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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 2020 Consolidated Financial Statements as well as Earnings Report.

Please find attached hereafter the Earnings Report and press release.

Madrid, 25th February 2021

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

ÁRIMA

FULL YEAR
RESULTS

2020



> EXECUTIVE SUMMARY 2020 AT A GLANCE

IN GOOD SHAPE DURING TIMES OF UNCERTAINTY

- **Existing portfolio largely unaffected by COVID-19 in the period**
- **100% rent collection.** No exposure to retail and no corporate tenants operating in the industries most impacted by COVID-19. All assets with COVID-secure measures implemented
- **Redevelopment projects ongoing** with only minor delays during lockdown
- **Defensive portfolio** with premium-quality space acquired at highly competitive prices

RESILIENT FINANCIAL PERFORMANCE

- **GAV of EUR 276 million** at 31 December 2020¹, delivering +24% value growth in the 12-month period (+5% on a LfL basis²), driven by accretive acquisitions and steady progress with the redevelopment programme
- **EPRA NAV³ per share of EUR 10.9**, +3% over the year and +13% since IPO
- Gross rental income for 2020 of EUR 5.1m, +8.4% YoY, and EUR 5.1m annualised GRI at Dec'20
- NRI margin >90%, despite the higher number of assets under refurbishment
- Net profit of EUR 13.1m and EPS of EUR 0.47

ROBUST BALANCE SHEET

- **Strong liquidity position** with c. EUR130m in cash and equivalents at period-end
- EUR 25m net cash position and -9% net LTV (net cash)
- **Best-in class financing conditions:**
 - 1.5% all-in costs⁴ for a 7-year weighted average maturity
 - 95% debt repayments due from 2025 onwards

EMBRACING OPPORTUNITY WITH ATTRACTIVE ACQUISITIONS...

- **Two high-quality office buildings** (18,500 sqm) acquired in Madrid in 2020, despite the challenging COVID environment, in off-market transactions for a total committed investment of EUR 65 million⁵
- Overall, a **defensive and opportunity rich c.94,000 sqm office-focused portfolio** comprising a well-balanced mix, with a strong focus on asset improvement and significant upside potential

... AND SIGNIFICANT ORGANIC GROWTH POTENTIAL

- Ongoing redevelopment works (48% of portfolio⁶: Habana, Botanic, Cadenza, Manoteras) continue to advance according to schedule - expected to be completed by year-end 2021 and 2022
- One new committed project in analysis phase, with works expected to start in 2022
- **Organic growth potential:** +170% potential rent roll uplift; 6-6.5% ERV yield post-capex

ONGOING FOCUS ON SUSTAINABILITY AND SOCIAL RESPONSIBILITY

- 100% of portfolio fully financed with green loans
- 80% of portfolio expected to be LEED/BREEAM certified medium-term
- 100% of repositioning projects expected to be WELL certified
- 2020 GRESB assessment above expectations, and aiming to be top-ranked in 2021
- EPRA BPR Most Improved Award, achieving Silver level
- The only RICS-accredited⁷ commercial real estate company in Spain



This year we have delivered a resilient performance in very challenging conditions. Despite the extended near-term uncertainty, we strongly believe in the long-term prospects of our strategy and our defensive portfolio. We remain in a position of great strength with a portfolio full of opportunity and one of the strongest balance sheets in the sector, given our low leverage and high liquidity. We have an experienced team with deep market knowledge and ability to adapt in order to deliver on our targets. We keep monitoring the market and expect to be net buyers going forward with a very prudent investment approach — Luis López de Herrera-Oria, Chief Executive Officer

> EXECUTIVE SUMMARY **STRONGLY POSITIONED FOR TODAY'S DEMAND**
 UNIQUE LISTED PLAYER FOCUSED PREDOMINANTLY ON MADRID OFFICES WITH A CLEAR VALUE-ADD STRATEGY



Believe in Madrid

→ Scarcity of quality office space in Madrid (19% of total Madrid stock) still providing a compelling opportunity

Seize growth opportunities

- Strong positioning for today's key themes: demand for quality, healthy and sustainable product accelerating
- Solid redevelopment pipeline
- Significant capacity for further investments

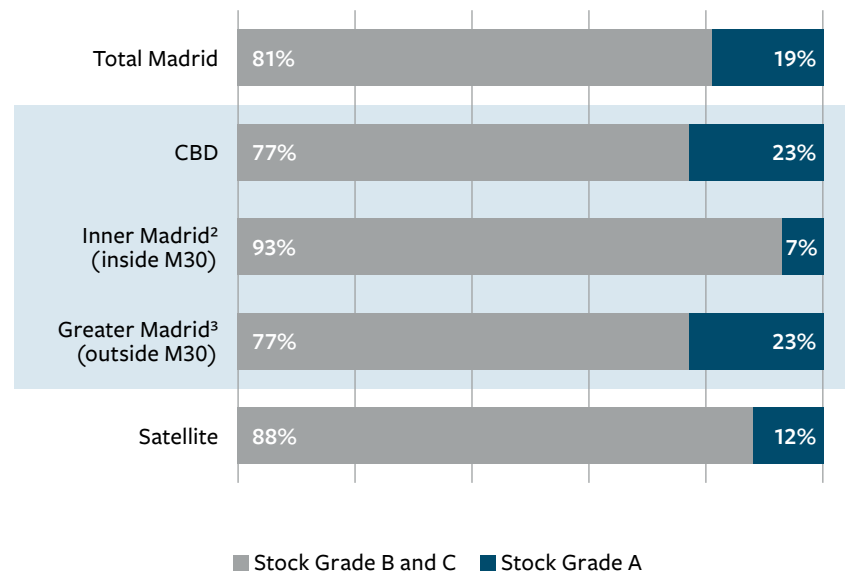
Focus, deep knowledge

- Proven ability to source selective off-market opportunities
- Two accretive acquisitions in 2020 despite the COVID challenging environment

