEM INTO UNIQUE ASSETS

- Off-market sale & lease back transaction
- Lease expiry accelerated to ensure refurbishment works could start once building licences were granted
- Refurbishment works carried out despite the Covid-related lockdowns and construction material shortages

HABANA			
Leased 100%	Passing Rent 8% > Dec'21 ERV <sup>2</sup>	YoC 6.4%	Re-leasing spread <sup>3</sup> +270%

(1) Head of Terms signed in December 2021, with final lease contract signed in Q1 2022; (2) CBRE Valuation Advisory rental estimates for current valuation at 31 December 2021, suggesting further upside potential remains; (3) compared to pre-refurbishment rent

# Guadalix: smart capex to create a sustainable footprint

## INTRODUCING RENEWABLE ENERGY USE AND OPTIMISING THE ASSET ENERGY EFFICIENCY

Aspects considered to reduce energy use and create a source of more sustainable energy:



### RENEWABLE ENERGY

→ 100% of the energy produced by photovoltaic plant to be used by facility

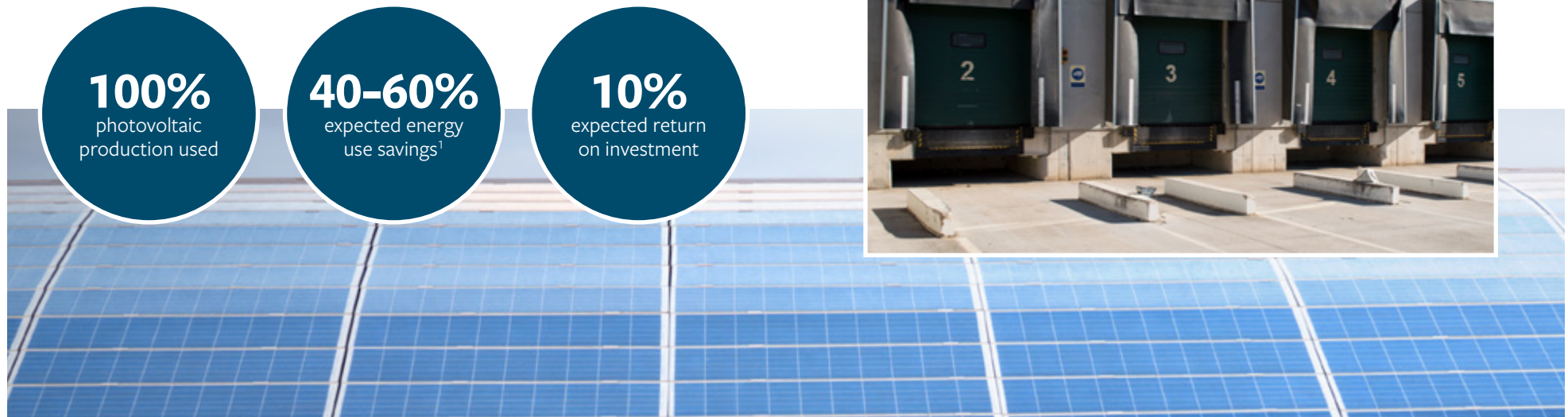


### ENERGY EFFICIENCY

- Efficient installations: LED lighting and presence-detecting sensors to regulate lighting
- Energy loss reduction: loading bays designed for cold storage facilities and other insulation measures
- Digital management system to control plant and machinery operations

→ Construction works underway to implement improvements - expected to be finalized by year-end 2022

→ Reached a mutually beneficial agreement with existing tenant with a very attractive RoI for Árima



(1) Compared to pre-improvements energy consumption



# Creating sustainable buildings responsibly

## AIMING TO BE THE LEADING PROVIDER OF ENVIRONMENTALLY FRIENDLY OFFICE SPACE IN MADRID

### SUSTAINABLE CONSTRUCTION

- Lower greenhouse gas emissions through refurbishment – vs. new development – and reuse of materials
- Recycle waste from development sites
- Project design to ensure buildings are low-carbon in operation

### SUSTAINABLE, REFURBISHED ASSETS

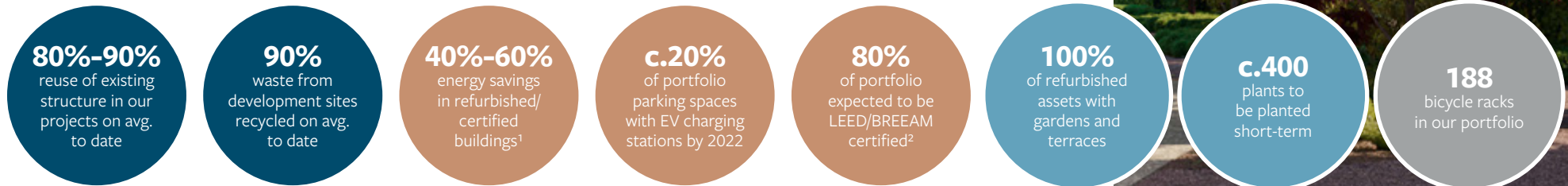
- More energy efficient and use of renewable energy sources
- Substantial reduction in water use
- Recycle waste from occupied buildings
- Supporting electric vehicle use
- Sustainability certifications

### URBAN GREENING MEASURES

- Extensive terracing and gardens with biodiverse planting in all refurbished assets

### WELLBEING MEASURES

- Air filtration, purification and monitoring systems in all office assets
- Fitness and exercise areas, as well as shower and changing facilities
- Cycle parking spaces and Ecobike® bicycles available in the car parks of our properties to support daily exercise and low-carbon commuting



(1) Based on Guadalix improvements analysis; (2) In GAV terms



# FINANCIAL RESULTS





# Financial Results

## ▼ KEY INCOME STATEMENT METRICS

EURm unless specified	31/12/2020	31/12/2021
Gross Rental Income (GRI)	5.116	5.192
Net Rental Income (NRI)	4.709	4.589
EBIT	14.133	27.274
Net profit	13.091	26.125
EPS (€ p.s.)	0.47	0.94

## ▼ KEY BALANCE SHEET ITEMS

EURm unless specified	31/12/2020	31/12/2021
Gross Asset Value (GAV) <sup>1</sup>	275.750	343.600
Gross Debt	104.078	104.588
Cash & Equivalents	129.086	88.884
Net Debt	(25.008)	15.704
Gross LTV	37.7%	30.4%
Net LTV	(9.1%)	4.6%

## SOLID FINANCIAL PERFORMANCE

- GAV of EUR 343.6 million as of 31 December 2021<sup>1</sup>, +25% YoY
- Valuation growth of +20% 12m-LfL<sup>2</sup> and +28% on total investment, included capex spent by year-end
- c.70% of the valuation increase attributed to our asset management activities and disciplined acquisitions
- EPRA NTA<sup>3</sup> EUR 11.9 per share, +23% since IPO and +9% year-on-year
- 100% rent collection, working closely with tenants for the return to the office
- Annualised GRI as of Dec'21 of EUR 5.2m<sup>4</sup>
- Net profit for the 12-month period of EUR 26.1m and EPS of EUR 0.94 p.s.

