



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

SPANISH NATIONAL STOCK MARKET COMMISSION

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

INSIDE INFORMATION

Árma files to the CNMV the Q1 2019 Trading Update.

Please find attached hereafter the Trading Update and press release.

Madrid, 14th May 2019

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

The logo for ARIMA, featuring the word "ARIMA" in a bold, blue, sans-serif font. The letter "A" has a unique design with a horizontal bar that is slightly offset to the right, creating a stylized, modern look. The background of the slide is white with a pattern of overlapping squares in various shades of blue and grey, some of which are semi-transparent, creating a geometric, abstract design.

ARIMA

TRADING UPDATE
FIRST QUARTER
2019

> EXECUTIVE SUMMARY



> EXECUTIVE SUMMARY DELIVERED AND OUTPERFORMED ON IPO TARGETS

IPO TARGETS		CURRENT SITUATION
1	INVESTMENT PERIOD (6 – 9 MONTHS)	 <ul style="list-style-type: none"> → 140% of net proceeds raised in IPO already invested → 6 transactions executed in 5 months
2	BEST-IN-CLASS TRANSACTION SOURCING	 <ul style="list-style-type: none"> → Disciplined and accretive acquisitions at very competitive prices, 20% below market comparable levels → All transactions in line with the investment strategy
3	FOCUS ON OFFICES	 <ul style="list-style-type: none"> → 87% exposure to office assets, 13% to logistics
4	FOCUS ON UNIQUE LOCATIONS IN MADRID	 <ul style="list-style-type: none"> → 100% exposure to Madrid real estate market → Unique locations across CBD and other consolidated business areas
5	HIGH QUALITY PROPERTIES WITH SIGNIFICANT UPSIDE POTENTIAL	 <ul style="list-style-type: none"> → Exceptional buildings with intensive asset management requirements → On track with value-add strategy, with good progress on the redevelopment plan → Estimated IRR of current portfolio 200bp above the target TSR



SUCCESSFULLY EXECUTED THE FIRST CAPITAL INCREASE OF 40% OF THE SHARE CAPITAL ONLY 6 MONTHS POST-IPO TO FUND FURTHER GROWTH

Unique listed player focused predominantly on Madrid offices and a clear value-add strategy

> EXECUTIVE SUMMARY Q1 2019 RESULTS AT A GLANCE

CONTINUED INVESTMENT ACTIVITY VIA DISCIPLINED AND ACCRETIVE ACQUISITIONS...

- Continued strategic deployment of firepower (#3 most active player in the Madrid office market)¹
- Acquisitions of assets América and Cristalia completed in January 2019
- Off-market acquisition of the additional 5th and 6th floors of María de Molina, a prominent office building located in Madrid's prime CBD
- Since period-end, a modern logistics asset acquired in Madrid at a highly competitive price, generating a very attractive yield
- **€140m total investment**² in a high-quality and well-balanced portfolio with strong uplift potential, in line with the investment strategy

...DEMONSTRATING OUR VALUE CREATION CAPABILITIES

- Ability to buy at attractive €/sqm: average **acquisition price c.20% below market comparables**
- 6.9% ERV yield post-capex vs 5% market yield
- Redevelopment plan on track: two schemes in offices (13,627 sqm) currently ongoing

MANAGED OUR CAPITAL STRUCTURE TO FUND FURTHER GROWTH...

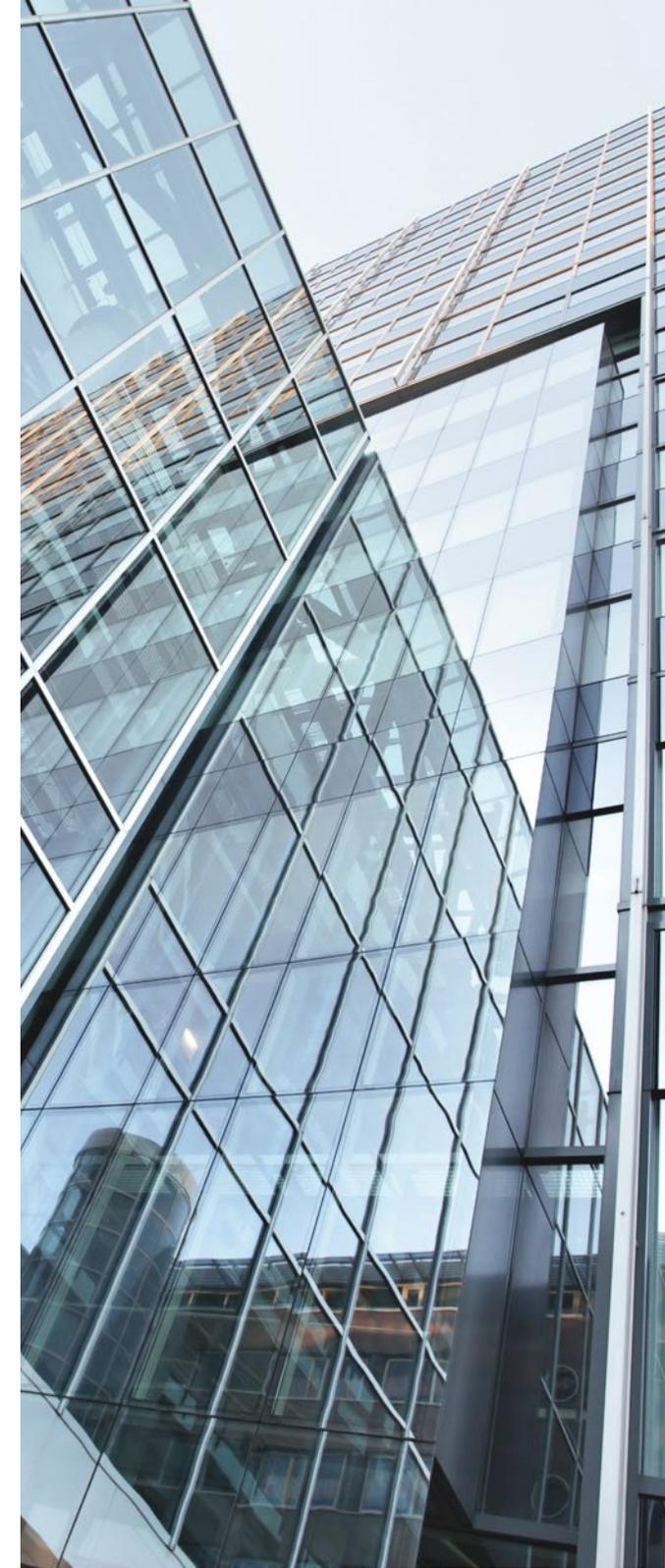
- **Capital increase of 40% of the share capital** successfully executed and completed on 8 April 2019 to fund further investments
- Well-balanced shareholding structure with high-quality investors, and management participation reiterating its commitment
- €30m of debt signed through a bridge loan facility while in advanced negotiations with financial entities for longer-term financing