Prepared to weather any near-term economic challenges

- Strong balance sheet: net cash position, no near-term repayments
- Experienced management team
- Low rents

> GRADE A STOCK (% GLA)¹



Notes: (1) Source: JLL; (2) "Secondary" area as per JLL. (3) "Periphery" area as per JLL

> FINANCIAL RESULTS



> FINANCIAL RESULTS

> KEY BALANCE SHEET ITEMS

EURm unless specified	31/12/2019	31/12/2020	YoY
Gross Asset Value (GAV)¹	221.650	275.750	+24%
Gross Debt	72.637	104.078	+43%
Cash & Equivalents	153.967	129.086	-16%
Net Debt	(81.330)	(25.008)	-69%
Gross LTV	32.8%	37.7%	+15%
Net LTV	(36.7%)	(9.1%)	-75%
EPRA NAV p.s.²	10.6	10.9	+3%

> KEY INCOME STATEMENT METRICS

EURm unless specified	31/12/2019	31/12/2020	YoY
Gross Rental Income (GRI)	4.719	5.116	+8.4%
Net Rental Income (NRI)	4.337	4.709	+8.6%
EBIT	16.133	14.133	-12.4%
Net Profit	15.389	13.091	-14.9%
EPS (€ p.s.)	1.05	0.47	-55.3%

RESILIENT PERFORMANCE; EXISTING PORTFOLIO LARGELY UNAFFECTED BY COVID-19

- GAV of EUR 276 million at 31 December 2020¹, delivering +24% value growth in the 12-month period (+5% on a LfL basis), driven by accretive acquisitions in the period and steady progress with the redevelopment programme
- EPRA NAV² per share of EUR 10.9, +3% over the year and +13% since IPO
- 100% of rent collection. No exposure to retail and no corporate tenants operating in the industries most impacted by COVID-19³
- Two high-quality office buildings acquired in Madrid in 2020 in off-market transactions for a total committed investment of EUR 65 million⁴
- Gross rental income for 2020 of EUR 5.1m, +8.4% YoY, and EUR 5.1m annualised GRI at Dec'20
- NRI margin >90%, despite the higher number of assets under refurbishment
- Net profit of EUR 13.1m, and EPS of EUR 0.47 p.s

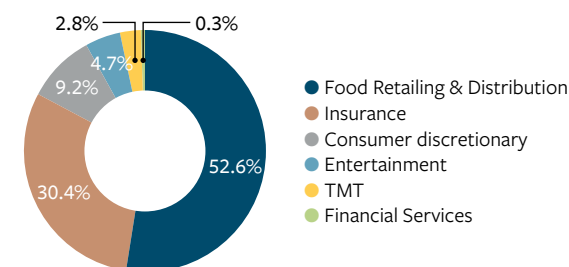
SIGNIFICANT ORGANIC GROWTH OPPORTUNITY, AS PER BUSINESS PLAN...

- +170% potential organic rent roll uplift
- Ongoing redevelopment works (48% of portfolio: Habana, Botanic, Cadenza, Manoteras) continue to advance according to schedule - expected to be completed by year-end 2021 and 2022
- Most recent acquisition (6,535 sqm) currently in project analysis phase. Works expected to start in 2022

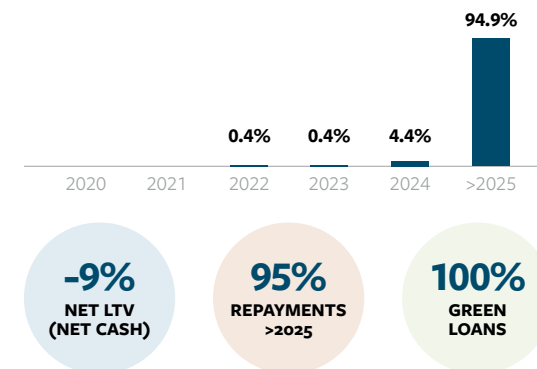
... AND A ROCK SOLID BALANCE SHEET TO KEEP SEIZING MARKET OPPORTUNITIES

- Strong liquidity position with c. EUR130m in cash and equivalents at period-end
- EUR 25m net cash position and -9% net LTV (net cash)
- Best-in class financing conditions:
 - 100% of Árima's financing composed of green bonds
 - 1.5% all-in costs⁵ for a 7-year weighted average maturity
 - 95% repayments due from 2025 onwards

> GROSS RENTAL INCOME BY SECTOR



> DEBT MATURITY PROFILE AS OF 31.12.2020



Notes: (1) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS); (2) In accordance with EPRA Best Practice Recommendations; (3) Source: S&P Global Market Intelligence; (4) Including expected capex; (5) Weighted average; all-in costs include spread, up-front costs and hedge

> INVESTMENT ACTIVITY



INVESTMENT ACTIVITY EMBRACING OPPORTUNITY WITH ATTRACTIVE ACQUISITIONS

TWO HIGH-QUALITY OFFICE BUILDINGS ACQUIRED IN MADRID (18,500sqm) FOR A TOTAL COMMITTED INVESTMENT OF EUR 65EURm¹



P54

- **Off-market** acquisition of an **office building in Madrid city centre**, with metro station within 5 minutes walking distance
- The area is home to headquarters of technology companies, and is in transformation with new high-end residential developments
- Currently partially occupied, with leases ending in the short term
- **Full refurbishment** expected to start in 2022 aiming to result in a class A healthy building, maximizing the use and the buildable area
- **Yield on cost in excess of 6%**