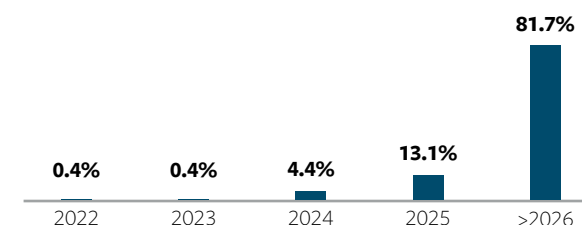
## MATERIAL ORGANIC GROWTH POTENTIAL...

- Unique portfolio built through disciplined and accretive acquisitions at very competitive prices
- Redevelopment pipeline (>50% of portfolio<sup>5</sup>) progressing on track: four office schemes (50,000 sqm)<sup>6</sup> currently ongoing and improvements to introduce renewable energy self-consumption in logistics (25,694 sqm)
- One new major project committed for an office complex (11,925 sqm) in Madrid
- Organic growth potential: >200% potential organic rent roll uplift

## ... AND A STRONG BALANCE SHEET TO CONTINUE SEIZING MARKET OPPORTUNITIES

- Strong liquidity position with c. EUR103m cash in banks and undrawn facilities at year-end
- EUR 16m net debt position and 4.6% net LTV
- Best-in class financing conditions:
  - > 100% of Árima's financing composed of green loans
  - > 1.8% all-in costs<sup>7</sup> for a 7-year weighted average loan maturity<sup>8</sup>
  - > c.95% repayments due from 2025 onwards

## ▼ DEBT MATURITY PROFILE AS OF 31.12.2021



**4.6%**  
NET LTV

**c.95%**  
REPAYMENTS  
2025 ONWARDS

**100%**  
GREEN  
LOANS

(1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS); (2) 12-month like-for-like compares the investment properties at 31.12.2021 that were also part of the portfolio at 31.12.2020; (3) In accordance with EPRA Best Practice Recommendations; (4) Lease expiries in P54 accelerated ahead of demolition works; >50% of portfolio still undergoing refurbishment, not yet contributing to Árima's P&L; (5) In GAV terms; (6) Habana, Botanic, Cadenza, Dune; (7) Weighted average; all-in costs include spread, up-front costs and hedge; (8) At the time of the signature of the loans; currently, the weighted average maturity of the loans is 5 years

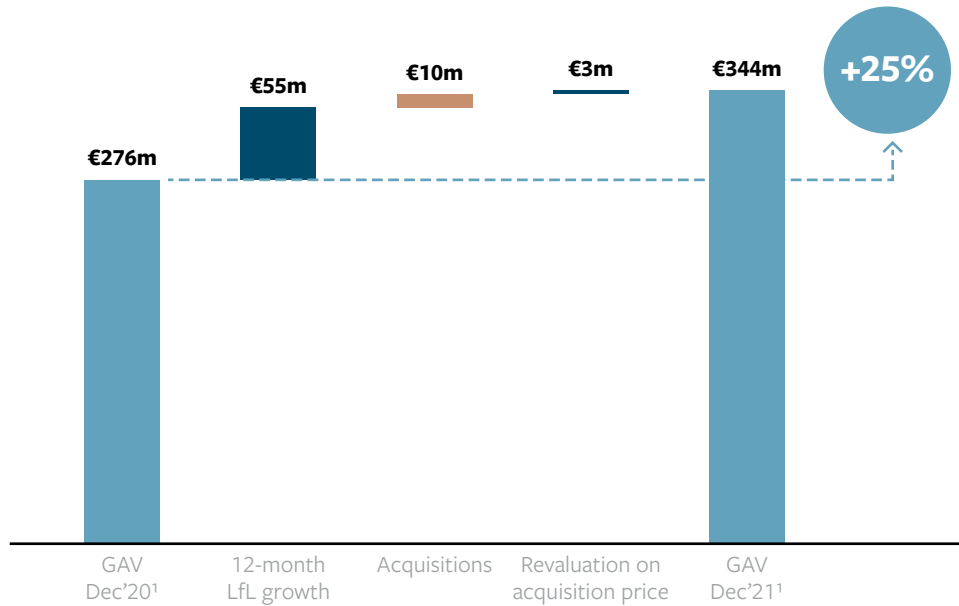
# PORTFOLIO VALUATION





## GAV growth

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



**EUR344m**  
GAV Dec'21<sup>1</sup>

**+20%**  
12-month LfL<sup>2</sup>

**+28%**  
vs. total investment since IPO<sup>3</sup>

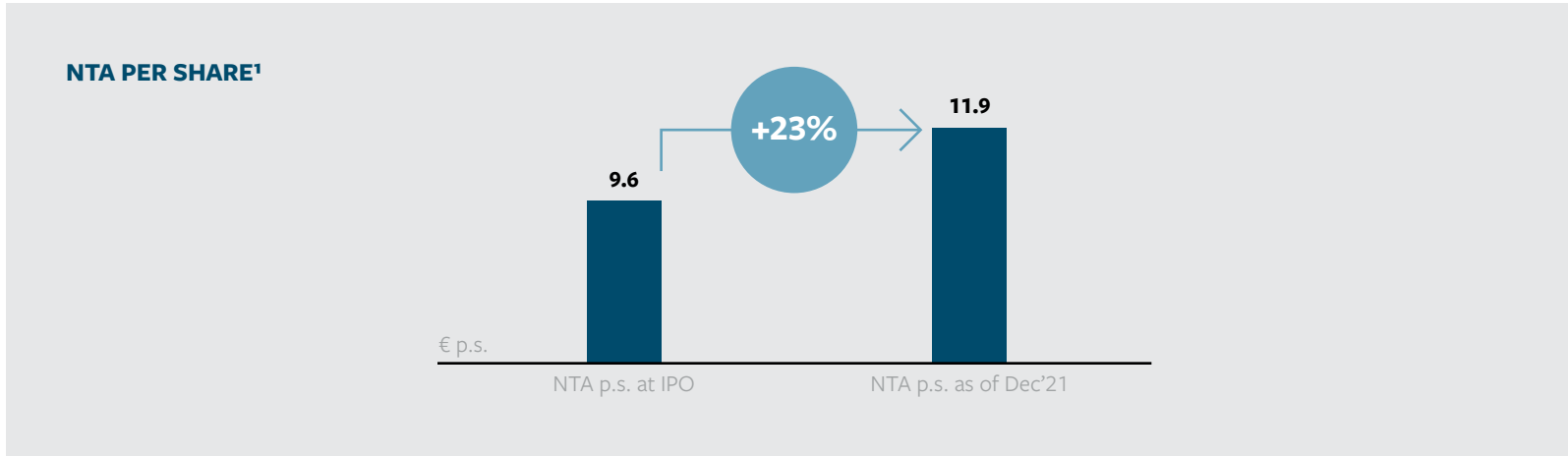
- Gross asset value (GAV) of EUR 344 million as of December 31, 2021
- +25% 12-month portfolio value growth driven by acquisitions and capex investments, and +20% 12-month LfL
- +28% portfolio valuation growth vs. total total investment, including capex spent by year-end
- Redevelopment plan on track:
  - > Refurbishment works ongoing in 4 office properties (40,000 sqm)
  - > 1 new project expected to be completed by end 2024 (c. 12,000 sqm)