...GIVEN THE OUTSTANDING PIPELINE OF OPPORTUNITIES AND THE STILL FAVOURABLE MARKET MOMENTUM

- **€1.4bn** of identified assets currently in our pipeline, with €600m in advanced analysis phase and a few under negotiation

SUSTAINABILITY AND RESPONSIBILITY A CORE PART OF OUR BUSINESS

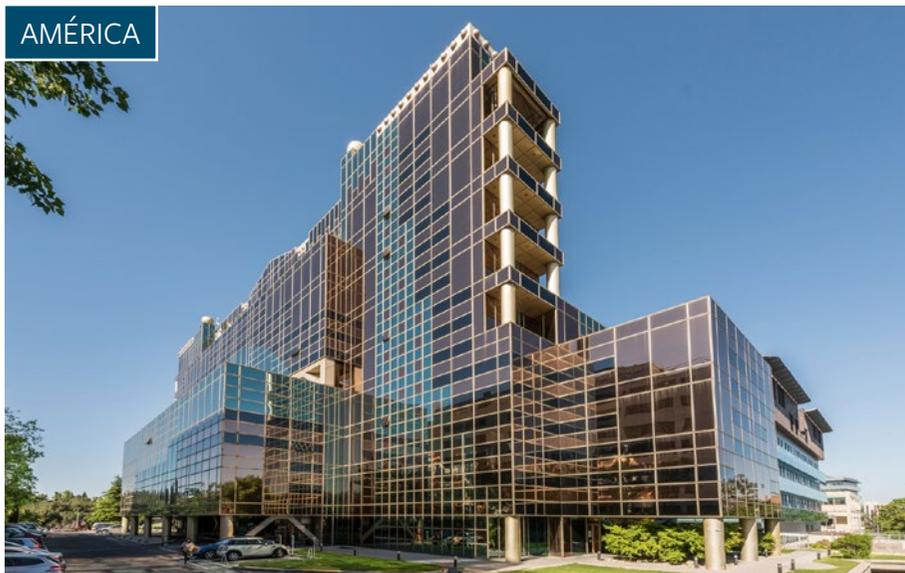
- Árima the only **RICS-accredited** rental property portfolio company in Spain
- Launched **sustainability programme** to set portfolio targets: one asset LEED GOLD certified, two assets expected LEED GOLD by 2021, and the two most recent acquisitions already under analysis



> INVESTMENT ACTIVITY



> INVESTMENT ACTIVITY AMÉRICA AND CRISTALIA-ACQUISITIONS CLOSED IN JAN'19



- 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 to Arturo Soria
- **Well-connected** building with quick access to the airport with a good number of public transports at walking distance
- Good floor plates and common areas with great potential
- Currently **74% occupied**, with **leases ending in the short term**
- **Partial refurbishment** project design ongoing to redefine a **class A building office**
- Strategy includes **re-leasing** upon completion of **refurbishment works**

					
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 **free-standing office building** located in the **consolidated Cristalia 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 1,400sqm
- 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

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

> INVESTMENT ACTIVITY MARÍA DE MOLINA – ACQUISITION OF ADDITIONAL FLOORS

LOCATION
Madrid
CBD

ACQ. DATE
February
2019

STRATEGY
Single
ownership

GLA
1,767 sqm

PARKING UNITS
16

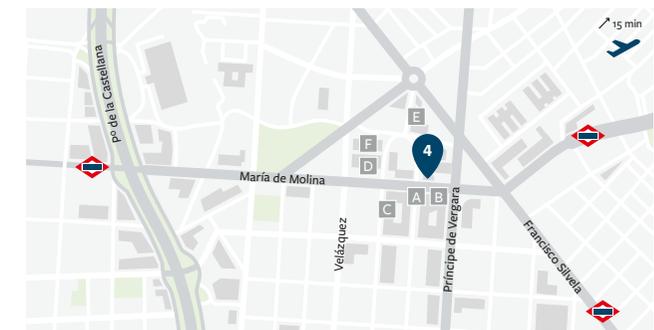
TENANTS
—



ACQUISITION RATIONALE

- **Acquisition** of 5th and 6th floors of a prominent office building located in **Madrid's prime CBD** (9th and 10th floors already acquired in Dec'18)
- 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, negotiations underway**
- **Floor-by-floor refurbishment** and eventually renovation of façade
- Future **leasing strategy** focused on **multi-tenant approach**

LOCAL MAP



A Farmaindustria
B Renovalia
C A.E. de Admón. Tributaria

D SEPI
E Navantia
F CNMV

> INVESTMENT ACTIVITY GUADALIX, MADRID – HIGH YIELDING LOGISTICS ASSET

LOCATION
Madrid
2nd ring

ACQ. DATE
April
2019¹

STRATEGY
Re-gearing

GLA
25,694 sqm

LOADING BAYS
29

TENANTS
Eroski



ACQUISITION RATIONALE

- **Prime logistics** warehouse acquired at a **very 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

LOCAL MAP



Notes: **(1)** Asset acquired post quarter-end.

> INVESTMENT ACTIVITY MARKET MOMENTUM REMAINS FAVOURABLE

SPANISH OFFICE MARKET CONTINUED RECORDING VERY POSITIVE RESULTS IN Q1 2019

1

SPANISH ECONOMIC GROWTH CONTINUES TO OUTPERFORM GLOBAL DEVELOPED ECONOMIES

- Spanish GDP growth forecast at 2.2% in 2019 vs Euro Area at 1.3% and North America at 2.1%
- Madrid the engine of the Spanish macro outperformance, with the economy expected to grow at 2.8% in 2019 and to add around 100,000 new jobs in the next two years

2

INVESTOR INTEREST IN SPANISH OFFICES REMAINS SOLID

- Investment volumes buoyed in Q1 with some €900m reported, and prime yields below 4% in both Madrid and Barcelona

3

DEMAND EXTENDS THE GOOD PERFORMANCE...