				
LOCATION	ACQ. DATE	STRATEGY	GLA	PARKING UNITS
Inner Madrid	October 2020	Full refurbishment	6,535 sqm	70



MANOTERAS

- **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 Madrid's up-and-coming **Manoteras 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 7%-7.5%**

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

Notes: (1) Including expected capex

> ACTIVE ASSET MANAGEMENT



> ACTIVE ASSET MANAGEMENT GOOD REDEVELOPMENT PROGRESS

ALL SCHEMES ON SCHEDULE DESPITE THE CHALLENGING OPERATING ENVIRONMENT

1
COMPLETED SCHEME
33% under lease agreement¹

4
MEDIUM TERM
48% of portfolio
6%-6.5% exp. YoC

1
COMMITTED
Refurbishment
to start in 2022

COMPLETED SCHEME



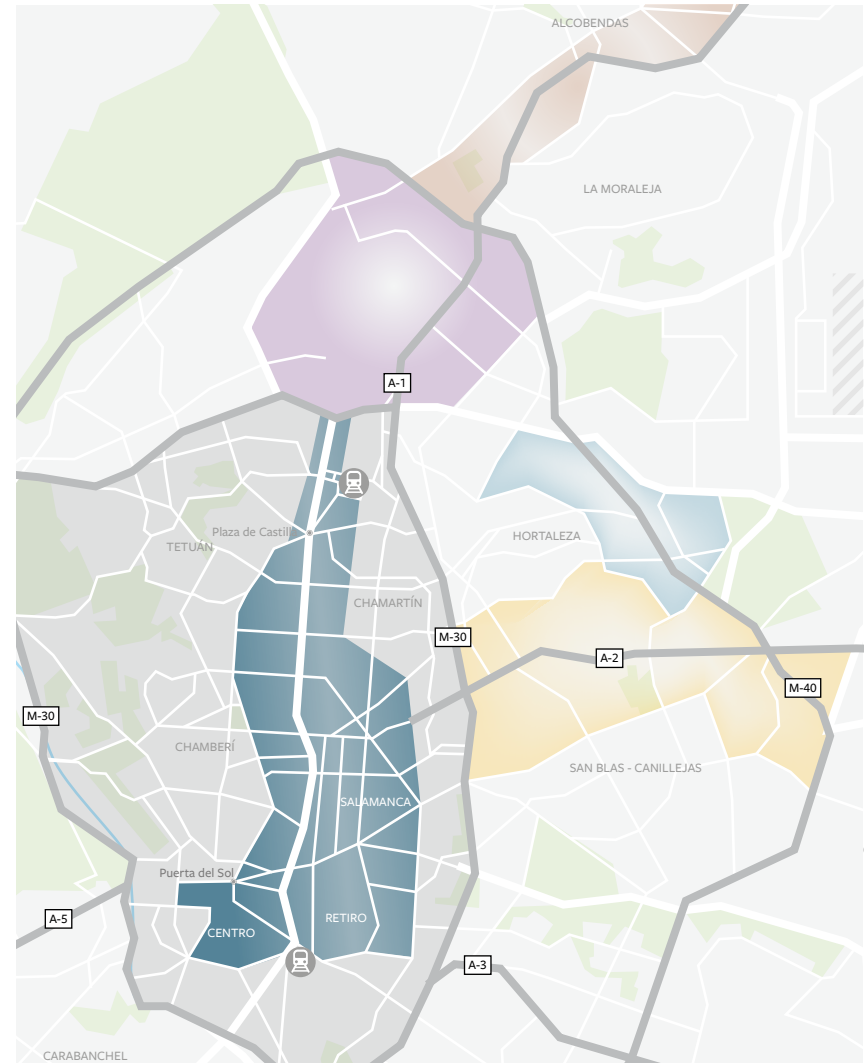
MEDIUM TERM



MEDIUM TERM



COMMITTED



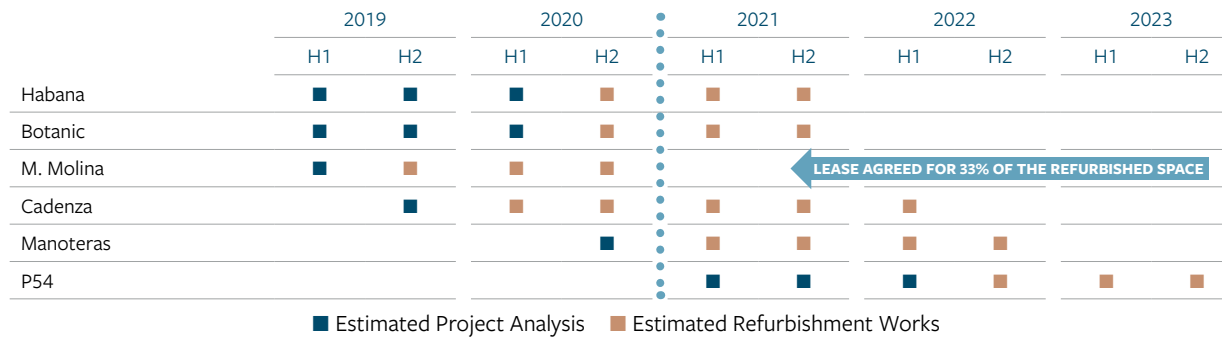
● CBD
 ● Inner Madrid (inside M30)
 ● A2/M30
● Campo de las Naciones
 ● Las Tablas/Manoteras
 ● Arroyo de la Vega