(1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2021 and 31 December 2020; (2) 12-month like-for-like compares the investment properties at 31.12.2021 that were also part of the portfolio at 31.12.2020; (3) Total investment includes acquisition price plus capex invested as of the valuation date

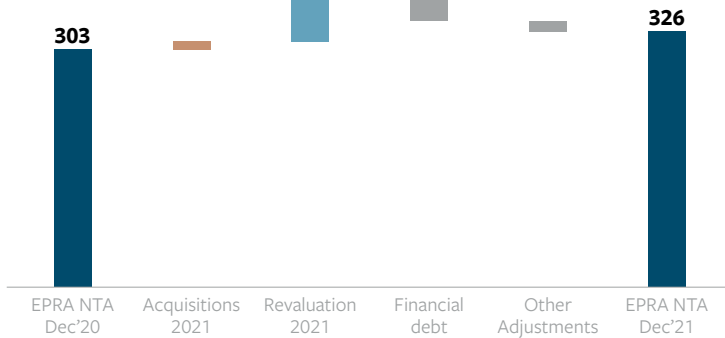


# NAV growth

...CRYSTALLIZING IN CONTINUED SHAREHOLDER VALUE CREATION



**NAV BRIDGE**



**DELIVERING RETURNS DESPITE THE CHALLENGING MARKET CONDITIONS**

- +23% NAV p.s. since IPO driven by 12 accretive acquisitions
- 99,898 sqm GLA - 100% Madrid - in line with investment strategy
- c. EUR 60m capex plan pending

(1) In accordance with EPRA Best Practice Recommendations



# THE FUTURE

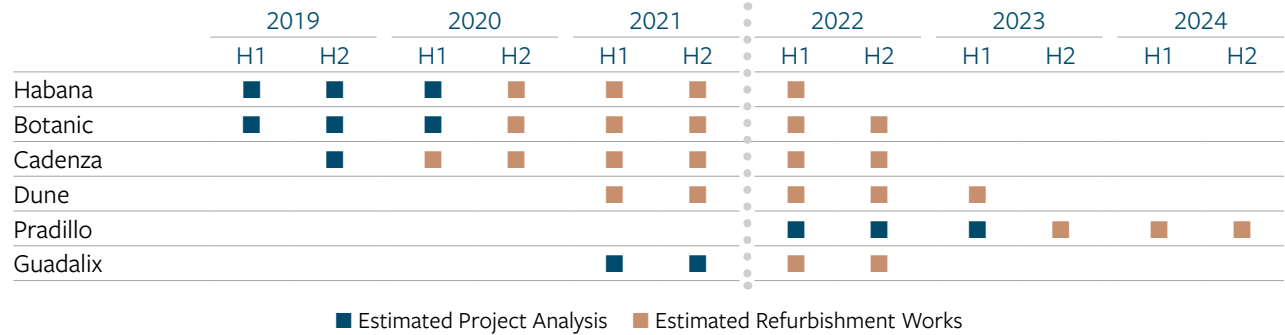


# Exciting redevelopment schemes in progress

## PORTFOLIO REACHING INFLECTION POINT WITH FIRST SCHEMES NEAR COMPLETION

### ▼ Redevelopment & Asset Management Plan

Portfolio reaching an inflection point with **most assets ending refurbishment works in 2022/2023**, despite minor delays due to COVID-related construction material shortages



Botanic



Ongoing Scheme

Cadenza



Ongoing Scheme

Dune



Ongoing Scheme

Pradillo



New Scheme

Guadalix



Committed Improvements

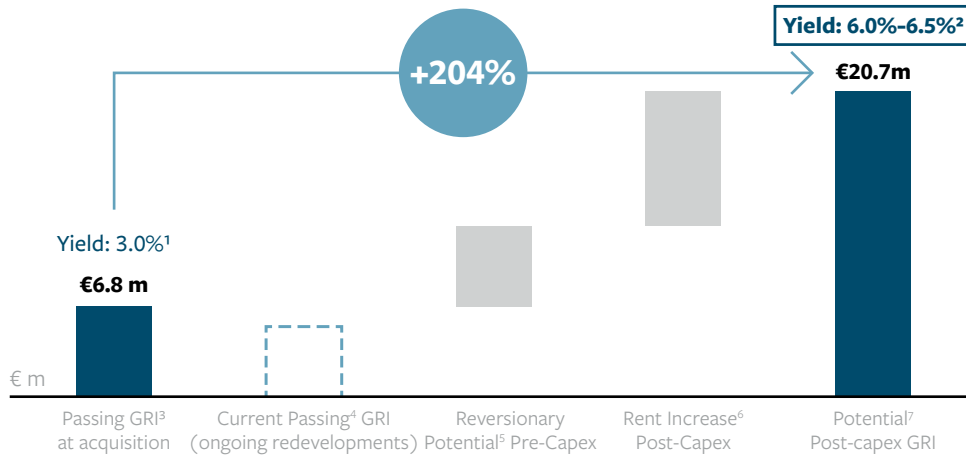
**c.€60m ESTIMATED TOTAL PENDING CAPEX<sup>(1)</sup>**

(1) Includes estimated pending capex of Habana, Botanic, Cadenza, Dune as well as the estimated capex for Guadalix and Pradillo



# Major uplifts and firepower to spare

EXISTING PORTFOLIO WITH SIGNIFICANT UPSIDE POTENTIAL THROUGH ACTIVE ASSET MANAGEMENT...