- Strong take up, with 290,000 sqm signed in Madrid and Barcelona, a 55% increase on Q4 2018
- Significant pre-lets, unusual in these markets, showing the lack of high quality existing space in the market
- Overall vacancy rates at the lowest levels since 2010 (Madrid) and 2008 (Barcelona)

4

... AND FAR EXCEEDS GRADE A OFFICE SUPPLY

- Grade A space vacancy rates perilously low (below 2%) across all Madrid sub-markets
- Limited pipeline with an estimated 130,000sqm in Madrid over the next two years, representing only 40% of the current active demand
- Pressure on increasingly dwindling, available, high quality space continues to push rents up

5

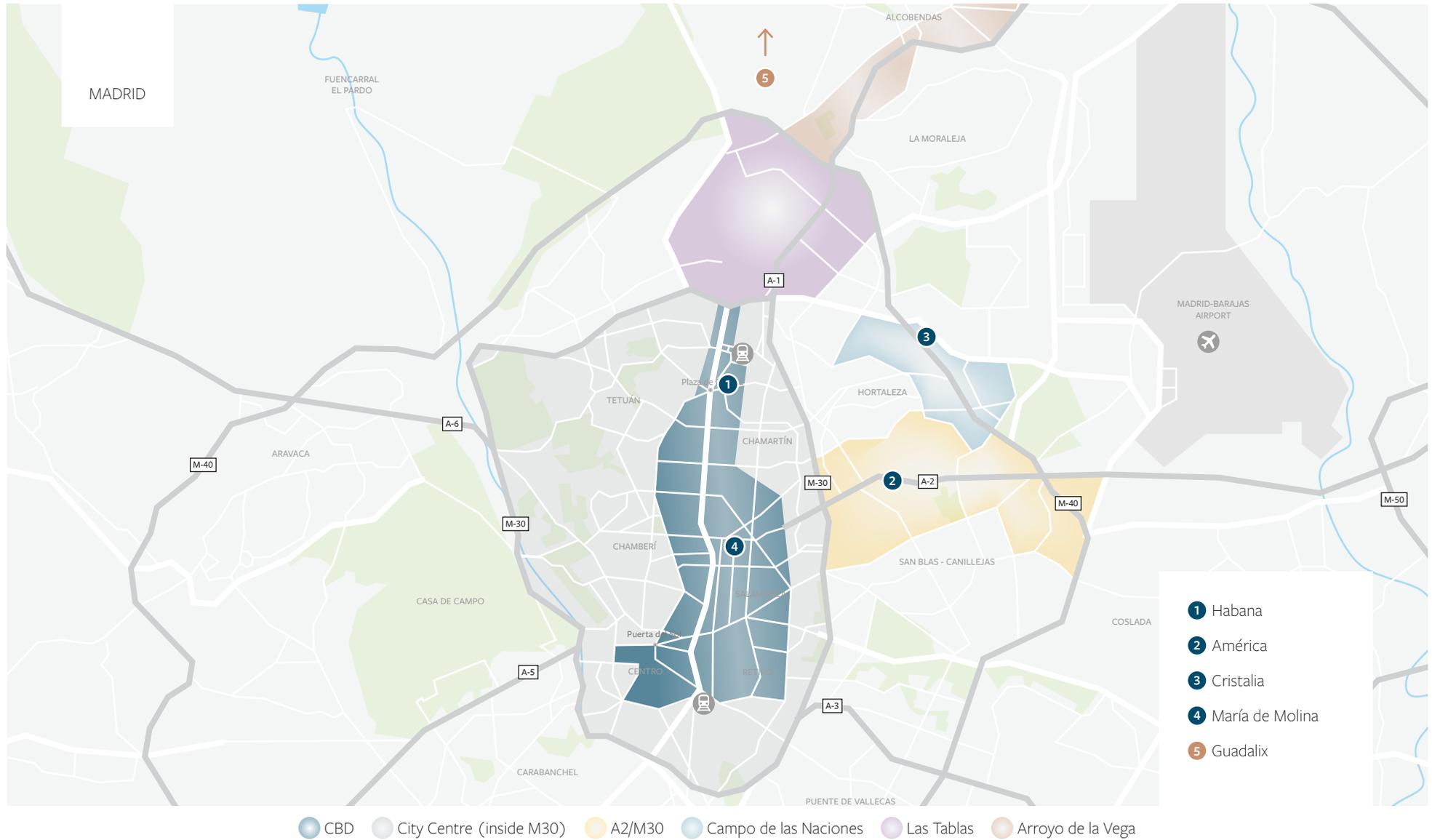
STRONG UPSIDE IN OFFICE RENTS ON ABSOLUTE AND RELATIVE BASIS

- Rent levels still below historic peaks, with Madrid considered to be mid-cycle, and rental growth forecasts positioning it as one of the top performers across Europe
- Rents also improving in submarkets outside CBD

> 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



 OFFICES



Name: Habana
Acq. Date: Dec'18
Location: Madrid CBD
Strategy: Full Refurbishment

- Free-standing office building located in Madrid Prime CBD
- Acquired ca 40% below comparable market transactions
- Significant reversionary potential through a full redevelopment

 OFFICES



Name: América
Acq. Date: Jan'19
Location: Madrid A2/M30
Strategy: Partial Refurbishment

- Institutional office building located in Madrid A2/M30 sub-market
- ca 75% occupied, with leases ending in the short term
- Significant reversionary potential through asset repositioning and re-leasing

 OFFICES



Name: Cristalia
Acq. Date: Jan'19
Location: Madrid CDN
Strategy: Lease up & re-leasing

- Highly efficient LEED Gold office building located in Campo de las Naciones Madrid sub-market
- ca 70% leased to a world leading insurance company
- Substantial rental upside potential in the short/medium term

 OFFICES



Name: M. Molina
Acq. Date: Dec'18-Feb'19
Location: Madrid CBD
Strategy: Single Ownership

- Office building located in Madrid Prime CBD
- Complex transaction, with a multi-owner structure
- Significant reversionary potential through asset repositioning

