

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)



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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.



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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

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