Notes: (1) As % of the refurbished space; lease terms agreed with tenant, contract pending signature

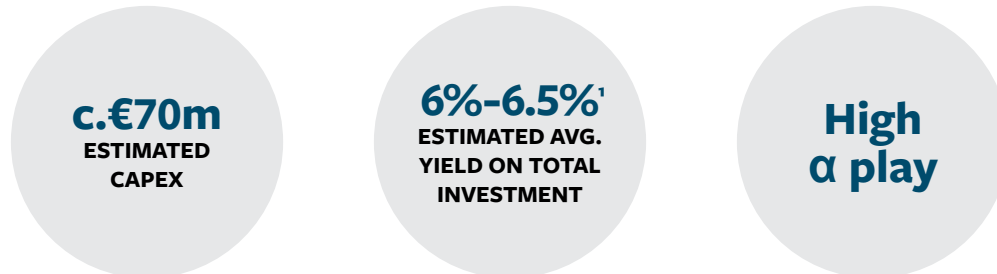
> ACTIVE ASSET MANAGEMENT REDEVELOPMENT PLAN

COVID-19 update: minor delays during lockdown but deliveries expected broadly according to original schedule

> REDEVELOPMENT & ASSET MANAGEMENT PLAN



> VALUE CREATION STRATEGY



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



> PORTFOLIO VALUATION



> PORTFOLIO VALUATION GAV GROWTH

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



€276m
GAV
DEC'20²

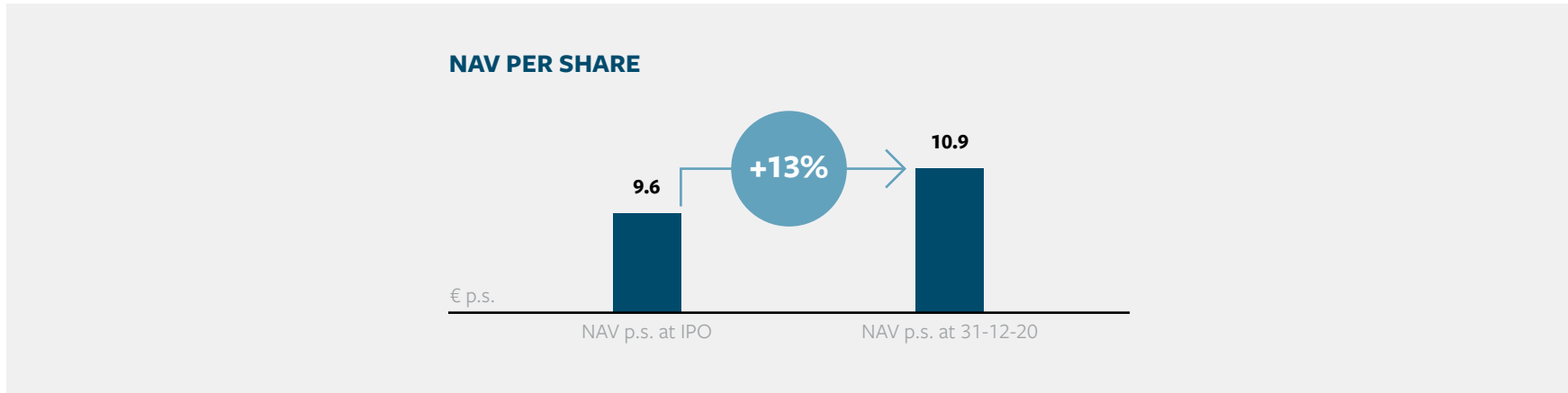
+26%
VS. TOTAL
ACQUISITION
PRICE³

+20%
VS. TOTAL
INVESTMENT
SINCE IPO⁴

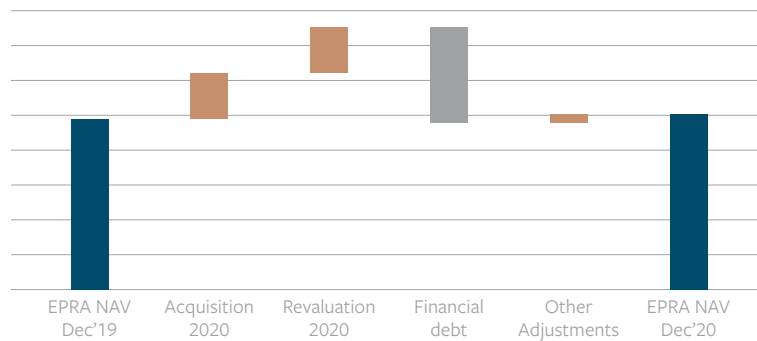
- Gross asset value (GAV) of EUR 276 million as of December 31, 2020²
- +24% 12-month portfolio value growth driven by capex investments and assets acquired in the period
- +26% portfolio valuation growth vs. total acquisition price, and +20% on total investment (acquisition price plus capex invested)
- Redevelopment plan on track:
 - Refurbishment works ongoing in 4 office properties (40,000 sqm)
 - 1 committed project expected to be completed by end 2023 (6,500 sqm)

Notes: **(1)** Based on the external independent valuation carried out by CBRE and Savills at 31 December 2019; **(2)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 2020; **(3)** Revaluation on total portfolio acquisition price; **(4)** Total investment includes acquisition price plus capex invested as of the valuation date

