

## Press Release

Net tangible asset value per share increases +11% in H1 2022  
and +33% since IPO

## Árma triples its net profit to EUR 22.5 million in H1 2022

- The Socimi publishes its H1 2022 results, booking a net tangible asset value per share of EUR 12.75, +33% higher than at its IPO in October 2018. Results that come after more than two years of uncertainty, due to the pandemic and then the war in Ukraine
- The value of its portfolio climbs to EUR 382 million, up +11% on December 2021 in like-for-like terms and registering a +31% increase on the total investment made
- The Socimi signs new leases for 8,258 sqm in the period, raising the rents by an average of 93% for its repositioned space, pushing its annualized rental income up by 14.8% in like-for-like terms. A further 11,052 sqm have already been committed or are under negotiation
- Given the lack of sustainable, quality assets, such as those created and managed by the Árma team, in the Madrid market, the Company is well-positioned to continue generating value for its shareholders. With over half of its portfolio still in the process of being repositioned, the potential increase in rental income stands at 204%
- An very solid balance sheet – with single digits net LTV and EUR 90 million of liquidity – combined with the extensive experience of the management team, allows the Socimi to face these uncertain times on a firm yet cautious footing



Photo: *Botanic* building, in Madrid



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**28 July 2022** Árma continues to generate value for its shareholders, as demonstrated by its H1 2022 results published today. Solid results that confirm the success of both its repositioning strategy – designed to create high-quality and differentiated assets – and the expertise of its management team, which has helped increase its net tangible asset value per share (EPRA NTA, previously EPRA NAV) to EUR 12.75, +33% higher than at its IPO in October 2018. Results that it has achieved after more than two years of uncertainty, caused firstly by the Covid-19 pandemic and then by the war in Ukraine.

The company raises the value of its portfolio to EUR 382 million, up +11% versus December 2021 (on a 6-month like-for-like basis). This is a +31% increase on the total investment made.

A positive balance sheet that also takes the first half 2022 net profit to EUR 22.5 million, tripling the figure recorded for the same period in 2021. The company has continued to receive 100% of its rental income.

The lack of sustainable, high-quality assets in the market, such as the properties in Árma's portfolio, has allowed the Socimi to sign new leases for a total of 8,258 sqm in the period, with a further 11,052 sqm already committed or under negotiation. These new lettings secure the company an annual rental income of EUR 2.3 million and push its annualised rental income up by 14.8% in like-for-like terms.

The Socimi maintains a very solid balance sheet thanks to its EUR 90 million of liquidity and a net LTV (Loan-to-Value) of just 8.5%, on very favourable terms for the Company.

### **Perfectly poised to excel in the market**

Árma's strategy is favoured by the market's sheer lack of quality offices with high sustainability credentials, as well as by the effect that the pandemic has had on companies who are now actively seeking workspaces designed with employee well-being in mind. The portfolio boasts the highest standards in terms of quality, sustainability, well-being and technology.

With just 30% of its portfolio repositioned and let, the Socimi has managed to grow its net tangible asset value per share by 33%. The remaining 70% is currently being repositioned, meaning there is still considerable value uplift potential to be unlocked. A potential that could see rental income jump by 204%.

### **A portfolio on an inflection point**

Árma's portfolio comprises nine properties – eight offices and one industrial warehouse. Its total GLA amounts to 101,664 sqm and it offers a total of 1,283 parking spaces.

The company is successfully putting its business plan into action, with its repositioning projects progressing well. The portfolio is approaching a turning point, as refurbishment works on a number of assets near completion.



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*Habana* has been 100% pre-let before works have been completed, creating excellent tenant-owner synergies. The unique repositioning project at *Botanic* has been completed ahead of plan, with the project becoming a trailblazer in sustainable office design. Works at *Cadenza*, *Guadalix*, *Dune* and *Pradillo* are all expected to be gradually finished between the end of 2022 and 2024.

### **Botanic: pioneering sustainable office design**

The repositioning project undertaken at *Botanic* reused the entire existing structure, leading to savings in CO<sub>2</sub> emissions that would equate to planting 6,000 trees, while 91% of the waste generated by the demolition and construction works was recycled.

What's more, the property's energy rating has moved from an E up to an A, seeing its energy consumption cut by 81%. *Botanic* is powered by renewable energy and 15% of its parking spaces are equipped with electric vehicle charging points.

It is not just the renovation works that have been completed efficiently and sustainably, biodiversity lies at the heart of *Botanic's* design, with the property boasting a botanical garden of more than 2,000 sqm and over 1,000 sqm of landscaped terraces.

The building will also be a LEED® Platinum, WELL® Gold and WELL® Health & Safety certified property.

### **International recognition for the Socimi's sustainability strategy**

The Company's sustainability strategy and performance are central to its business plan, which sets out the objective of achieving LEED® or BREEAM® and WELL® certification for all of its properties. The Socimi has also received international recognition from organisations such as the European Public Real Estate Association (EPRA) and the Global Real Estate Sustainability Benchmark (GRESB).

In addition, the Company finances its entire portfolio via green loans and it is the only property firm in Spain to be certified by RICS (Royal Institution of Chartered Surveyors).

### **About Árma Real Estate**

*Árma Real Estate is a Spanish company listed on the Madrid Stock Exchange as a SOCIMI (Sociedad Anónima Cotizada de Inversión Inmobiliaria) and 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 boasts the same highly reputable management team that steered Axiare Patrimonio SOCIMI to success.*

### **For more information**

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