2017

trading update third quarter

axiare PATRIMONIO

Axiare announces its trading update for the nine months ended 30 September 2017. Highlights for the period include:

STRONG PERFORMANCE UNDERPINNED BY CONTINUOUS ACTIVE MANAGEMENT

- Gross rental income for the 9-month period of EUR 44.4 million, up +45.8% YoY
- NRI Margin of 89.4%, up +45 bps YoY, owed to higher occupancy levels
- EBITDA for the 9-month period of EUR 33.8 million, up +50.2% YoY
- Recurring EPRA Earnings and FFO for the 9-month period of EUR 22.7 million, equivalent to EUR 30 cents per share
- Recurring net profit of EUR 22.6 million, up +30.9% YoY. Reported net profit of EUR 125.0 million and EUR 30 cents per share
- Dividend of EUR 14 cents per share expected to be paid before 30 November 2017, resulting in a total dividend distributed this year of EUR 30 cents per share

SOLID FINANCIAL POSITION TO MATERIALISE UPCOMING REDEVELOPMENT PROJECTS

- EUR 130.8 million of financial debt raised in the 9-month period with very flexible conditions
- Capex programme with EUR 17.9 million invested YTD and further EUR 95 million expected on the repositioning pipeline
- Additional disbursements of EUR 49.6 million linked to the logistic turnkey projects expected within the next 18 months
- Gross LTV of 39%. All-in cost of 1.9%[1] with an average maturity of 7 years

EXCEPTIONAL INVESTMENT TRACK RECORD EXPECTED TO CONTINUE

- 100% of the funds raised with the ABO successfully completed on 8 March 2017 already invested or committed
- 7 high quality properties acquired year-to-date in Madrid and Barcelona totalling EUR 245 million with significant reversionary potential and at highly competitive prices
- Solid investment pipeline in line with our strategy, with EUR 200 million in advanced analysis
- Overall, a well-balanced portfolio with a GAV of EUR 1,710 million[2] with the new valuation campaign expected to be finalized within the upcoming weeks. As of 30 June 2017 the portfolio valuation grew by 9.1%[3] 6-month LfL
- Asset rotation initiated with the sale of one of our stabilized office buildings at a 5% premium to latest reported GAV, crystallising a ca. 80% surplus

LEASING MARKET CONTINUES TO GAIN MOMENTUM AS HIGH-QUALITY SPACE TIGHTENS

- Axiare ranked #1 in leasing volume (sqm) in offices in Madrid[4]
- New lettings signed during the 9-month period totalling 110,358 sqm, generating additional annualised rents of over EUR 11 million (+26% FY2016 GRI)
- Seven existing tenants increasing their leased space by 36% on average
- Rents in the quarter signed some 7% above ERV for new tenants and with 12% releasing spreads. All new contract signed with embedded rental step-ups
- Occupancy increased to 93.4%, up 544 bps in the 9-month period on a like-for-like basis
- Since period-end, 1,242 sqm signed of new lettings in offices signed and ca. 2,500 sqm of office space with HoT signed or under advanced negotiations with positive outlook

REDEVELOPMENTS – COMPLETED SCHEMES DELIVERING SOLID RESULTS EXCEEDING EXPECTATIONS; NEAR COMPLETION SCHEMES GENERATING STRONG TRACTION

- All completed office redevelopment schemes successfully leased (21,207 sqm) on average +21.4% above the underwriting assumptions and +7.4% ahead of valuers' December 2016 ERV
- Repositioning projects delivered valuation uplift over total investment ranging 50%-75% following works completion and having fully leased the buildings
- 3 near completion schemes (39,295 sqm): two office schemes generating strong traction and one logistic scheme 100% pre-let
- 3 schemes in progress (over 165,000 sqm) progressing on schedule
- 2 new offices redevelopment schemes in Madrid committed with a total GLA of ca. 40,000 sqm
- EUR 29.0 million of additional rental income (+69% FY2016 GRI) expected from the current redevelopment pipeline

TECHNOLOGY & SUSTAINABILITY THE BACKBONE OF AXIARE'S STRATEGY

- VIRTO, the world's first cognitive building to be developed by Axiare
- Better workplace mobile app already in use in De la Vega Business Park and expected to be deployed in other buildings
- First real estate company in Spain to be RICS accredited
- Pioneering in the introduction of WELL certification in the Spanish real estate market

1) All in cost includes spread, up-front cost and a hedge of 43% of drawn debt
2) Based on the external independent appraisal determined by CBRE Valuation Advisory (RICS) as of 30 June 2017
3) 6-month like-for-like compares with the same properties included in the portfolio at 31 December 2016
4) Source: CBRE and Savills (Q2 2017)

I am pleased to report another quarter of solid results driven by our strong operational performance. Axiare continues to prove that its repositioning strategy is successfully paying off. All of our completed office redevelopment schemes have reached full occupancy levels in record time with strong rental uplifts and other schemes in progress are generating significant interest from major international tenants. We have an exceptional redevelopment pipeline and expect to continue delivering similar or better results in our upcoming redeveloped assets, as the rental market continues to improve and the economic growth remains strong.