> PORTFOLIO VALUATION NAV GROWTH ...CRYSTALLIZING IN CONTINUOUS SHAREHOLDER VALUE CREATION



NAV BRIDGE



DELIVERING RETURNS DESPITE THE CHALLENGING MARKET CONDITIONS

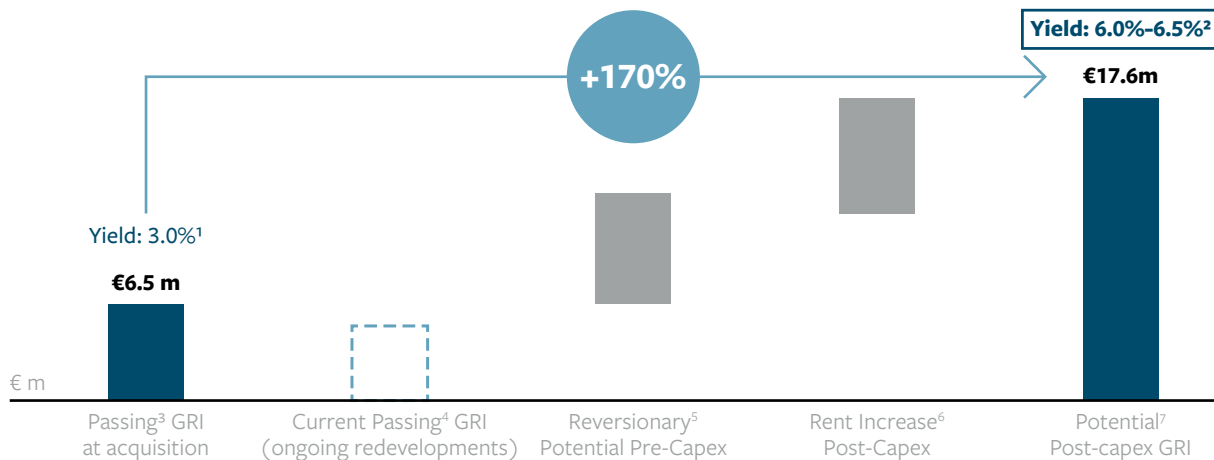
- +13% NAV p.s. since IPO driven by 9 accretive acquisitions
- 94,124 sqm GLA – 100% Madrid – in line with investment strategy
- c. EUR 70m capex plan
- Significant capacity for further investments. Expect to be net buyers

> PORTFOLIO VALUATION PORTFOLIO UPSIDE POTENTIAL

EXISTING PORTFOLIO WITH SIGNIFICANT UPSIDE POTENTIAL IN THE NEXT 2-3 YEARS THROUGH ACTIVE ASSET MANAGEMENT...

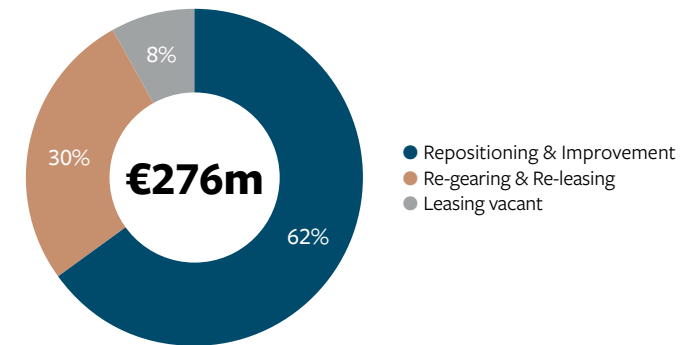
COVID-19 impact: near-term uncertainty but confident of the long-term opportunity. Substantial upside potential remains even applying a more conservative, in-house view of rental levels

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



FOLLOWING DIFFERENT VALUE CREATION STRATEGIES

> BY GAV



... COUPLED WITH A HIGHLY SELECTIVE PIPELINE

→ With a prudent investment approach, we expect to be net buyers going forward

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 building 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

