

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

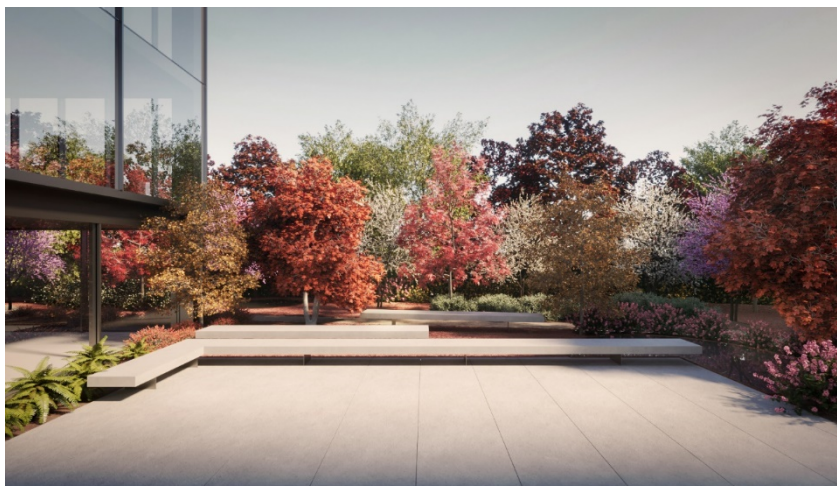


Photo: Árma. Render 'Botanic: one of Europe's most exceptional workspaces'



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Madrid, 25 February 2021. In line with IFRS, Árima 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, Árima 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 Árima’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.

Árima’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 Árima 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 Árima’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), Árima 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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