 LOGISTICS



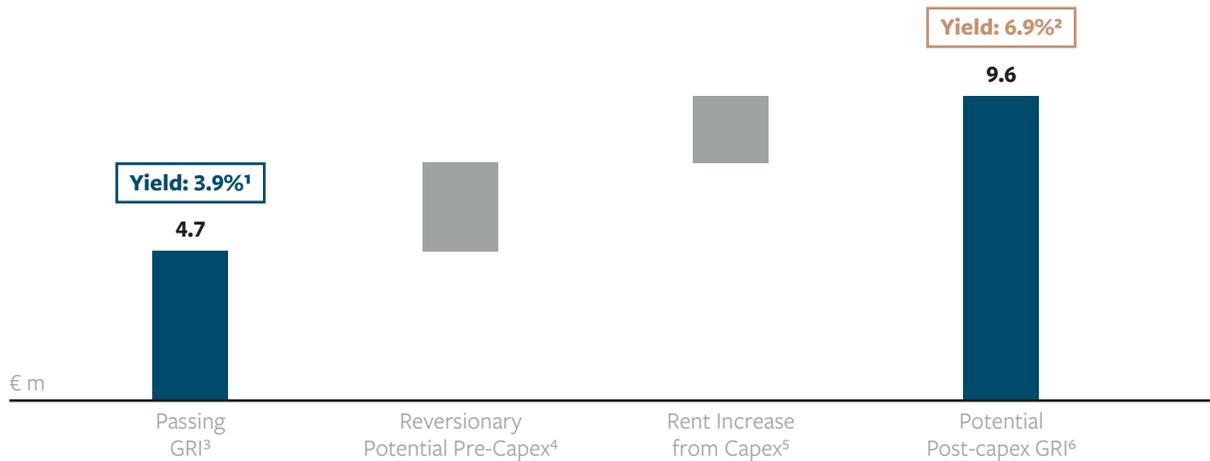
Name: Guadalix
Acq. Date: Apr'19
Location: Madrid (2nd ring)
Strategy: Re-gearing

- Logistics warehouse located in San Agustín de Guadalix, Madrid
- High yielding facility with a long term lease, acquired well below replacement cost
- Substantial upside potential through longer-term re-gearing

> PORTFOLIO OVERVIEW **PORTFOLIO UPSIDE POTENTIAL**

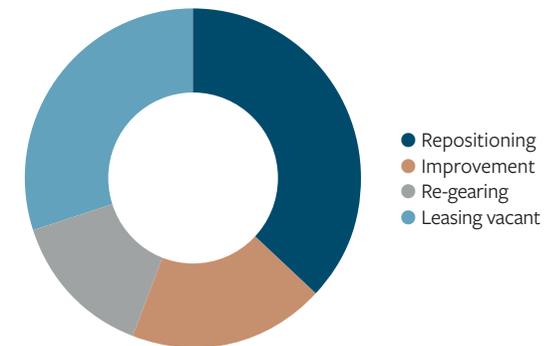
BUILDING A HIGH QUALITY PORTFOLIO WITH A STRONG VALUE CREATION ANGLE

> 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 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)** Includes mark-to-market of existing rents and leasing vacant space. **(5)** Expected increase in rents from capex investments. **(6)** Expected gross rental income after realizing reversionary potential and effects from capital expenditures.

> PORTFOLIO OVERVIEW PORTFOLIO BREAKDOWN

> INVESTMENT PROPERTIES¹

EUR m. unless specified	Assets (#)	GLA (sqm)	Parking (slots) ²	Acq Price (EURm)	Acq Cost (EURm)	Acq Price (€/sqm) ³	GAV ⁴ (EURm)	Occupancy rate	Annualised GRI ⁵ (€'000)	Annualised NRI (€'000)	Gross yield ⁶	EPRA NIY ⁷
Offices	4	28,677	461	105	108	3,381	113	67%	3,176	2,641	3.0%	2.3%
Madrid	4	28,677	461	105	108	3,381	113	67%	3,176	2,641	3.0%	2.3%
CBD	2	8,358	66	42	43	4,8	45	58%	648	492	1.5%	1.1%
BD	2	20,319	395	63	65	2,797	68	70%	2,528	2,149	4.0%	3.1%
Logistics	1	25,694	0	16	17	638	16	100%	1,542	1,487	9.4%	8.9%
Madrid	1	25,694	0	16	17	638	16	100%	1,542	1,487	9.4%	8.9%
Total Portfolio	5	54,371	461	121	125	2,085	130	82%	4,718	4,128	3.9%	3.1%

→ Árima's portfolio YTD comprises 5 properties with a total GLA of 54,371 sqm

→ Total volume invested (acquisition price) stands at EUR 121 million, with a gross asset value (GAV) of EUR 130 million⁴

→ In line with the company's strategy set out in the IPO, the portfolio breakdown stands at 87% offices in Madrid and 13% logistics platforms

Notes: **(1)** As per EPRA recommendations, investment properties comprise rented or under commercialisation properties, excluding redevelopments. Planned portfolio redevelopments still considered investment properties during the project definition phase. **(2)** Includes underground parking slots only; other types such as overground slots or moto slots are not included in this figure. **(3)** Adjusted for parking. **(4)** Based on the external independent valuation carried out by CBRE and Savills at 31 January 2019, and the net acquisition price for the assets acquired in H1 2019 not included in the January valuation. **(5)** Topped-up passing rental income. **(6)** Based on topped-up annualized GRI divided by GAV **(7)** As per EPRA recommendations, annualised net rental income divided by the market value of the property.