> PORTFOLIO OVERVIEW



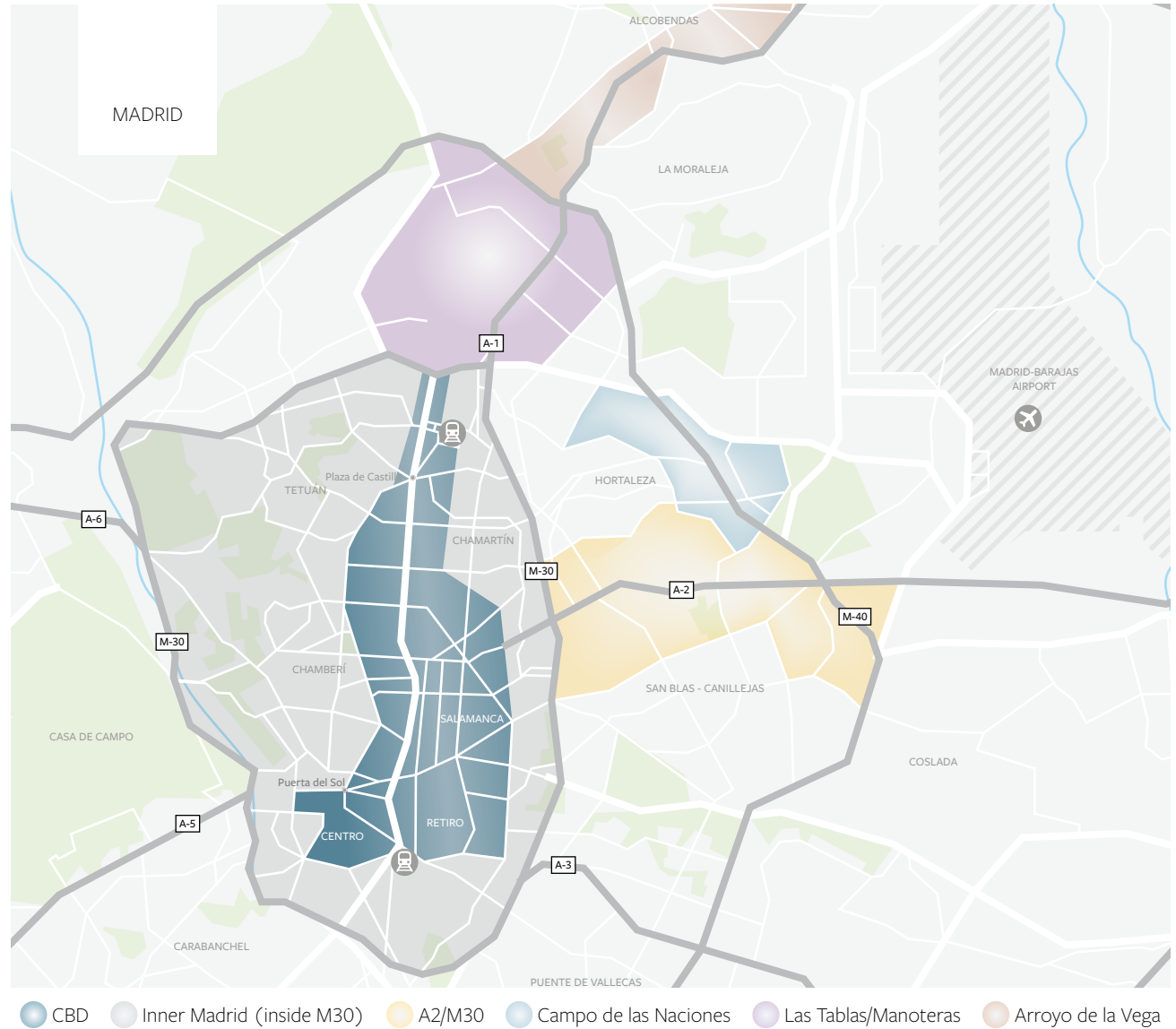
> PORTFOLIO OVERVIEW ASSET MAP

OFFICES

- 1 Habana
 - 2 María de Molina
 - 3 P54
 - 4 Ramírez de Arellano
 - 5 Botanic
 - 6 Cristalia
 - 7 Cadenza
 - 8 Manoterías
- | | |
|--|---------------------------|
| | CBD |
| | Inner Madrid (inside M30) |
| | A2/M30 |
| | Campo de las Naciones |
| | Las Tablas/Manoterías |

LOGISTICS

- 9 Guadalix

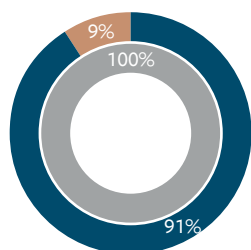


> PORTFOLIO OVERVIEW PORTFOLIO BREAKDOWN

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

> PORTFOLIO BREAKDOWN

GAV BY SECTOR AND LOCATION



Our sectors:
 ● Offices ● Logistics

Our locations:
 ● Madrid

EUR m. unless specified	Assets (#)	GLA (sqm)	Parking (slots) ³	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (EUR/sqm) ⁴	GAV ¹ (EURm)	Occupancy rate	Annualised GRI "Topped-up" (EUR 000) ⁵	Annualised NRI (EUR 000)	Gross yield "Topped-up" ⁶	EPRA NIY "Topped-up" ⁷
INVESTMENT PROPERTIES²												
Offices	3	21,807	332	95	98	4,048	104	70%	3,255	3,036	3.4%	2.9%
Madrid	3	21,807	332	95	98	4,048	104	70%	3,255	3,036	3.4%	2.9%
CBD	1	4,120	20	24	24	5,558	32	14%	0,145	(0,009)	0.6%	0.0%
Inner Madrid (M30)	1	6,759	110	32	33	4,315	32	100%	1,456	1,490	4.5%	4.6%
Greater Madrid	1	10,928	202	39	40	3,314	41	72%	1,654	1,555	4.2%	3.7%
Logistics	1	25,694	0	16	17	638	23	100%	1,815	1,660	11.1%	7.0%
Madrid	1	25,694	0	16	17	638	23	100%	1,815	1,660	11.1%	7.0%
Total investment properties	4	47,501	332	112	115	2,204	127	86%	5,070	4,697	4.5%	3.6%
REDEVELOPMENTS												
Offices	5	46,623	711	107	110	2,050	148					
Madrid	5	46,623	711	107	110	2,050	148					
CBD	1	4,236	42	19	19	4,070	26					
Inner Madrid (M30)	1	6,535	-	11	12	-	17					
Greater Madrid	3	35,852	669	77	79	1,868	106					
Logistics	0	0	0	0	0	-	0					
Total Redevelopments	5	46,623	711	107	110	2,050	148					
Total Portfolio	9	94,124	1,043	219	225	2,128	276					

Notes: **(1)** Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 31 December 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 properties or those being marketed, excluding redevelopments. Current undergoing redevelopments include Habana, Botanic, Cadanza, Manoteras, P54; **(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
 Expected Delivery: H2 2021

- **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
- Refurbishment works ongoing
- Project enhanced with COVID and safety **preventive measures**
- Current market value **c.20% below comparable market transactions¹**
- Strong interest from prospective tenants



OFFICES

Name: Botanic
 Acq. Date: Jan'19
 Location: Madrid A2/M30
 GLA: 9,462 sqm
 Parking units: 212
 Strategy: Partial Refurbishment
 Expected Delivery: H2 2021