The Madrid office market continues to experience an upward trend. Demand levels continue to gain momentum as the scarcity of large spaces in class A buildings is causing an increase in market rents. Axiare is well positioned to benefit from the increasing demand in the Madrid's office market given the quality of our assets, their efficiency and unique location.

Since the creation of the Company in July 2014 Axiare has outperformed its peers with a 74% share price appreciation and a 62% growth in NAV. This is the result of our strategy, our edge in the execution of off-market transactions and best-in-class redevelopments, and our highly experienced first-class team. With an exceptional redevelopment pipeline and the substantial reversionary potential of our investment portfolio, we expect to continue to deliver exceptional results in the future.

Luis López de Herrera-Oria
Chief Executive Officer

CONTACTS:

Axiare Patrimonio **+34 914 319 317**

Luis López de Herrera-Oria, Chief Executive Officer
Chony Martín Vicente-Mazariegos, Chief Financial Officer / Chief Operating Officer
Carmen Boyero-Klossner, Investor Relations Officer

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1 OUR FINANCIAL RESULTS

CONSOLIDATED PROFIT & LOSS ACCOUNT (IFRS)

Q3 2017 Analytical Income Statement (IFRS)

EUR m. unless specified	9m 2017	9m 2016	YoY Change
Recurring Gross Rental Income (GRI)	**44.434**	**30.473**	**45.8%**
Non-reimbursable property operating expenses	(4.709)	(3.365)	39.9%
Recurring Net Rental Income (NRI)	**39.725**	**27.108**	**46.5%**
Overheads	(5.879)	(4.580)	28.4%
o/w wages, salaries and similar remuneration	(3.497)	(3.084)	13.4%
o/w other selling and administrative expenses	(2.382)	(1.497)	59.2%
Recurring operating income (EBITDA)	**33.846**	**22.527**	**50.2%**
Amortization & Provisions	(0.053)	(0.057)	(6.3%)
EBIT	**33.793**	**22.471**	**50.4%**
Net financial charges	(9.279)	(5.170)	79.5%
Tax	(1.863)	-	-
Recurring net profit	**22.651**	**17.301**	**30.9%**
Change in fair value of assets	120.702	85.523	41.1%
Other income and expenses	(18.367)	(11.490)	59.8%
Reported net profit	**124.986**	**91.333**	**36.8%**
Recurring EPS (EUR)	0.30	0.24	23.2%
Reported EPS (EUR)	**1.65**	**1.28**	**28.8%**
Average no. of shares outstanding	75,587,387	71,125,999	6.3%

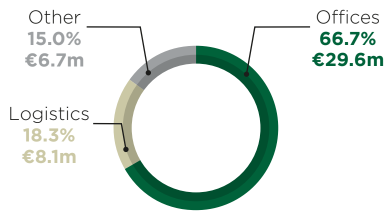
PROFIT AND LOSS ACCOUNT AND EARNINGS PER SHARE

Total recorded group gross rental income, excluding income related to portfolio operating expenses chargeable to tenants, amounted to EUR 44.4 million, up +45.8% over the same period the prior year. On a like-for-like basis, excluding acquisitions and comparing the same properties included in the portfolio for the 9 month-period 2016, gross rental income increased by 6.0% YoY.

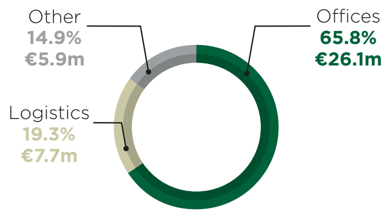
The annualised GRI as of September 2017 amounted to EUR 65.7 million[1], up +53.9% YoY.

NRI margin improved by 45 bps YoY to an average of 89.4% in the 9-month period. Net rental income, after deducting running property expenses non-chargeable to tenants, amounted to EUR 39.7 million, up +46.5% YoY. The increase in NRI was owed to both, higher gross rental income and improved margins.

GRI by business segment



NRI by business segment



1) Topped-up passing rental income, adjusted for the expiration of rent free periods as per EPRA BPR

Total overheads for the 9-month period amounted to EUR 5.9 million, +28.4% compared to the same period the prior year. The increase in total overheads was mainly driven by the impact of tax on economic activities[2] and higher third-party related services. The increase in the Group's headcount for the 9-month period impacted the total overheads to a lesser extent. Total annualised running costs represented 0.9% of the share capital and premium, below the company's limit on annual overheads (1% of the share capital and premium for the period).