> PROPERTY MANAGEMENT



> PROPERTY MANAGEMENT ACTIVE ASSET MANAGEMENT PLAN

ASSET MANAGEMENT TO CAPTURE GRADE A DEMAND, RENTAL UPSIDE AND IMPROVE TENANT EXPERIENCE

→ Redevelopment and asset management plan progressing on track

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

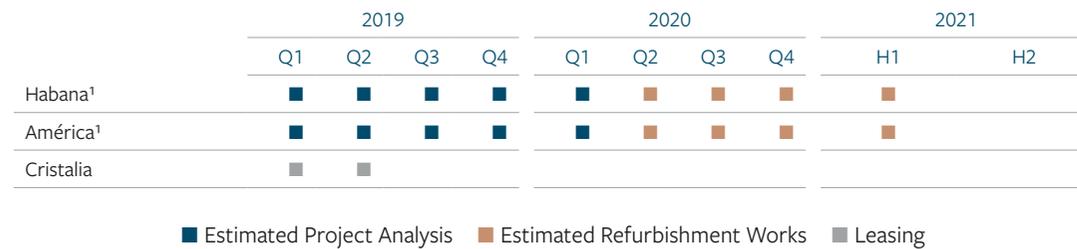
→ Combination of different strategies leading to a **balanced portfolio with significant upside**

→ **Refurbishment** and redevelopment 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)** Current lease agreements in place. Refurbishment works expected to commence upon maturity of lease contracts. Ongoing conversations with existing tenant to shorten lease-terms to accelerate current works planning. **(2)** Yield on cost defined as post-capex GRI divided by total investment (acquisition cost plus expected capex)

> PROPERTY MANAGEMENT ONGOING REDEVELOPMENT PROJECTS

ACTIVE PROPERTY MANAGEMENT TO CAPTURE GRADE A DEMAND, RENTAL UPSIDE AND IMPROVE TENANT EXPERIENCE

> BEFORE



> AFTER



Name: Habana
 Acq. Date: Dec'18
 Location: Madrid CBD
 GLA: 4,367 sqm
 Strategy: Full Refurbishment
 Target Quality: Class A & LEED Gold (expected H1 2021)

- Main aspects of the redevelopment project defined and reviewed by the Local Administration (ECU)
- License Project (Proyecto Basico) being drafted and expected to be finalized in July. License expected to be awarded by year-end
- Ongoing conversations with existing tenant to shorten lease terms to accelerate works planning

7.0%
 ESTIMATED
 POST-CAPEX
 YOC¹

> BEFORE



> AFTER



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)

- Main aspects of the redevelopment project defined and reviewed by the Local Administration (ECU)
- License Project (Proyecto Basico) being drafted and expected to be finalized in July. License expected to be awarded by year-end
- Ongoing conversations with existing tenant to accommodate terms

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).

> CAPITAL STRUCTURE

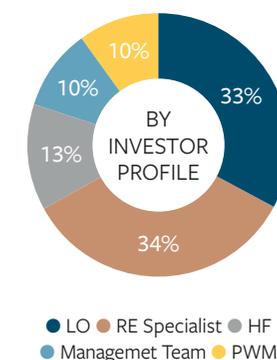
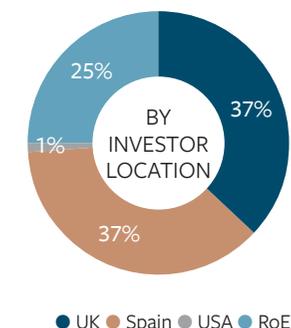


> CAPITAL STRUCTURE

ÁRIMA SUCCESSFULLY EXECUTED THE FIRST CAPITAL INCREASE ONLY 6 MONTHS AFTER THE IPO TO FUND FURTHER GROWTH

TRANSACTION	<ul style="list-style-type: none"> → Accelerated Bookbuilding Offering (“ABO”) with no underwriting and no pre-emptive rights → Private placement to institutional and qualified investors
OFFERING PRICE	<ul style="list-style-type: none"> → €10 per new share, in line with the company’s last reported EPRA NAV p.s.¹ and the IPO price, and representing a 5,3% premium on the last closing price prior to the transaction announcement² → Positive aftermarket: share price converging to the offering price and outperforming the market throughout the process³
SIZE & USE OF PROCEEDS	<ul style="list-style-type: none"> → 4,000,000 shares (40% of share capital before the transaction) → Gross proceeds of €40 million, expected to be used to complete new investments in the near future, thanks to an existing pipeline of projects currently in advanced stage of analysis
INVESTOR DEMAND	<ul style="list-style-type: none"> → High-quality and broad investor base, resulting in a well-balanced shareholding structure across profile and regions → Strong shareholder support, despite the context of current market volatility, reflecting confidence on the senior management’s ability to continue delivering on the strategic plan
MANAGEMENT	<ul style="list-style-type: none"> → Management team participation showing again strong commitment and alignment of interests in this new project → Team remains as top shareholder

> SHAREHOLDING STRUCTURE⁴



GOOD PROGRESS ON THE FINANCING TO ENHANCE THE CAPITAL STRUCTURE

- €30m temporary bridge facility secured in January 2019
 - Effective cost of 0,58%
- In advanced negotiations with relationship banks to sign long-term financing at very attractive conditions
- Gross LTV of 27%, and 11% on a net basis

Notes: **(1)** €10.13 p.s., as of 18/02/2019 (2018 Earnings release). **(2)** As of 19/02/2019, prior to the announcement of the transaction (AGM call). **(3)** EPRA Developed Europe, Ibx 35 and Ibx Small Cap indexes. **(4)** Estimated (not confirmed) as of the capital raise closing.

> PIPELINE

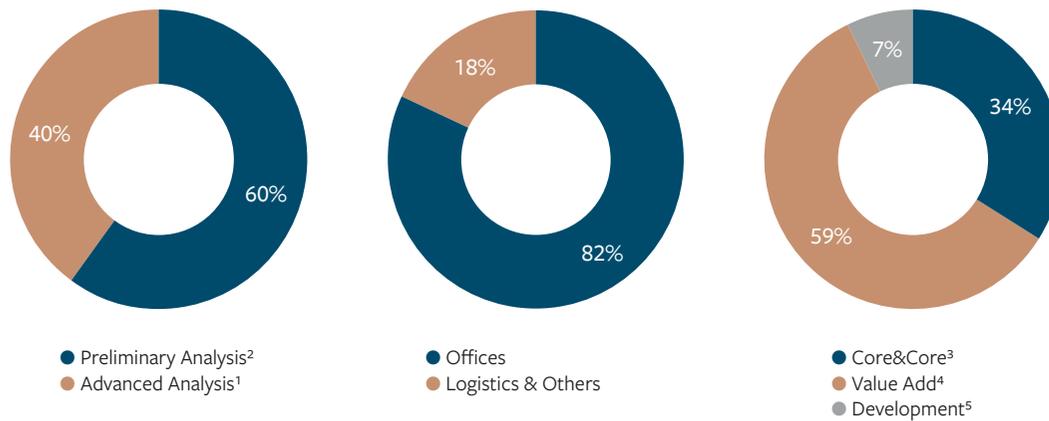


> PIPELINE

HIGH-QUALITY PIPELINE IN LINE WITH VALUE CREATION STRATEGY

c. €1.4bn CURRENT PIPELINE

> BY TOTAL ESTIMATED INVESTMENT



→ Current **pipeline** mainly comprised of **Madrid offices**

→ c.€600m in advanced analysis and c.€800m in preliminary analysis phase

→ **Average annual “hit ratio”** of total pipeline execution at **Axiare** was c.1/3

→ **Pipeline IRR⁶** in the range of **11% to 18%**

→ **Pipeline YoC⁷** in the range of **6% to 8%**

Source: Company Information.