- **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
- Leases terminated in the year. Refurbishment works currently ongoing
- Project enhanced with COVID and safety preventive measures
- Current market value **c.20% below comparable market transactions¹**
- Strong interest from prospective 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
- **Attractive reversionary potential** through re-gearing existing leases and leasing-up vacant space
- **Partially occupied** (72%) to a world leading insurance and TMT company.
- Current market value **c.20% below comparable market transactions¹**
- Implemented COVID and safety preventive measures

Notes: (1) Source: CBRE Research for comparable transactions as of Dec'20, Árima for portfolio data

> PORTFOLIO OVERVIEW **PORTFOLIO IN DETAIL**



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
- **Complex transaction**, with a multi-owner structure. **Floor-by-floor refurbishment** already completed
- Value creation strategy includes **consolidation of single ownership, with negotiations underway**
- Current market value **in line with comparable market transactions**¹
- Lease terms agreed with interested tenant to take 30% of refurbished 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
- Value creation strategy includes longer term restructuring of the unit's occupation to improve liquidity and mortgageability
- Tenant has experienced a very high level of activity during the last months
- Acquired **c.15% below comparable market transactions**¹



OFFICES

Name: Ramírez de Arellano
 Acq. Date: Jun'19
 Location: Inner Madrid (M30)
 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
- Current market value **c.5% below comparable market transactions**¹
- Implemented COVID and safety preventive measures

Notes: (1) Source: CBRE Research for comparable transactions as of Dec'20, Árima for portfolio data

> PORTFOLIO OVERVIEW **PORTFOLIO IN DETAIL**



OFFICES

Name: Cadenza
 Acq. Date: Dec'19
 Location: Madrid CDN
 GLA: 14,500 sqm
 Parking units: 196
 Strategy: Full Refurbishment
 Expected Delivery: H1 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 already ongoing
- **LEED & WELL Gold** certifications expected and COVID prevention measures applied
- Current market value **c.25% below comparable market transactions¹**



OFFICES

Name: Manoteras
 Acq. Date: Jun'20²
 Location: Las Tablas/Manoteras
 GLA: 11,962 sqm
 Parking units: 245
 Strategy: Full Refurbishment
 Expected Delivery: H2 2022

- 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
- Acquired through an **off-market transaction**
- **Significant reversionary potential** upon completion of refurbishment works
- **LEED Platinum and WELL Gold** certifications expected



OFFICES

Name: P54
 Acq. Date: Oct'20
 Location: Inner Madrid
 GLA: 6,535 sqm
 Parking units: 70
 Strategy: Full Refurbishment
 Expected Delivery: H2 2023 (in analysis phase)

- **Office building** located in **Madrid city centre**, with spacious floor plates of c. 1,000sqm
- **Excellent location and connections** to public transport. Area home to technology companies, and in continuous transformation
- Acquired through an **off-market transaction**
- **Significant reversionary potential** upon completion of refurbishment works
- Currently **partially occupied**, with leases ending in the short term
- **Full refurbishment into a class A healthy building** expected to start in 2022, maximizing the use and the buildable area

Notes: (1) Source: CBRE Research for comparable transactions as of Dec'20, Árima for portfolio data; (2) Turnkey private sale agreement signed in June 2020, completed project expected to be delivered by December 2022

> SUSTAINABILITY & CORPORATE RESPONSIBILITY



2	6
1	5
0	4
B	3

Public Health
Digital B
Law
Resources Iberia
WISN

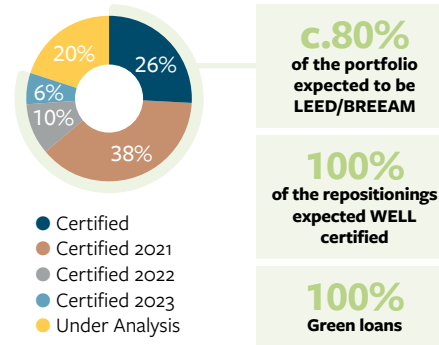
> SUSTAINABILITY & CORPORATE RESPONSIBILITY

COMMITTED TO SUSTAINABLE ENVIRONMENTS, EXCELLENCE 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 by 2023
 - **100% of repositioning projects** expected to be WELL certified
- **Engaged in the 2020 GRESB assessment:**
 - First-year participant only 2 years post-IPO
 - **Results above expectations** and clear action plan aiming to be top-ranked in 2021
- **EPRA member** since IPO
 - **BPR Most Improved Award**, achieving **Silver level**
- The **only RICS-accredited**¹ commercial real estate company in Spain
- 100% of Arima's financing composed of green loans

> LEED/BREEAM CERTIFICATION



c.80%
of the portfolio
expected to be
LEED/BREEAM

100%
of the repositionings
expected **WELL**
certified

100%
Green loans



> 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)
Cadenza	LEED GOLD	WELL GOLD	H1 2022
Manoteras	LEED PLATINUM	WELL GOLD	H2 2022
P54	LEED PLATINUM	WELL GOLD	H2 2023 (in analysis phase)
M. Molina	Under Analysis	Under Analysis	Under Analysis
Guadalix	Under Analysis	Under Analysis	UnderAnalysis

Notes: (1) Royal Institution of Chartered Surveyors

> APPENDIX



> APPENDIX FULL YEAR 2020 FINANCIALS

> CONSOLIDATED INCOME STATEMENT (IFRS)

IFRS	31/12/2019	31/12/2020
EURth (unless otherwise specified)		
Gross Rental Income (GRI)	4,719	5,116
Non-reimbursable property expenses	(382)	(407)
Net Rental Income (NRI)	4,337	4,709
Overheads	(4,139)	(5,655)
Operating Income (EBITDA)	198	(946)
Amortization & Provisions	(11)	(28)
Recurring EBIT	187	(974)
Net financial charges	(744)	(1,042)
Tax	-	-
Recurring net profit	(557)	(2,016)
Change in fair value of assets	21,589	15,469
Other income and expenses	(5,643)	(362)
Reported net profit	15,389	13,091
Reported EPS (EUR p.s.)	1.05	0.47
Average no. of shares outstanding	14,661,803	27,911,972