→ Substantial upside potential remains even when applying a conservative, in-house view of rental levels: rental projections based on the 15-year average in the relevant sub-markets, adjusted for quality

## ... AND SUBSTANTIAL FIREPOWER TO SEIZE MARKET OPPORTUNITIES

- Strong liquidity and net cash position, and capacity to leverage up to 35%-45% LTV once fully deployed
- A prudent investment approach and a highly selective pipeline given the near-term uncertainty
- The office segment in Madrid remains our focus but the company can analyse other ad-hoc opportunities – primarily in Barcelona and in the logistics space

(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, Botanic and Pradillo 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; (8) Source: CBRE as of Q4 2021.

HIGH  $\alpha$  PLAY  
**>50%**  
of portfolio  
under  
refurbishment

Exp. YoC  
**6.0%-6.5%**  
vs 3.25% Madrid  
prime office  
yield<sup>8</sup>

LTV  
**4.6%**  
with substantial  
remaining  
firepower

PIPELINE  
**EUR450m**  
attractive  
opportunities under  
analysis



# PORTFOLIO OVERVIEW





# Portfolio at a glance

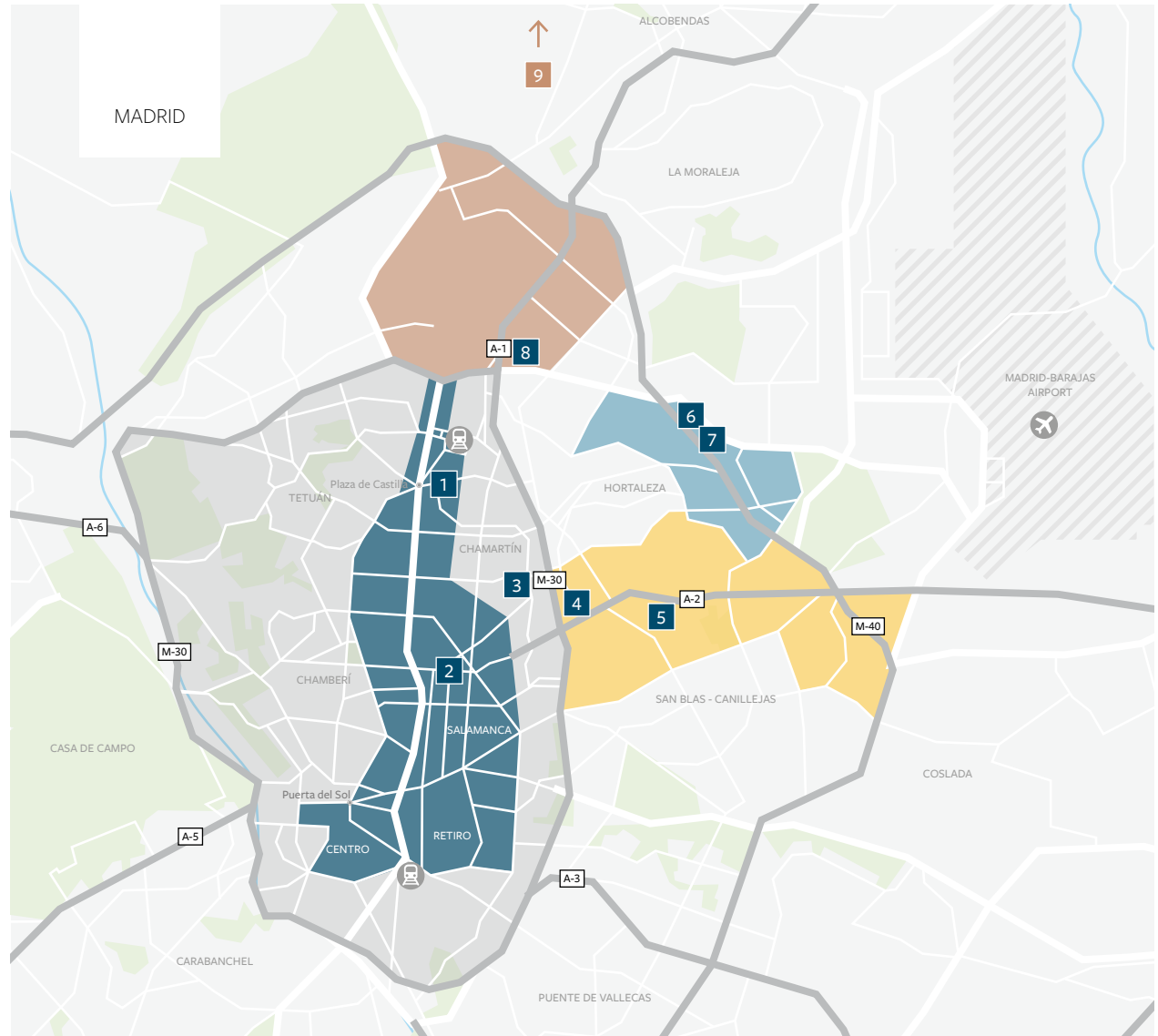
## OFFICES

- 1 Habana
  - 2 María de Molina
  - 3 Pradillo
  - 4 Ramírez de Arellano
  - 5 Botanic
  - 6 Cristalia
  - 7 Cadenza
  - 8 Dune
- CBD
  - Inner Madrid
  - A2/M30
  - Campo de las Naciones
  - Las Tablas/Manoteras