Note: **(1)** Sufficient information has been received, analysed and considered adequate to perform an advanced analysis of the property. **(2)** Information regarding the property received but such information is either incomplete or has not yet been analysed in full. **(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”.

> FINANCIAL RESULTS



> FINANCIAL RESULTS

HIGH-QUALITY PIPELINE IN LINE WITH VALUE CREATION STRATEGY

> KEY BALANCE SHEET ITEMS

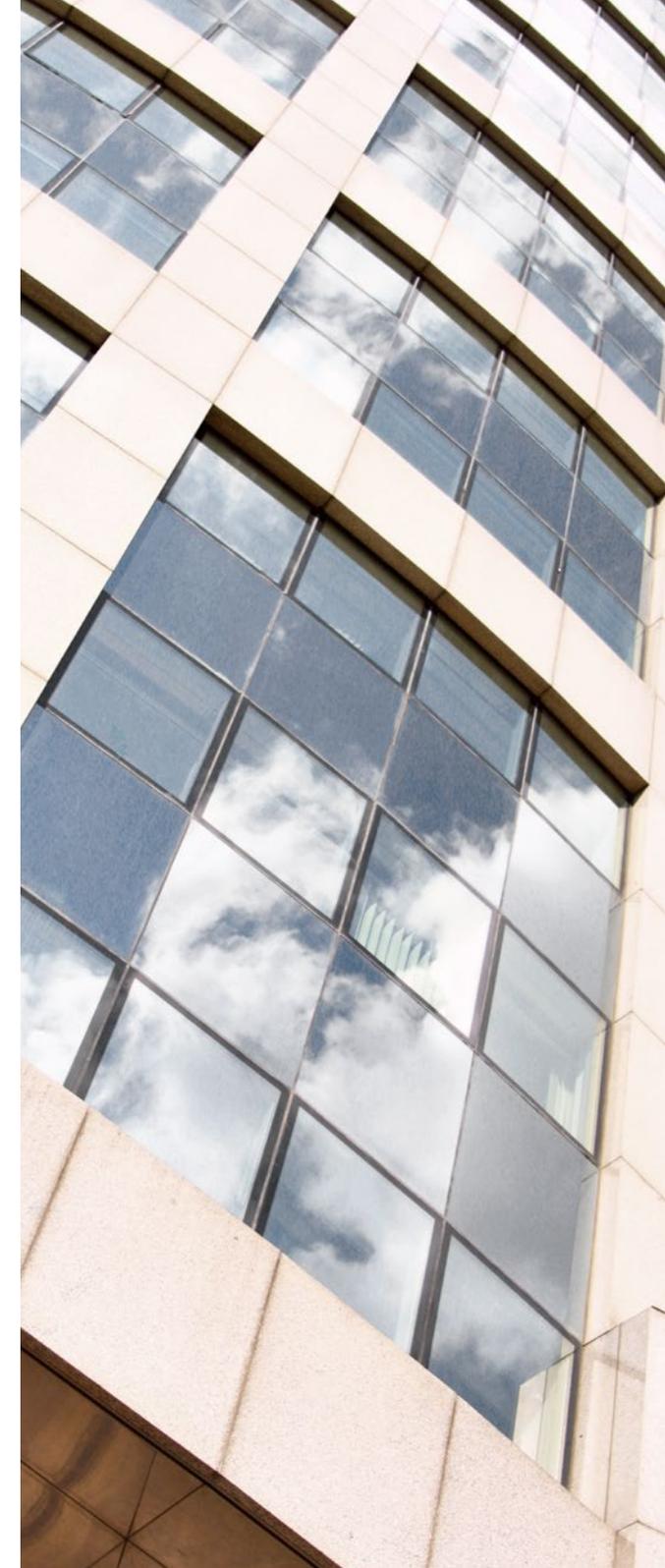
€'000 unless specified	31/03/2019
Gross Asset Value (GAV) ¹	113,106
Gross Debt ²	29,988
Cash & Equivalents	17,057
Net Debt	12,931
Gross LTV	26.5%
Net LTV	11.4%

> KEY INCOME STATEMENT METRICS

€'000 unless specified	31/03/2019
Gross Rental Income (GRI)	571
Net Rental Income (NRI)	546
Operating Income (EBITDA)	(189)
EBIT	3,746
Net profit	3,655
EPS (€ p.s.)	0.37

- Metrics as of 31st March 2019 includes €30m bridge financing signed in January. The capital raise was completed on the 8th April 2019, therefore post quarter-end
- Portfolio assets – Cristalia, América and additional M. Molina – not contributing in full to Arima's Q1 2019 P&L, as they were acquired during the quarter. Thus, Arima's Q1 2019 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
- Occupancy of the portfolio still under optimization

Note: **(1)** Based on the external independent valuation carried out by CBRE and Savills at 31 January 2019, and the net acquisition price for the assets acquired in Q1 2019 not included in the January valuation (excluding Guadalix, which was acquired in April 2019). **(2)** Includes the bridge loan facility of €30m signed in January 2019.