EPRA	31/12/2019	31/12/2020
EURth (unless otherwise specified)		
EPRA earnings	(6,200)	(2,378)
Adjusted EPRA earnings	(590)	(2,016)
EPRA EPS (EUR p.s.)	(0.42)	(0.09)
Adjusted EPRA EPS (EUR p.s.)	(0.04)	(0.07)

> CONSOLIDATED BALANCE SHEET

IFRS	31/12/2019	31/12/2020
EURth (unless otherwise specified)		
Non Current Assets	222,628	278,590
Intangible assets	-	69
Property plant & equipment	136	278
Investment property	221,650	275,750
Long-term financial investments	842	2,493
Current assets	155,632	135,983
Trade and other receivables	1,204	6,530
Prepayments and accrued income	461	367
Cash & cash equivalents	153,967	129,086
Equity	299,778	301,853
Share Capital	284,294	284,294
Share Premium	5,769	5,769
Reserves	(9,924)	5,267
Treasury shares	(625)	(5,082)
Retained earnings	15,389	13,091
Other	4,875	(1,486)
Liabilities	78,482	112,720
Non-current liabilities	74,118	106,485
Financial debt	72,427	104,039
Financial derivatives	735	1,486
Other	956	960
Current liabilities	4,364	6,235
Financial debt	210	39
Trade & other liabilities	4,154	6,196
Number of shares outstanding, end of period	28,373,534	27,850,863

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Press Release

The net asset value per share (EPRA NAV) increased to EUR 10.9,
due to effective asset management

Árma reaffirms its strategy to close 2020 with net profits of EUR 13.1 million

- Árma rounded off the year with a very solid set of results, despite a challenging climate dogged by the global pandemic. The company's asset portfolio was valued at EUR 276 million, up 24% on last year
- It also collected rents of EUR 5.1 million – 100% of those owed for the year. This equates to an 8.4% y-o-y increase, despite half of the portfolio being under refurbishment
- The company has held firm to its business plan, and redevelopment works are moving forward as planned
- The Socimi has finished the year with a resilient portfolio which offers significant prospects for mid-term growth, pointing to a rental uplift potential of 170%
- Thanks to a healthy balance sheet, including liquidity of around EUR 130 million, and an experienced management team with a track record of spotting promising investment opportunities, Árma can look to the future with confidence, firmly focusing on creating added value for its shareholders
- The company's commitment to sustainability has been upheld: 80% of properties in its portfolio is planned with LEED/BREEAM certifications short to medium term, 100% of its financing is based on green loans and it has set out a clear road map for achieving a strong rating in GRESB 2021



Photo: Árma. Render 'Botanic: one of Europe's most exceptional workspaces'



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Madrid, 25 February 2021. In line with IFRS, Árma Real Estate has achieved a net profit of EUR 13.1 million and a NAV (Net Asset Value) of EUR 10.90 per share in 2020 – a 3% increase on the same period of the previous year. The company submitted its 2020 results to the Spanish Securities Market Commission earlier today, attesting to a solid performance that reaffirms its strategy and management approach during a critical year and stands it in good stead for 2021.

In a year overshadowed by pandemic uncertainty, Árma successfully sidestepped the worst of COVID-19 to close Q4 with an asset portfolio valued at EUR 276 million (at 31 December 2020; according to an independent valuation carried out by leading consultancy firm CBRE). This represents a value increase of 24% compared with the previous year.

The Socimi presented a solid balance sheet with a strong cash flow position, reporting liquidity of almost EUR 130 million. It also secured very favourable financing conditions, with all loans now 100% “green”.

Sound Strategy and Resilient Assets

The situation created by the pandemic has highlighted the importance of Árma’s strategy based on the procurement of premium quality assets that meet the criteria for sustainability, quality, space and flexibility. The availability of such assets is very limited in Madrid and Barcelona’s most well-established office submarkets.

Árma’s management team proved the strength and resilience of their portfolio in 2020, which, while being very defensive, also offers potential rental uplift of 170%, based on conservative projections.

Effective asset management and the company’s lack of exposure to the retail and hotel sectors have led to Árma collecting 100% of rents owed in 2020. Total rental income reached EUR 5.1 million, up 8.4% on the previous year.

This income was achieved while a significant part of the portfolio is undergoing refurbishment – works amounting to 45,000 sqm of leasable space and 700 car spaces. Projects are progressing well and keeping pace with the schedule outlined in the company’s business plan, despite the shutdown of all non-essential activity for a few weeks in Spring 2020.

Commitment to Sustainability

In keeping with its commitment to sustainability, 100% of Árma’s loans are now “green” and the company expects 80% of properties in its portfolio to achieve LEED/BREEAM certification in the short to medium term. As the only rental property firm in Spain to be certified by RICS (Royal Institution of Chartered Surveyors), Árma has set out a clear road map for achieving internationally recognised ESG certifications, such as GRESB.

The Botanic building, the SOCIMI’s flagship project for 2021, is the perfect illustration of its commitment to sustainability. Launched in Q4 2020 under the tagline “**Business as second nature**”, Botanic will come to be known as one of Europe’s most groundbreaking office



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developments and one of a select few in Spain to boast the full complement of LEED® PLATINUM, WELL® GOLD and WELL HEALTH & SAFETY 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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