Recurring operating income (EBITDA), for the 9-month period reached EUR 33.8 million, up 50.4% YoY. This was primarily due to higher recurring gross rental income and improved NRI margin, as portfolio occupancy increased. Net financial expenses for the 9-month period amounted to EUR 9.3 million, compared to EUR 5.2 million in the same period the prior year. Net financial expenses grew as the company continues levering its balance sheet, taking advantage of the attractive low interest rate environment. Overall, Axiare's total debt raised at period-end amounted to EUR 692.0 million.

The provision for the corporate tax for the 9-month period of EUR 1.9 million is linked to Axiare's subsidiary Venusaur S.L. The parent company, Axiare Patrimonio Socimi, has an effective tax rate as a Socimi of 0%. Venusaur S.L., one of Axiare's subsidiaries, does not operate under the Socimi regime and is therefore subject to corporate tax. For the 9-month period, Venusaur's corporate tax provision totalled EUR 1.9 million, this amount was offset by the subsidiary's tax credits, resulting in a tax levy on a cash basis of EUR 0.7 million.

For the 9-month period, the recurring net profit reached EUR 22.6 million, up +30.9% YoY. Underlying net profit per share was EUR 30 cents.

Changes in fair value of assets generated an attributable profit of EUR 120.7 million. The portfolio has not been revalued in the quarter. Other income and expenses of EUR 18.4 million includes amongst other, a charge related to the shared-based performance incentive plan for the 12-month period ending 30 June 2017 (EUR 19.1 million), a tax relief of EUR 1.9 million linked to the Group's subsidiary Venusaur S.L. deductible temporary differences and a charge of EUR 0.5 million related to last year's tax on economic activities.

Overall the Group's consolidated net profit for the 9-month period was 125.0 million, up 36.8% YoY, and EUR 1.65 per share.

EPRA EARNINGS AND FUNDS FROM OPERATIONS (FFO)

Adjusted for non-recurring income and expenses items, EPRA earnings for the 9-month period were EUR 22.7 million and EUR 30 cents per share.

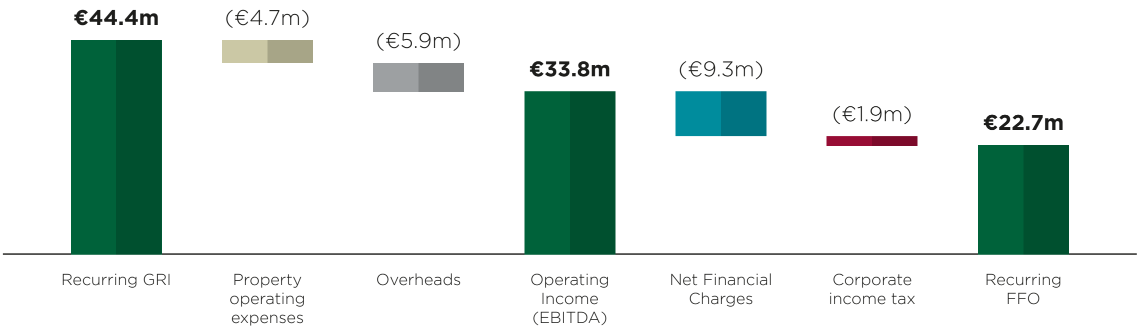
EPRA Earnings and Earnings Per Share

EUR m. unless specified	9m 2017
Earnings per IFRS income statement	**124.986**
Adjustments to calculate EPRA Earnings, exclude:	
(i) Changes in value of investments properties	(120.702)
EPRA Earnings	**4.284**
EPRA Earnings per Share (EPS) (EUR)	**0.06**
Company specific adjustments:	
(a) Company specific adjustment	18.365
(b) Company specific adjustment	0.055
Adjusted EPRA Earnings	**22.704**
Adjusted EPRA EPS (EUR)	**0.30**
Avg. number of shares outstanding, basic	75,587,387

2) The Tax on Economic Activities is a local tax levied on the exercise of business that applies to all companies regardless of their activity. During the first two years and any year that the turnover is no more than one million euros, the company is exempt from paying this tax

Recurring FFO for the 9-month period amounted to EUR 22.7 million and EUR 30 cents per share. The chart below shows the detailed calculation of the recurring FFO:

Funds from Operations (FFO)



