

## Press Release

The Socimi publishes its quarterly results and announces measures taken to help combat the COVID-19 crisis

## Árima's results show a solid balance sheet and a comfortable cash position for tackling the future

- Despite the current climate of uncertainty, Árima is confident about the future thanks to its solid balance sheet – the Socimi continues to collect 100% of its rental income and has no exposure to the retail or hotel sectors
- Refurbishment projects were temporarily put on hold at the start of lockdown, but resumed in May
- The Company has donated over EUR 300,000 to combat the pandemic, with over 60% of funds raised by its board members and management team
- Rental income in Q1 2020 amounted to EUR 1.3 million, up 131% y-o-y and 6.2% in like-for-like terms
- Árima has signed a green loan in the amount of EUR 27 million to finance its LS7 office building. The Socimi has now secured competitive and flexible financing for its entire portfolio, with sustainable loans accounting for 66% of the portfolio's financing
- 42% of its portfolio also benefits from LEED/BREEAM certification and the Company aims to reach 80% by 2021. Árima also aims to achieve WELL certification for all of its refurbishment projects



Photo: Árima. Render of 'Botanic' building



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**26 May 2020.** Today, Árma has presented its Q1 2020 results. During this time of great uncertainty, the Socimi is confident about the future thanks to a strong balance sheet and a comfortable cash position – which currently stands at EUR 170 million – among other factors.

The Company's solid balance sheet has been boosted by two successful share capital increases – which have allowed it to triple in size since its IPO just over a year ago – and a sound investment strategy based on investing in opportunities at highly attractive prices (20% below market price on average).

In addition, the Company recently signed a sustainable loan in the amount of EUR 27 million, meaning it has now secured competitive and flexible financing for its entire portfolio. Árma's recipe for success is rounded off by its lean structure and controlled expenditure.

The COVID-19 crisis has not proved to be a major obstacle for Árma. The Socimi continues to collect 100% of its rental income since it operates in the Offices and Logistics sectors and it does not have any exposure to the sectors that have been hit hardest by the pandemic. Its rental income in Q1 2020 amounted to EUR 1.3 million, up 131% y-o-y and 6.2% in like-for-like terms, reflecting the Árma team's commitment to investing on behalf of its shareholders and creating high quality assets.

### **Committed to the business plan**

Committed to achieving the targets set out in its business plan, Árma has terminated the leases on its *Habana* and *Botanic* properties in order to move forward with its plans to refurbish them in line with the Company's Capex schedule. Four of the seven properties in Árma's portfolio are currently undergoing refurbishment works. These were temporarily put on hold at the start of lockdown, however, after resuming works in May the company does not foresee any major delays.

Luis López de Herrera-Oria, CEO of Árma, said that *“the awful Covid-19 crisis has acted as a real stress test for a lot of companies. Thankfully, our team is in excellent health, our assets are all fully operational, and we are in constant contact with our tenants and partners. With Árma's strong financial position, our shareholders can rest easy, safe in the knowledge that our team will continue to generate value thanks to its proven management skills and sound investment strategy.”*



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## **Sustainability, health, and well-being**

Árma is deeply committed to sustainability, as reflected in the design and management of its properties. The Company aims to achieve LEED/BREEAM certification for 80% of its property portfolio by 2021, along with WELL certification for all of its refurbishment projects. WELL is an internationally recognised standard that measures the impact of buildings on people's health and well-being.

In addition, 66% of the Company's portfolio is currently financed with sustainable loans, after it restructured a great deal of existing financing and recently secured a €27 million loan to finance its LS7 office building.

## **Specific measures to help combat the pandemic**

Árma has provided unwavering support to those affected by the pandemic, prioritising the safety and well-being of its tenants, suppliers and employees, as well as the most vulnerable members of society.

The Company has donated more than EUR 300,000 to food banks, care homes, virus testing and for the acquisition of personal protective equipment (PPE).

Árma has also made its properties available for use by Madrid's City Council and Regional Government in order to help deal with the healthcare emergency.

Sixty percent of these donations were financed via a 50% reduction in management and board members' salaries, while the current incentive plan has also been temporarily put on hold.

## **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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