

## Press Release

The SOCIMI presents reassuringly solid results despite prevailing uncertainty

### Árma holds COVID-19 at bay to grow its revenue by 18%

- In a quarter marred by uncertainty, Árma has collected 100% of rent payments due, with rental income rising by 18%; this strong performance is partly due to a sound investment strategy that has avoided exposure to retail and hotels
- Despite the difficult economic climate, and the fact that 50% of its portfolio is under refurbishment, Árma has achieved a sound set of results, reporting a net profit of €2.42 million
- The company has held firm to its business plan, and redevelopment works have kept on track despite the pandemic
- Árma has demonstrated a disciplined and prudent approach to its pipeline, sticking to a defensive portfolio conservatively estimated to offer potential rental uplift of 155%
- Árma reiterates its commitment to sustainability and well-being, and now finances 100% of its portfolio through green loans. In addition, the firm has been awarded the EPRA BPR Most Improved Award, achieving Silver level. Surpassing all expectations, it achieved a strong GRESB certification, and has high hopes for its 2021 position



Photo: Árma. Infographic 'Botanic: one of Europe's most exceptional workspaces'

**12 November 2020.** Árma published its quarterly results today, having successfully held pandemic woes at bay to collect 100% of rental payments and grow revenue by 18% year-on-year, reporting €3.8 million at the close of Q3 2020 — up from €3.2 million in the same period of 2019.



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Despite the difficult economic climate, with net profits reaching €2.42 million this is a sound set of results for the real estate specialist, especially since 50% of its portfolio is currently under refurbishment and portfolio valuation for 2020 is not comparable to that of the same period last year.

Árma's strong performance is reassuring in a quarter marred by uncertainty, with the COVID-19 pandemic casting a shadow over the economic outlook. Despite these challenging circumstances, Árma has managed to meet its business plan and proceed undeterred with planned renovation works of around 40,000 square metres of its Madrid portfolio.

Redevelopment works at three sites — Habana, LS7 (now Cadenza) and Botanic — are scheduled for completion by the end of 2021, while Manoteras, the company's most recent acquisition, will launch in H2 2022. Botanic is set to be of particular interest: a unique property that will become one of Europe's most exceptional workplaces, with its very own botanic garden.

### **Prudence in the light of challenging and uncertain times**

At a moment of great uncertainty and negative macroeconomic forecasts, Árma has chosen to err on the side of prudence, approaching its pipeline with careful scrutiny. The company benefits from a defensive portfolio acquired at highly competitive prices, with significant growth potential. Its current assets are conservatively estimated to offer potential rental growth of 155%. Árma's strategy responds to two primary objectives: maintaining the high quality of its properties and fulfilling the investment commitment made to its shareholders.

Thanks to this prudent approach, one year after its most recent share capital increase (which saw the SOCIMI triple in value compared to its IPO valuation), Árma has reported a very comfortable cash position of €144 million, a low gearing ratio and excellent financing conditions.

### **Sustainability and well-being at the heart of the office of tomorrow**

Árma has reaffirmed its commitment to sustainability and well-being, and as previously announced, now finances 100% of its portfolio through sustainable green loans. The company is well on the way to reaching its short- and medium-term objective of achieving the world's most rigorous certifications for sustainable and healthy architecture (such as LEED and BREEAM) for 80% of its properties, and the WELL Health & Safety rating for 100%. These certifications recognise best practices in energy performance, waste management and health, with particular focus on air and water quality management. All of these aspects will be crucial to success in the office lettings market in the post-COVID-19 era.

Árma has rolled out this strategy, based on over 30 years' experience in property management, right across its portfolio — an approach that today seems more prescient than ever. Its hallmark: a skilful blend of outstanding design, maximum cost efficiency and the highest standards of quality and well-being.



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### **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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