## LOGISTICS

- 9 Guadalix

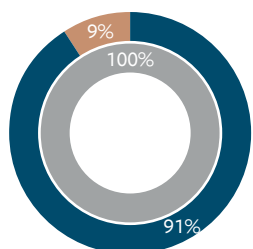
### ▼ GAV by sector and location



# Portfolio breakdown

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

### ▼ GAV by sector and location



Our sectors:  
 ● Offices ● Logistics

Our locations:  
 ● Madrid

### ▼ Portfolio breakdown

EUR m. unless specified	Assets (#)	GLA (sqm)	Parking (slots) <sup>2</sup>	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (EUR/sqm) <sup>3</sup>	GAV <sup>4</sup> (EURm)	Occupancy rate	Annualised GRI <sup>5</sup> (EUR m)	Annualised NRI (EUR m)	Gross yield <sup>6</sup>	EPRA NIY <sup>7</sup>
<b>INVESTMENT PROPERTIES<sup>1</sup></b>												
<b>Offices</b>	<b>3</b>	<b>21,720</b>	<b>332</b>	<b>95</b>	<b>98</b>	<b>4,058</b>	<b>107</b>	<b>70%</b>	<b>3,399</b>	<b>1,957</b>	<b>3.6%</b>	<b>2.7%</b>
Madrid	3	21,720	332	95	98	4,058	107	70%	3,399	1,957	3.6%	2.7%
CBD	1	4,025	20	24	24	5,655	32	42%	0,580	0,378	2.5%	1.3%
Inner Madrid (M30)	1	6,759	110	32	33	4,315	33	100%	1,449	1,449	4.5%	4.3%
Greater Madrid	1	10,936	202	39	40	3,312	42	61%	1,370	0,130	3.5%	2.5%
<b>Logistics</b>	<b>1</b>	<b>25,694</b>	<b>-</b>	<b>16</b>	<b>17</b>	<b>638</b>	<b>30</b>	<b>100%</b>	<b>1,815</b>	<b>1,748</b>	<b>11.1%</b>	<b>5.8%</b>
Madrid	1	25,694	-	16	17	638	30	100%	1,815	1,748	11.1%	5.8%
<b>Total investment properties</b>	<b>4</b>	<b>47,414</b>	<b>332</b>	<b>112</b>	<b>115</b>	<b>2,205</b>	<b>137</b>	<b>86%</b>	<b>5,214</b>	<b>3,705</b>	<b>4.7%</b>	<b>3.4%</b>
<b>REDEVELOPMENTS<sup>1</sup></b>												
<b>Offices</b>	<b>5</b>	<b>52,484</b>	<b>927</b>	<b>117</b>	<b>120</b>	<b>2,069</b>	<b>207</b>					
Madrid	5	52,484	927	117	120	2,069	207					
CBD	1	4,355	65	19	19	3,959	37					
Inner Madrid (M30)	1	11,925	180	22	22	-	36					
Greater Madrid	3	36,204	682	77	79	1,828	134					
<b>Logistics</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>					
Madrid	0	-	-	0	0	-	0					
<b>Total redevelopments</b>	<b>5</b>	<b>52,484</b>	<b>927</b>	<b>117</b>	<b>120</b>	<b>2,069</b>	<b>207</b>					
<b>Total Portfolio</b>	<b>9</b>	<b>99,898</b>	<b>1,259</b>	<b>229</b>	<b>235</b>	<b>2,135</b>	<b>344</b>					

(1) As per EPRA recommendations, investment properties comprise rented or under commercialisation properties, excluding redevelopments. Current undergoing redevelopments include Habana, Botanic, Cadenza, Dune and Pradillo; (2) Includes underground parking slots only; other types such as overground slots or motorcycle slots are not included in this figure; (3) Adjusted for parking; (4) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2021. External independent valuations are carried out twice a year, as of 30 June and 31 December (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 in detail (I)



**OFFICES**

Name: Habana  
 Acq. Date: Dec'18  
 Location: Madrid CBD  
 GLA: 4,355 sqm  
 Parking units: 65  
 Strategy: Full Refurbishment  
 Expected Delivery: H1 2022

- Free-standing office building located in Madrid Prime CBD, with spacious floor plates of c.1,000sqm
- Significant reversionary potential through full refurbishment
- LEED & WELL Gold certifications expected
- Lease terminated in 2020 to start refurbishment once permits were granted
- Refurbishment works carried out despite the Covid-related lockdowns and construction material shortages
- Project enhanced with COVID and safety preventive measures
- 100% leased to a major law firm ahead of works completion



**OFFICES**

Name: Botanic  
 Acq. Date: Jan'19  
 Location: Madrid A2/M30  
 GLA: 9,902 sqm  
 Parking units: 224  
 Strategy: Full Refurbishment  
 Expected Delivery: H2 2022

- Prominent office building located in Madrid A2/M30 sub-market, with excellent visibility
- Significant reversionary potential through asset repositioning and re-leasing
- LEED Platinum and WELL Gold certifications expected
- Lease terminated in 2020 to start refurbishment once permits were granted
- Refurbishment works carried out despite the Covid-related lockdowns and construction material shortages
- Project enhanced with COVID and safety preventive measures



**OFFICES**

Name: Cristalia  
 Acq. Date: Jan'19  
 Location: Madrid CDN  
 GLA: 10,936 sqm  
 Parking units: 202  
 Strategy: Lease up & re-leasing

- Free-standing office building located in Campo de las Naciones Madrid sub-market
- Highly-efficient building with LEED Gold certification and column-free floor plates of 1,400 sqm
- Attractive reversionary potential through re-gearing existing leases and leasing-up vacant space
- Partially occupied to a world leading insurance and TMT companies.
- Implemented COVID and safety preventive measures



## Portfolio in detail (II)



### OFFICES

Name: M. Molina  
 Acq. Date: Dec'18-Feb'19  
 Location: Madrid CBD  
 GLA: 4,025 sqm  
 Parking units: 20  
 Strategy: Partial Refurbishment

- Free-standing office building located in Madrid Prime CBD, with spacious floor plates of c.1,000sqm
- Complex transaction, with a multi-owner structure. Floor-by-floor refurbishment completed
- 1/3 of the refurbished space signed with a leasing spread of 93%, and strong tenant interest to take the remaining space
- Implemented COVID and safety preventive measures



### 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
- High-yielding cold storage facility with a long-term lease, acquired well below replacement cost
- Improvement works currently underway to introduce renewable energy self-consumption and optimise the facility's energy efficiency.
- Reached a mutually beneficial agreement with existing tenant which aims to recover the capital expenditure
- Value creation strategy includes also longer-term restructuring of the unit's occupation to improve liquidity and mortgageability



### OFFICES

Name: Ramírez de Arellano  
 Acq. Date: Jun'19  
 Location: Inner Madrid  
 GLA: 6,759 sqm  
 Parking units: 110  
 Strategy: Re-gearing

- Free-standing office building located in the well-established Avenida de América-Torrelaguna Madrid sub-market
- 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

## Portfolio in detail (III)



### OFFICES

Name: Cadenza  
 Acq. Date: Dec'19  
 Location: Madrid CDN  
 GLA: 14,302 sqm  
 Parking units: 217  
 Strategy: Full Refurbishment  
 Expected Delivery: H2 2022

- Free-standing office building located in Campo de las Naciones Madrid sub-market, near the new ING 35,000 sqm HQ
- Excellent visibility, and large floor plates (2,865sqm) and common areas with great potential
- Significant reversionary potential upon completion of refurbishment works
- Refurbishment ongoing
- LEED Gold & WELL Platinum certifications expected and COVID prevention measures applied