> SUSTAIBANILITY & CORPORATE RESPONSIBILITY



> SUSTAIBANILITY & CORPORATE RESPONSIBILITY

SUSTAINABILITY

- Árima is committed to designing and managing our buildings in the most sustainable means possible
- By the same token, our tenants are increasingly focused on a sustainable and healthy working environment for their employees
- Our goal is to satisfy these requirements while also playing our own part in the struggle against climate change
- We aim at achieving sustainability certification for the portfolio where practicably possible

> ROADMAP TO PORTFOLIO LEED/BREEAM CERTIFICATION

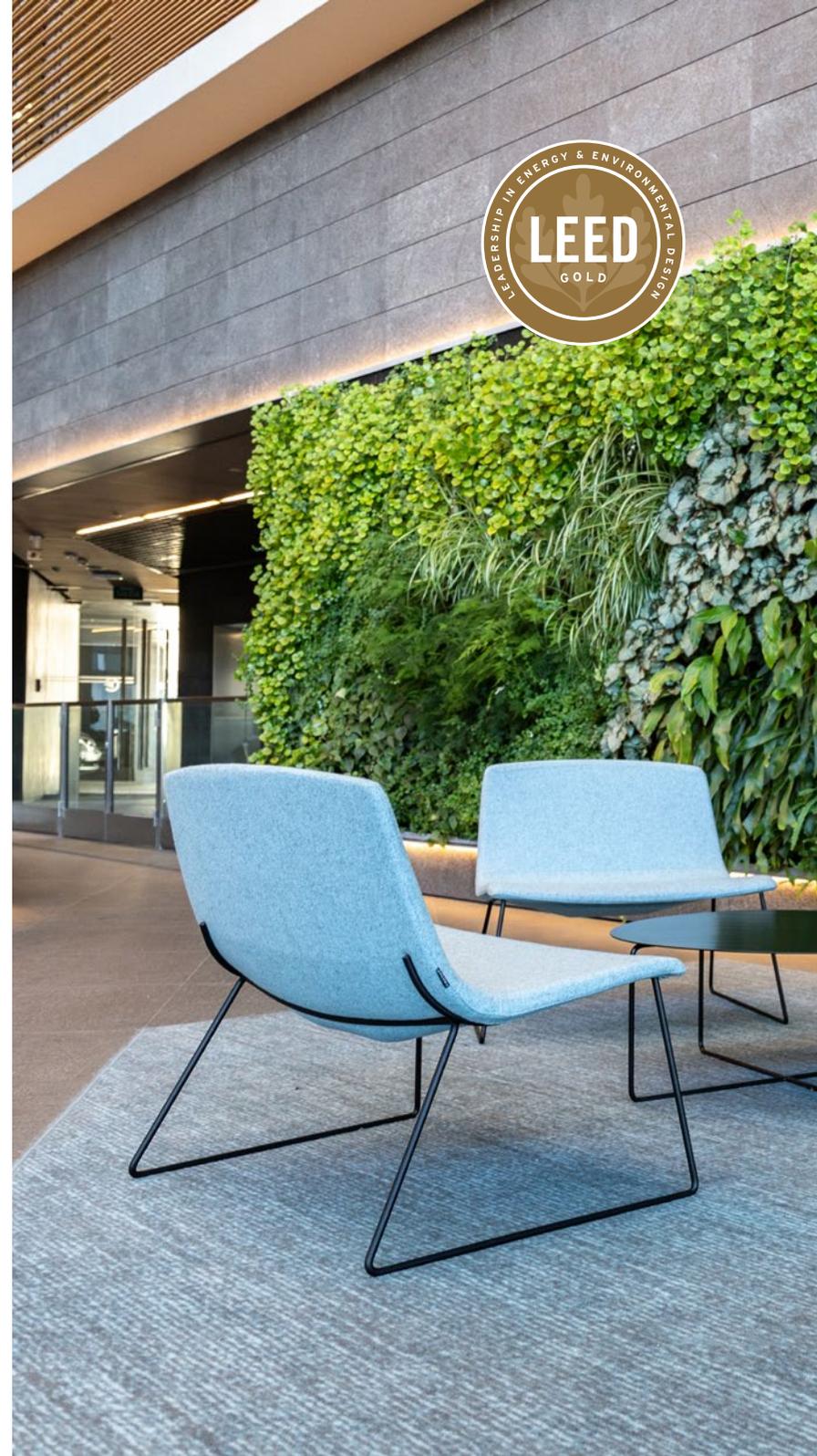
Asset	CertificacionType	Status	Expected Certification Date
Habana	LEED Core & Shell	LEED GOLD	H1 2021
M. Molina ¹	LEED	Under Analysis	Under Analysis
Cristalia	LEED Core & Shell	LEED GOLD	Certified
América	LEED Core & Shell	LEED GOLD	H1 2021
Guadalix ²	LEED/BREEAM	Under Analysis	UnderAnalysis

CORPORATE RESPONSIBILITY

- The only rental property portfolio company in Spain accredited by the Royal Institution of Chartered Surveyors (RICS), the world's leading body for professional and ethical standards in the real estate and construction sector
- With over 70% of Árima's management team RICS-accredited, the team has demonstrated the steadfast commitment to excellence, transparency and professional integrity towards the market and our main stakeholders, incorporating the international RICS regulatory framework and corporate code of conduct into the management model



Notes: (1) Final type and status to depend on extent of ownership. (2) Asset just recently acquired.



> APPENDIX



> APPENDIX Q1 2019 FINANCIALS

> CONSOLIDATED INCOME STATEMENT (IFRS)

€ 000 (unless otherwise specified)	31/03/2019
Gross Rental Income (GRI)	571
Non-reimbursable property expenses	(25)
Net Rental Income (NRI)	546
Overheads	(735)
Operating Income (EBITDA)	(189)
Amortization & Provisions	(2)
Change in fair value of assets	3,887
Other income and expenses	50
EBIT	3,746
Net financial charges	(91)
Tax	-
Net profit	3,655
Reported EPS (€ p.s.)	0.37
Average no. of shares outstanding	9,945,513

> CONSOLIDATED BALANCE SHEET

€ 000 (unless otherwise specified)	31/03/2019
Non Current Assets	114,15
Property plant & equipment	69
Investment property	113,580
Long-term financial investments	501
Current assets	19,799
Trade and other receivables	2,524
Prepayments and accrued income	218
Cash & cash equivalents	17,057
Equity	100,777
Share Capital	100,063
Reserves	(2,426)
Treasury shares	(515)
Retained earnings	3,655
Liabilities	33,172
Non-current liabilities	550
Current liabilities	32,622
Financial debt	29,988
Trade & other payables	2,634
Number of shares outstanding, end of period	9,951,309

> DISCLAIMER

This document has been prepared by Árima real estate socimi, S.A. (the "Company") for information purposes only and it is not a regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission. This document is neither a prospectus nor implies a bid or recommendation for investment.

