

## Press Release

The net asset value per share (EPRA NAV) increased to EUR 10.8, +12.5% higher since its IPO

## Árma marks the end of the first half year with the acquisition of 12,000 sqm of premium office space in Madrid for EUR 38.9 million

- Its latest property – superbly located in one of Madrid’s fastest-growing office areas – was acquired off-market after lockdown was lifted. The Socimi currently has an additional EUR 30 million under due diligence
- Árma also signed a new lease agreement in Madrid as lockdown was easing. The agreed rent is 25% higher than the average paid by the other tenants in the building, reflecting the growing demand for high quality, sustainable and *healthy* properties
- As of 30<sup>th</sup> June 2020, Árma's property portfolio had a market value of EUR 253 million, a +22% uplift on the original purchase price
- Despite the current climate of uncertainty, the Socimi remains confident about the future thanks to its solid balance sheet, the lack of exposure to the retail or hotel sectors, and its defensive portfolio acquired at a highly attractive price with excellent upside potential in the medium term
- The Company continues to collect 100% of its rental income, which amounted to EUR 2.5 million during H1, up +59% y-o-y and +5.9% like-for-like compared with H2 2019
- Árma remains committed to obtaining LEED/BREEAM and WELL property certifications. At corporate level, the Company has also committed to completing the renowned GRESB and CDP sustainability assessments



Photo: Árma. Render, Manoteras Project



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**28 July 2020.** Today, Árima has presented its H1 2020 results. The Company posted a NAV (Net Asset Value) of EUR 10.8 per share at 30 June 2020, +12.5% higher than the per share value at its IPO just about a year and a half ago, and following a six-month period in which COVID-19 has heavily impacted all aspects of society and the economy. Despite these circumstances, the Socimi has proven its ability to identify and seize opportunities, in line with its business plan, to generate value for shareholders.

A perfect example of this is the EUR 38.9 million acquisition of a premium office property comprising 12,000 sqm and featuring 245 parking spaces. The building is located in the Manoteras area, which is considered to be the northern extension of the Paseo de la Castellana and one of Madrid's fastest-growing office areas – home to high profile tenants such as Deloitte, BMW, Everis, Caixabank and Liberbank. The property – a turnkey project scheduled for delivery towards the end of 2022 – was secured via a complex off-market deal at a very attractive price. Árima was advised on the acquisition by Knight Frank and EY.

Following this acquisition, Árima's portfolio now boasts a total of 90,000 sqm of lettable space and over 1,000 underground parking spaces. As at 30 June 2020, its portfolio was valued at EUR 253 million according to the valuation certificate issued by CBRE Valuation Advisory – carried out to RICS (Royal Institution of Chartered Surveyors) standards – indicating a +22% uplift on the original purchase price.

As lockdown was easing, Árima also signed a new lease agreement at the Cristalia building, securing a rent +25% higher than the average paid by the other tenants in the building. The new lease, which will provide the Socimi with an annual rent of EUR 140,000, is yet another example of the management team's tried and tested expertise and reflects the growing demand for quality, sustainable and healthy properties, a trend which has gained further traction during the pandemic.

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

Madrid and Barcelona have a very limited supply of properties that meet the criteria for sustainability, quality and flexibility sought in the post-COVID-19 world. The strategy employed by the Árima team is set to meet these requirements, as a way of generating an attractive return for the Company's shareholders. The Socimi is currently conducting due diligence on a property of c. EUR 30 million and is making good progress with the refurbishment works currently underway on the existing portfolio.

Luis López de Herrera-Oria, CEO of Árima, said "*We remain in a position of great strength, with low gearing and ample liquidity. Despite the unprecedented circumstances of the first half of this year, the Árima team is well and committed, and our portfolio extremely well-prepared to face the future. We firmly believe in the potential of our portfolio and have a strong, selective pipeline. We keep monitoring the market and expect to be net buyers going forward*".

Árima continues to receive 100% of its rents and posted EUR 2.5 million in rental income during H1 2020. This implies a +59% increase y-o-y and a +5.9% uptick in like-for-like terms compared to H2 2019.



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Árma remains committed to sustainability and social well-being, aiming to achieving LEED/BREEAM and WELL certification on its properties. In addition, Árma has committed to participate in the internationally renowned GRESB and CDP sustainability assessments.

During the state of emergency, the management team and Board of Directors agreed to a 50% pay cut – which helped to fund 65% of the donations made by the Socimi – and partially postponed the delivery of the accrued incentive shares.

### **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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