### OFFICES

Name: Dune  
 Acq. Date: Jun'20<sup>1</sup>  
 Location: Las Tablas/Manoteras  
 GLA: 12,000 sqm  
 Parking units: 241  
 Strategy: Full Refurbishment  
 Expected Delivery: H1 2023

- New build turnkey project of a freestanding 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
- Significant reversionary potential upon completion of refurbishment works
- LEED Platinum and WELL Gold certifications expected



### OFFICES

Name: Pradillo  
 Acq. Date: Oct'20-Sep'21  
 Location: Inner Madrid  
 GLA: 11,925 sqm  
 Parking units: 180  
 Strategy: Full Refurbishment  
 Expected Delivery: H2 2024

- Prime office building in very close proximity to Madrid's CBD
- Complex multi-owner off-market transaction acquiring three adjacent buildings
- Site assembly enabling to create a large institutional lot and increase the buildable area
- Significant reversionary potential upon completion of refurbishment works
- Excellent location and connections to public transport. Area home to technology companies, and in continuous transformation
- Partially occupied, with negotiations underway to accelerate lease expiries
- Currently reviewing competing concept designs and planning demolition works

(1) Turnkey private sale agreement signed in June 2020



# SUSTAINABILITY & CORPORATE RESPONSIBILITY





## Clear focus on sustainability and corporate social responsibility

### CREATING LASTING POSITIVE SOCIAL IMPACT

#### ▼ Focus on the United Nations 2030 Agenda



Arima's approach to proactively address environmental, social and governance factors supports the United Nations 2030 Agenda.

We have defined clear targets and mapped them into the United Nations Sustainable Development Goals (SDGs) where we can have the biggest impact through our day-to-day business activities, investments and community programs.

#### ▼ Recent Achievements

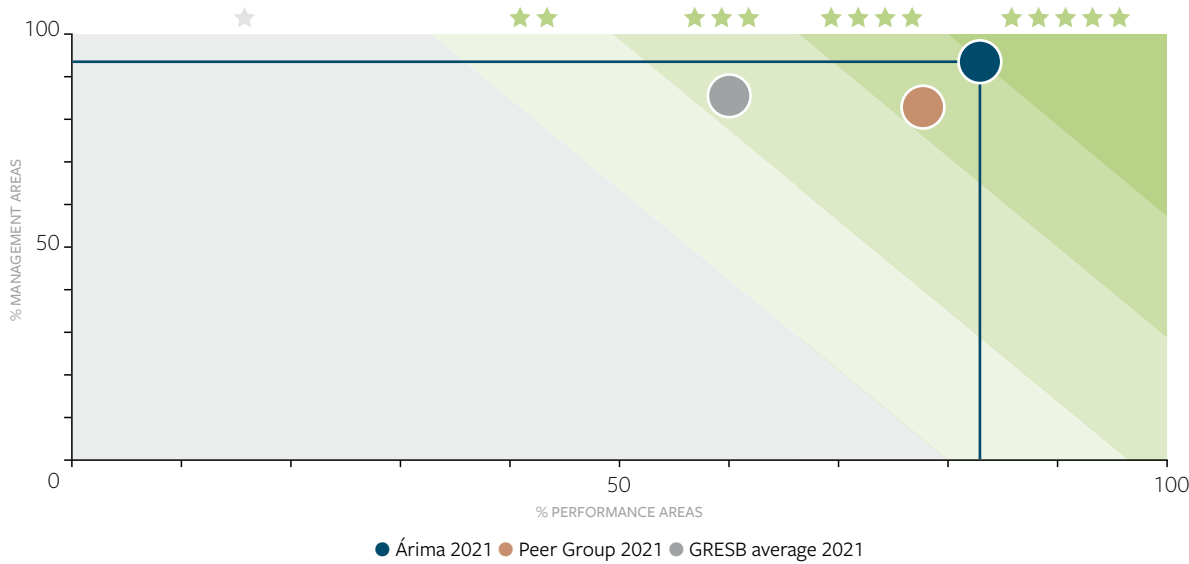
- 100% of all signed contracts with tenants in 2021 including green clauses
- 100% electricity for common areas with guaranteed renewable sources
- 90% tenants rating Good or Very Good experience in our office buildings in tenant satisfaction surveys
- Practical on-site workshops with students from the Higher Technical School of Architecture of Madrid (ETSAM: Escuela Técnica Superior de Arquitectura de Madrid) to learn about the work done by our team and collaborators to transform assets into quality, sustainable buildings that provide value to tenants and the environment
- Donated c. EUR65k to several organizations that are leading the efforts to support some of the more vulnerable members in our communities and to promote education and well-being



# Clear focus on sustainability and corporate social responsibility

## ESG CERTIFICATIONS: 4\* AND RATING WELL ABOVE PEERS IN THE FIRST GRESB BENCHMARK REPORT<sup>1</sup>

### ▼ 2021 GRESB Assessment



### ▼ Arima's GRESB Peer Group<sup>2</sup>

	Árima	Peer Group
GAV	€293m	€4.2bn
Years of trajectory	3	41
GRESB Score	85	80
Management Score	93%	86%
Performance Score	83%	78%



(1) Following the GRESB grace period (1 year); (2) Peers include European offices companies with an average portfolio size of c.\$4.7bn, compared to Árima's €0.3bn as of July 2021





# Clear focus on sustainability and corporate social responsibility

ESG CERTIFICATIONS: GOLD LEVEL AND MOST IMPROVED AWARDS ON THE FIRST YEAR REPORTING THE EPRA sBPR<sup>(1)</sup>

▼ 2021 EPRA Assessment



- First year reporting the EPRA sBPR
- 85% scoring on EPRA sBPR reporting
- 12 Performance Measures disclosed

(1) EPRA Sustainability Best Practices Recommendations (sBPR)



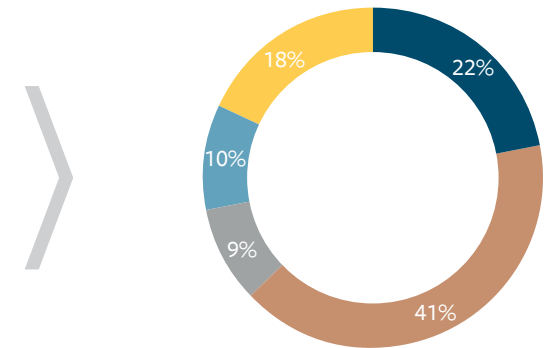


# Clear focus on sustainability and corporate social responsibility

## ESG CERTIFICATIONS: 80% OF ENTIRE PORTFOLIO TO BE LEED/BREEAM BY 2024

### ▼ Roadmap to portfolio LEED, BREEAM & WELL certification

Asset	Sustainability Certification	Health-Safety Certification	Expected Certification Date
Cristalia	LEED GOLD	Under analysis	LEED Certified
Ramírez de Arellano	BREEAM Very Good	Under analysis	BREEAM Certified
Habana	LEED GOLD	WELL GOLD	H1 2022
Botanic	LEED PLATINUM	WELL GOLD	H2 2022 <sup>1</sup>
Cadenza	LEED GOLD	WELL PLATINUM	H2 2022
Dune	LEED PLATINUM	WELL GOLD	H1 2023
Pradillo	LEED PLATINUM	WELL GOLD	H2 2024



