

Press Release

Árma Real Estate ends H1 2023 with a portfolio valued at €402 million

Árma acquires an office building in Madrid and begins the asset rotation

- The Socimi publishes the H1 2023 results, booking a net tangible asset value per share of €11.91, 24% higher than at its IPO in October 2018 despite the challenging backdrop
- Árma has now begun to rotate its assets with the acquisition of *Torrelaguna* for €30 million and the sale agreement of *María de Molina*. The company has also agreed the main terms for the lease of its flagship property *Botanic* to a top-tier tenant
- Meanwhile, it has reached a key sustainability milestone, with new LEED® and BREEAM® certifications. At the end of the period, 50% of Árma's portfolio is certified, and its properties continue to raise the bar for sustainable office design
- Árma has posted a total rental income of €3.9 million for the first six months of the year — up 40% in like-for-like terms on the same period of 2022 — and a positive EBITDA
- The Socimi's balance sheet remains sound, showing comparatively low levels of gearing, and with advantageous financing terms and limited maturities before 2026
- Árma continues to monitor the market and is currently in advanced negotiations to acquire an additional property in Madrid



Photo: *Torrelaguna building, Madrid*



THE VISION FOR EXCELLENCE

02 August 2023. Today, Árima has presented its H1 2023 results. The figures reveal strong operational performance, indicating that the Socimi is now well on the way to realising its portfolio's latent growth potential.

The company closed out the first six months of the year on a solid and well-balanced portfolio with an estimated value of €402 million — up 25% on total investment — and is now in a position to begin asset rotation.

The Socimi has agreed the sale of its *María de Molina* office building. This class A property boasts a gross lettable area of over 4,000 sqm in the heart of Madrid and is fully let. Its rental income has increased ninefold thanks to the work of Árima's active asset management. After four years of value uplift, the timing is right for the company to lock in the returns on its initial investment.

Meanwhile, the Company has completed the purchase of another office building in a consolidated area of the capital: *Torrelaguna*, located on the street with the same name. Acquired at the very favourable price of €30 million, the property is fully let and offers significant growth potential. This latest acquisition adds a further 11,000 sqm of gross lettable area and 303 parking spaces to Árima's portfolio and promises a highly attractive return.

Árima has also agreed heads of terms for the lease of its flagship office building, *Botanic*. This pioneering property will be the new headquarters for a top-tier multinational company. The agreement is set to be formalised in Q4 this year.

Rental income increases on the back of higher letting volumes

Árima continues to demonstrate its strategic acumen in acquiring and repositioning Class A properties, aided by a shortfall of quality space in the city of Madrid.

In addition to *María de Molina*, a number of other properties in its portfolio have now completed their repositioning cycles and are fully let, namely *Habana*, *Ramirez de Arellano* and the *Guadalix* logistics warehouse. Overall, the Socimi has reported rental income of €3.9 million for H1 2023, up 40% in like-for-like terms compared with H1 2022. This has helped secure a positive EBITDA for this reporting period.

The Socimi is confident in its portfolio's upside potential, projecting a 110% increase medium term in rental income. *Cadenza*, for example, was the focus of a major repositioning project completed this year: 14,500 sqm of gross lettable area in a Class A office property, located in a consolidated submarket in Madrid. Similar transformations are now underway at *Pradillo* and *Dune*, which between them will offer a gross lettable area of 25,000 sqm.

Árima's portfolio comprises a total of ten properties – nine offices and one logistics warehouse. All of high quality, class A, assets representing a combined gross lettable area in excess of 113,000 sqm and 1,558 parking spaces in Madrid.

Strong balance sheet with room for further investment

Árima's balance sheet remains sound, with gearing below the sector average at 22.7% LTV. The Socimi has very advantageous financing terms, with limited maturities before 2026.



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With its long-term vision, Árima continues to monitor the market for new investment opportunities and is currently in advanced negotiations for another potential acquisition, entailing a total investment of €40 million (including CapEx).

Key milestone in sustainability

Árima has now been awarded LEED® or BREEAM® certifications for 50% of its portfolio, as it makes progress to reach the 80% target (LEED®, BREEAM® and WELL®) for 2025. The company's overarching commitment to sustainability and environmental protection is reflected in every one of its properties, both in terms of energy performance and structural and internal upgrading.

Árima's leadership in this area has been recognised by major international organisations, such as the European Public Real Estate Association (EPRA) and GRESB (Global Real Estate Sustainability Benchmark). 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 Árima Real Estate

Árima 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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