This document includes summarized audited and non-audited information. The financial and operational information, as well as the data on the acquisitions which have been carried out, included in the presentation, corresponds to the internal recordings and accounting of the Company. Such information may have been subject to audit, limited review or any other control by an auditor or an independent third party. Therefore, this information may be modified or amended in the future.

The information contained herein has been obtained from sources that Árima considers reliable, but Árima does not represent or warrant that the information is complete or accurate, in particular with respect to data provided by third parties.

Neither the Company nor its legal advisors and representatives assure the completeness, impartiality or accuracy of the information or opinions included herein. In addition, they do not assume responsibilities of any kind, whether for misconduct or negligence, with regard to damages or loss that may derive from the use of this document or its contents. The internal analysis have not been subject to independent verification. This document may include forward-looking representations or statements on purposes, expectations or forecasts of the Company or its management up to the date of release of this document. Said forward-looking representations and statements or forecasts are mere value judgments of the Company and do not imply undertakings of future performance. Additionally, they are subject to risks, uncertainties and other factors, which were unknown or not taken into account by the time this document was produced and released and which may cause such actual results, performance or achievements, to be materially different from those expressed or implied by these forward-looking statements.

Under no circumstances the Company undertakes to update or release the review of

the information included herein or provide additional information. Neither the Company nor any of its legal advisors or representatives assume any kind of responsibility for any possible deviations that may suffer the forward-looking estimates, forecasts or projections used herein. This document discloses neither all risks nor other material issues regarding the investment on the shares of the Company. The information included in this presentation is subject to, and should be understood together with, all publicly available information. Any person acquiring shares of the Company shall do so on their own risk and judgment over the merits and suitability of the shares of the Company, after having received professional advisory or of any other kind that may be needed or appropriate but not only on the grounds of this presentation. By delivering this presentation, the Company is not providing any advisory, purchase or sale recommendation, or any other instrument of negotiation over the shares or any other securities or financial instrument of the Company. This document does not constitute an offer, bid or invitation to acquire or subscribe shares, in accordance with the provisions of article 30.bis of Law 24/1998, of July 28th, on the Securities Market, and/or the

Royal Decree 1310/2005, of November 4th and their implementing regulations. Furthermore, this document does not imply any purchase or sale bid or offer for the exchange of securities or a request for the vote or authorization in any other jurisdiction. The delivery of this document within other jurisdictions may be forbidden. Consequently, recipients of this document or those persons receiving a copy thereof shall become responsible for being aware of, and comply with, such restrictions.

By accepting this document you are accepting the foregoing restrictions and warnings.

All the foregoing shall be taking into account with regard to those persons or entities which have to take decisions or issue opinions relating to the securities issued by the Company. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission.

Neither the Company nor any of its advisors or representatives assumes any kind of responsibility for any damages or losses derived from any use of this document or its contents.

ÁRIMA

Árma Real Estate SOCIMI S.A.
Edificio Torre Serrano - Serrano, 47
28001 Madrid
www.arimainmo.com



Press Release

The company's first share capital increase highlights the market confidence in the management team

Árma books net profit of EUR3.7 million in first full quarter since recent incorporation

- **Árma achieves a profit of EUR 3.7 million during its first full quarter in the market. In its YE 2018 results, the Socimi announced a value uplift of 8.7% on its portfolio. The current market value of the properties acquired to-date in Árma's portfolio stands at EUR 130 million**
- **Just five months since the company was founded, the Árma team has completed six real estate transactions with its unique formula – acquiring properties with strong value uplift potential at very attractive prices. Its well-balanced portfolio comprises a total GLA of 55,000 sqm and over 460 parking spaces. In line with its investment strategy, offices account for 87% of this total, and logistics the remaining 13%**
- **In April, Árma increased its share capital by 40% in order to capitalise on the sound opportunities that it continues to locate in the Spanish market. The listed company is currently analysing a good number of properties, with a few already under negotiations**
- **Árma has also obtained the RICS certification, making it the only rental property portfolio company of its kind in Spain**



Photo: Árma. Habana building (render)



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

Madrid, 14 May 2019. Today, Árma Real Estate has presented its Q1 2019 results. During its first full quarter in the market, the Socimi recorded a net profit - IFRS accounted - of EUR 3.7 million. In its YE 2018 results, the Company announced a value uplift of 8.7% on its portfolio and a NAV of EUR 10.13 per share. The current market value of Árma's property portfolio stands at EUR 130 million, with offices accounting for 87% of the total and logistics the remaining 13%.

Just five months since the company was founded, the Árma team has completed six real estate transactions, creating a well-balanced portfolio in line with its investment strategy. This portfolio currently comprises a total gross lettable area (GLA) of 55,000 sqm and over 460 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 company's share capital increase – successfully completed at the start of April, during a volatile period for the market – has allowed Árma to boost its share capital by 40% just five months since listing on the stock exchange. This demonstrates strong investor confidence both in the work carried out by the management team, as well as fulfilment with its strategic business objectives. The aim of this share capital increase was to build on the opportunities that the Árma team has analysed in the Spanish market, in line with its investment strategy. Its management team is currently analysing a good number of properties, with a few already under negotiations.

In order to carry out the most imminent investments, Árma signed a bridging loan with CaixaBank during Q1 2019 for EUR30 million, while the company is also on the verge of closing negotiations to obtain long-term financing.

In terms of major property milestones, the Company's renovation plans for its Habana and América properties remain on track. Architectural plans and permits are scheduled to be approved by the end of the year, with work set to commence in 2020.



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

The Árma team has already set out its plan for sustainability, one of the Company's core values, with its property Cristalia already gaining LEED Gold Certification – one of the most highly-regarded international certifications – and already having clear objectives in place for a considerable amount of its portfolio.

Árma is also RICS-accredited, making it the only rental property portfolio company of its kind in Spain to be RICS (Royal Institution of Chartered Surveyors) regulated. RICS is an international organisation, working in the public interest to uphold the standards of professionals in the real estate and construction sectors, and is the market's leading standard for trust.

The Company's management team therefore continues to demonstrate its ability to meticulously meet its business plan and generate value for its shareholders.

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

Árma Press Office

Estudio de Comunicación: Ana Pereira

apereira@estudiodecomunicacion.com

+34 91 576 52 50 / +34 647 88 39 86