● Certified ● Certified 2022 ● Certified 2023  
● Certified 2024 ● Under Analysis

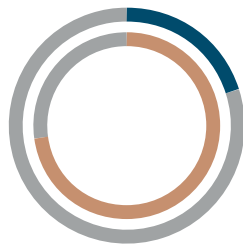
### ▼ Key portfolio sustainability indicators

#### SUSTAINABLE CERTIFICATIONS



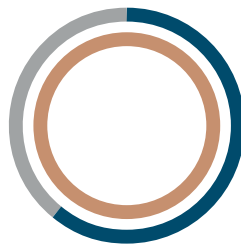
● 2020: 26%  
● 2024: 80%  
% portfolio to be certified (BREEAM/LEED)

#### ENERGY PRODUCTION



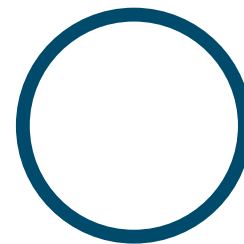
● 2020: 20%  
● 2023: 73%  
% portfolio with facilities for the production of renewable energy

#### GREEN ENERGY



● 2020: 61%  
● 2023: 100%  
% portfolio with green energy from renewable sources in common areas

#### ACCESSIBLE BUILDINGS



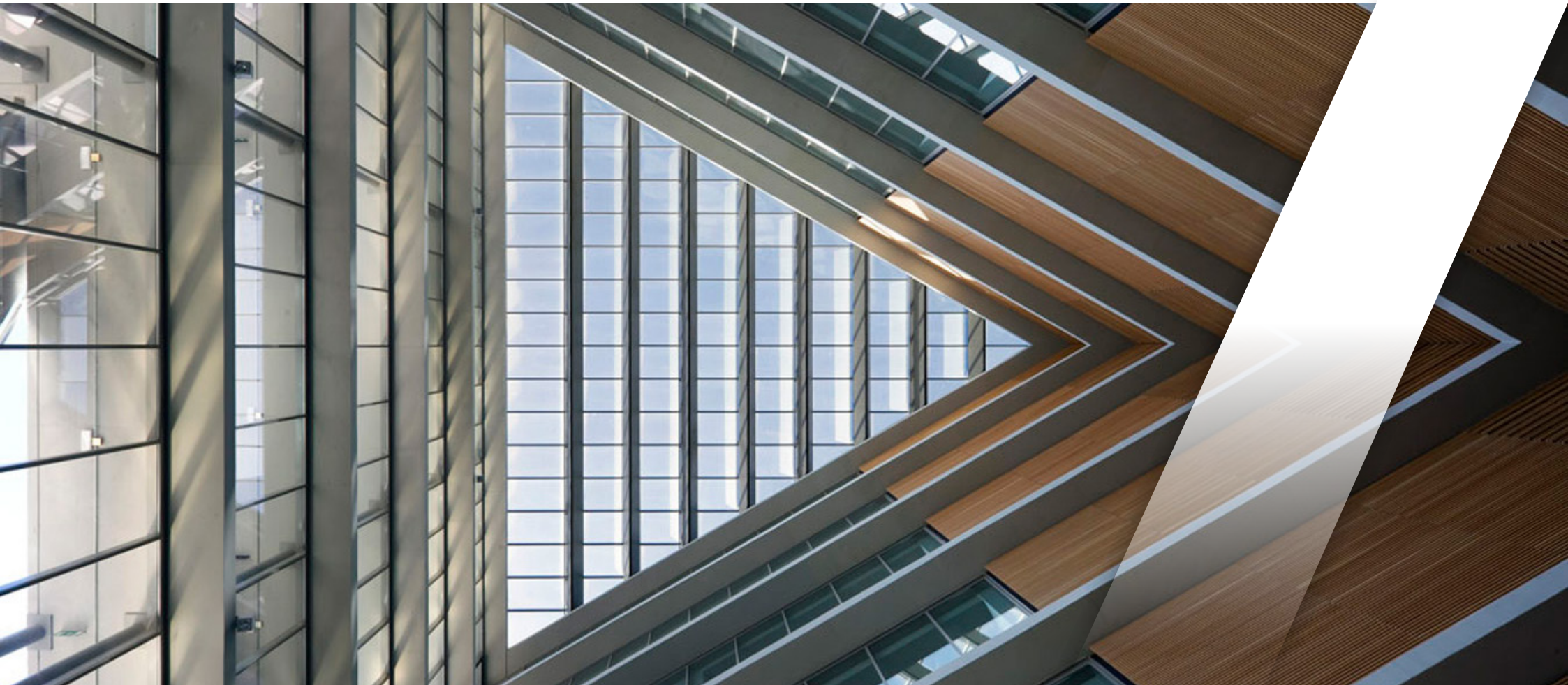
● 2020: 100%  
% portfolio fully accessible



100% of the portfolio financed by green loans

(1) Pre-certified

# APPENDIX



## FY 2021 Financials

### ▼ Consolidated Income Statement (IFRS)

IFRS	31/12/2020	31/12/2021
EURth unless otherwise specified		
<b>Gross Rental Income (GRI)</b>	<b>5,116</b>	<b>5,192</b>
Non-reimbursable property expenses	(407)	(603)
<b>Net Rental Income (NRI)</b>	<b>4,709</b>	<b>4,589</b>
Overheads	(5,571)	(5,662)
<b>Operating Income (EBITDA)</b>	<b>(862)</b>	<b>(1,073)</b>
Amortization & Provisions	(28)	(60)
<b>Recurring EBIT</b>	<b>(890)</b>	<b>(1,133)</b>
Net financial charges	(1,042)	(1,149)
Tax	-	-
<b>Recurring net profit</b>	<b>(1,932)</b>	<b>(2,282)</b>
Change in fair value of assets	15,469	28,598
Other income and expenses	(446)	(191)
<b>Reported net profit</b>	<b>13,091</b>	<b>26,125</b>
<b>Reported EPS (€ p.s.)</b>	<b>0.47</b>	<b>0.94</b>
Average no. of shares outstanding	27,911,972	27,760,550

