



Árma Real Estate SOCIMI, S.A.
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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

RELEVANT INFORMATION

Árma announces the acquisition of and commitment to invest in four real estate assets for a total amount of 110 million euros:

- Two real estate assets consisting of prime office space in the business district in downtown Madrid, with a total gross leasable area of 6,524m² and 68 underground parking spaces, for a total amount of 31 million euros. The assets are located on calle María de Molina with calle Príncipe de Vergara, and at the junction between Paseo de la Habana and Avda. Alfonso XIII.
- A portfolio of two office buildings in the most established business areas in Northeast Madrid, for a total amount of 63 million euros. Their total gross leasable area is 20,200 m² and have 395 parking spaces. The Company has signed a binding purchase agreement that it intends to complete by January 2019.
- Commitment to invest 16.7 million euros in repositioning projects for all the assets.

Press release attached.

Madrid, 27th December 2018

Mr Luis Alfonso López de Herrera-Oria
Chief Executive Officer

Press Release

Investment accounts for the total funds provided by shareholders

Árma invests 110 million in just 2 months since its listing on the Stock Exchange

- Árma has premiered on the market with the acquisition and commitment to invest a total of 110 million euros in four prime office properties located in the most well-established areas of Madrid
- These assets have been acquired through three complex transactions and total 27,000 square metres of leasable area and more than 460 parking spaces
- The properties are faithful to the company's investment model, comprising a balanced portfolio of income producing offices with strong growth potential for the shareholders of the Socimi (Spanish real estate investment trust)



Photo: Árma. Computer graphic of the proposed design of Árma Paseo de La Habana (Fenwick Iribarren Architects).



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Madrid, 27 December 2018. Árma has launched on the real estate market with acquisitions aligned with its investment model and the plan to generate value for its shareholders. This real estate investment trust (Socimi), listed on the Spanish stock market since last 23 October, has entered into off-market transactions for acquisitions and investment commitments concerning four property assets for a total amount of 110 million euros, in line with the strategy of acquiring properties at competitive prices with high potential for appreciation. As a result, in just two months since it became listed on the stock market, the Socimi management team, led by Luis López de Herrera-Oria, replicating the successful strategy that provided such good results at Axiare, has invested all the funds raised so that the company has become positioned as one of the most active players in the Spanish office property market.

With these transactions, the company has begun its operation with a balanced portfolio of income producing offices with strong growth potential, totalling 26,724 sqm of gross leasable area (GLA) and more than 460 underground parking spaces located in the most well-established areas of the capital.

In the heart of Madrid downtown's business district, Árma has signed the purchase of two office properties for an amount of 31 million euros located in the best areas of the city: on calle María de Molina with calle Príncipe de Vergara, and at the junction between Paseo de la Habana and Avda. Alfonso XIII. The company already holds advanced plans for a comprehensive repositioning project of this latter building – Árma Paseo de La Habana – to transform the property at a very reasonable cost of 4.8 million euros into a Class A building with LEED certification. Work is planned to begin in 2020, as the purchase structure through a sale and leaseback transaction.

In addition, Árma has signed a binding agreement for the purchase of two office buildings for a total amount of 63 million euros that it expects to conclude in January 2019. These office buildings are located in the most well-established business areas in the north-east of Madrid, with a combined gross leasable area (GLA) of 20,200 sqm and 395 parking spaces. The company expects to make an additional investment of 11.9 million euros on repositioning projects.



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According to Luis Alfonso López de Herrera-Oria, CEO of Árma: “With the purchase of these assets, Árma has reaffirmed the business plan presented when it became listed on the stock exchange and the good investment opportunities offered by the Spanish real estate market.” López de Herrera-Oria adds: “These transactions demonstrate our ability to act off-market, acquiring assets with great potential, with the ultimate aim of generating value for our shareholders.”

Árma was advised for these transactions by EY Abogados on the legal side, PwC on the technical side, y CBRE as global advisor.

With the completion of these transactions, Árma has taken its first step towards achieving its strategic objective, and it is currently the sole Spanish SOCIMI, listed in the Madrid Stock Exchange, internally managed and focused on the office sector in Spain, mainly in Madrid.

Árma Real Estate

Árma Real Estate is a Listed Public Limited Real Estate Investment Company managed by a full-time internal investment team, set up in 2018 with the aim of becoming the Spanish SOCIMI of reference in Madrid’s office market. The company is headed by Luis María Arredondo (Chairman of the Board) and Luis López de Herrera-Oria (Chief Executive Officer), and count on the same prestigious management team that led Axiare to success.

For further information, please contact

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