EPRA	31/12/2020	31/12/2021
EURth unless otherwise specified		
EPRA earnings	(2,378)	(2,473)
<b>Adjusted EPRA earnings</b>	<b>(2,016)</b>	<b>(2,545)</b>
EPRA EPS (€ p.s.)	(0.09)	(0.09)
<b>Adjusted EPRA EPS (€ p.s.)</b>	<b>(0.07)</b>	<b>(0.09)</b>
EPRA NTA	303,270	326,147
<b>EPRA NTA (€ p.s.)</b>	<b>10.9</b>	<b>11.9</b>

### ▼ Consolidated Balance Sheet

IFRS	31/12/2020	31/12/2021
EURth unless otherwise specified		
<b>Assets</b>	<b>414,573</b>	<b>440,362</b>
<b>Non Current Assets</b>	<b>278,59</b>	<b>346,572</b>
Intangible assets	69	218
Property plant & equipment	278	259
Investment property	275,750	343,600
Long-term financial investments	2,493	2,495
<b>Current assets</b>	<b>135,983</b>	<b>93,790</b>
Trade and other receivables	6,530	4,518
Prepayments and accrued income	367	388
Cash & cash equivalents	129,086	88,884
<b>Equity</b>	<b>301,853</b>	<b>325,665</b>
Share Capital	284,294	284,294
Share Premium	5,769	5,769
Reserves	5,267	18,340
Treasury shares	(5,082)	(8,163)
Retained earnings	13,091	26,125
Other	(1,486)	(700)
<b>Liabilities</b>	<b>112,720</b>	<b>114,697</b>
Non-current liabilities	106,485	105,933
Financial debt	104,039	103,978
Financial derivatives	1,486	700
Other	960	1,255
Current liabilities	6,235	8,764
Financial debt	39	610
Trade & other payables	6,196	8,154
Number of shares outstanding, end of period	27,850,863	27,503,309



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# ÁRIMA

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## Press Release

The Socimi doubles its net profit to EUR 26 million  
and its net tangible asset value rises to EUR 11.90 per share

## Árma acquires two more properties and completes its Pradillo transaction

- The Socimi completes an off-market and highly complex transaction to acquire two properties at Calle Pradillo 56 and 58. The adjacent properties, together with neighbouring Pradillo 54 – already part of the Socimi’s portfolio – will allow the Socimi to create a large c. 12,000 sqm GLA office complex with 180 parking spaces
- The Socimi has also let the whole of its first refurbishment project, the Habana building, before works have even been completed – a clear demonstration of the project’s appeal in the market. The company has four other projects still pending completion
- Árma doubled its net profit in 2021 to EUR 26 million and at year-end its property portfolio was valued at EUR 343.6 million, +20% like-for-like in 12 months. The pandemic has proven Árma’s strategic vision, with the Socimi mapping out a strategy aimed at creating high-quality, sustainable buildings focused on health and well-being – all must-haves in the post-pandemic office market
- Providing tenants with solar power, equipping 20% of its parking spaces with electric vehicle charging points by 2022 and planting c. 400 trees across its ongoing projects are further proof of Árma's unwavering commitment to sustainability



Photo: Árma. Render of 'Pradillo' project. Architectural project currently under review





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**Madrid, 24 February 2022.** Árma Real Estate has presented its IFRS accounted 2021 results, doubling its net profit to EUR 26.1 million and achieving an EPRA Net Tangible Asset Value (EPRA NTA) of EUR 11.90 per share – up 9% year-on-year.

At 31 December 2021, Árma's property portfolio was valued at EUR 343.6 million, 20% more than in 2020 on a like-for-like basis.

With strong growth prospects in the medium term, thanks to a potential 200% increase in rental income and a comfortable liquidity position – EUR 103 million – Árma continues to analyse market opportunities capable of creating value for its shareholders.

### **Acquisition of two properties on Calle Pradillo**

The Company has announced the acquisition of two adjacent properties on Calle Pradillo, close to Madrid's CBD. This off-market complex transaction involving multiple owners has allowed the Socimi to acquire two properties located at Calle Pradillo 56 and 58 which, together with neighbouring Calle Pradillo 54 – already part of the Árma portfolio – will allow to create a large institutional lot of c. 12,000 sqm GLA with 180 underground parking spaces.

The project's total investment amounts to c. EUR 47 million, including the acquisition price and capex to complete a full-scale refurbishment. Árma is currently in the project's design phase, with the resulting complex set to feature an iconic main façade, flexible and light-infused spaces, generous common areas, terraces and multi-level green spaces. Assembling the separate properties will allow the Socimi to increase the GLA by almost 20% and also provide the complex with underground parking. Demolition works are scheduled to get underway in the first half of this year.

### **Habana fully let prior to works completion**

The pandemic has proven Árma's strategic vision from the outset, with the management team mapping out a strategy focused on repositioning assets to the highest standards in terms of quality, sustainability, health, wellness and technology – all must-haves in a post-pandemic world.

So much so, that Arima's Habana building was selected by a global firm as the site for its new Spanish headquarters before works were even completed. Habana is the first of the Socimi's refurbishment projects, with works on the remaining four – more than 55,000 sqm GLA and 700 parking spaces in total – still underway and expected to be finished in the short-medium term.



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## **The value of sustainability**

Sustainability is one of the key pillars of Árma's strategy and business model. The company does not simply create new, efficient and environmentally-friendly spaces – it does so responsibly, opting to give existing buildings a fresh new lease of life, and reusing and recycling existing structures and materials, thus minimising the Socimi's carbon footprint.

The refurbished spaces are much more energy-efficient and equipped with renewable sources. A recent example of this is Árma's logistics warehouse in San Agustín de Guadalix, where the improvements due to be made to the insulation and solar panelling. This is expected to improve the warehouse's energy efficiency by c. 60%.

The Company is also deeply invested in sustainable urban landscaping and mobility, ensuring extensive landscaped spaces and generous outdoor areas are a prominent feature in all of its projects, planting almost 400 trees and fitting 20% of the parking spaces in its portfolio with electric vehicle charging points in 2022, as well as offering electric bikes for its tenants.

This steadfast commitment to sustainability is starting to bear its fruits: the Company is financed solely via green loans, has increased its GRESB certification score by 46% - above the European peer group – and obtained EPRA sBPR GOLD certification in recognition of its exceptional performance in sustainability best practices. Árma also aims to have 80% of its portfolio LEED/BREEAM certified by 2024.

## **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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