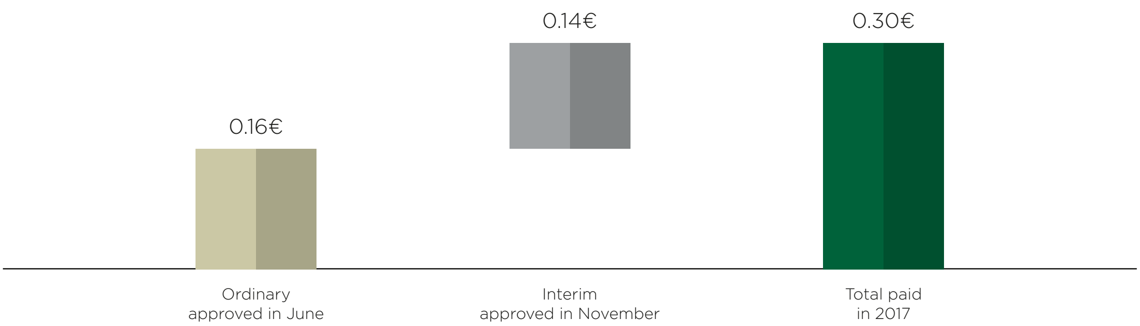
DIVIDEND

The Board of Directors agreed on November 14, 2017 to distribute an interim dividend of EUR 10.9 million on account of 2017 results. This dividend represents approximately EUR 14 cents per share[3] and is expected to be paid before 30 November 2017. With this payment, Axiare will be distributing a total of EUR 30 cents per share in 2017 to its shareholders, in accordance with the information published in the 2016 full year results presentation.

Our dividend policy aims for a covered and progressive dividend based on a pay-out ratio of around 70% of EPRA Earnings. We are confident that our portfolio repositioning and value enhancing activities will allow us to grow our recurring income and dividend going forward.

The chart below illustrates the 2017 shareholder distribution:

2017 dividend distribution



3) Estimate based on the outstanding number of shares at the board meeting date (November 14, 2017). In accordance with Axiare Patrimonio's By-Laws, only persons legitimised in the accounting records of IBERCLEAR (Spanish Central Securities Depository) at 23.59 hours (CET) on the Board meeting date (November 14, 2017) are entitled to receive the dividend payment.

CONSOLIDATED BALANCE SHEET

ASSETS		EUR m.
Non-current assets	30/09/2017	31/12/2016
Intangible assets	1.507	0.235
Property plant and equipment	0.662	0.475
Investment property	1,638.191	1,310.867
Deferred tax asset	8.249	7.457
Other non-current	17.104	12.455
	1,665.713	**1,331.489**
Current assets		
Trade and other receivables	14.967	17.885
Short-term investments	0.145	0.039
Other assets	3.859	0.999
Cash and cash equivalents	173.147	145.421
	192.118	**164.344**
TOTAL ASSETS	**1,857.831**	**1,495.833**

EQUITY AND LIABILITIES		EUR m.
Equity	30/09/2017	31/12/2016
Share capital	790.625	718.750
Share premium	57.431	35.869
Retained earnings	322.086	207.808
Treasury shares	(10.687)	(18.678)
	1,159.455	**943.749**
Liabilities		
Non-current liabilities		
Financial debt	575.677	516.852
Financial derivatives	7.855	9.483
Other non-current liabilities	11.371	9.188
	594.903	535.523
Current liabilities		
Financial debt	87.340	2.888
Trade and other payables	14.524	12.970
Other liabilities	1.609	0.703
	103.473	16.561
TOTAL LIABILITIES	**698.376**	**552.084**
TOTAL EQUITY AND LIABILITIES	**1,857.831**	**1,495.833**

The value of Axiare's Patrimonio portfolio on the balance sheet at 30 September 2017 amounted to EUR 1,638.2 million[4]. This value is based on the external independent valuation carried out by CBRE Valuation Advisory at 30 June 2017 and capital expenditures in the quarter. The Portfolio has not been revalued this quarter. As of June 2017 valuation increased 9.1% on a 6-month LfL basis[5] and we expect further revaluation in year-end as a result of our redevelopment pipeline and the reversionary potential of our portfolio. As an example, during the quarter Axiare has agreed to rotate one of the stabilized assets in its office portfolio at a price 5% above CBRE's latest valuation (for more information please refer to page 11).

On 8 March 2017 Axiare Patrimonio successfully completed a capital raise through an accelerated book built offer (ABO), in order to continue the disciplined investment strategy that the management team has proven since the company's inception. With this ABO, Axiare raised EUR 93.4 million through the issuance of 7,187,498 new shares with a nominal value of EUR 10 each and a share premium of EUR 3 each. New shares represented 9.99% of the total outstanding shares before the capital increase. The capital raise was fully subscribed within a few hours, generating strong interest between both, existing shareholders and new investors. At present, Axiare Patrimonio has already invested 100% of the funds raised in the ABO.

The EPRA NAV per share of the company has increased by 62% since the IPO. We expect this positive evolution to continue as the strategy is being executed.

4) At 30 September 2017, the difference between investment properties on the balance sheet and the portfolio gross asset value corresponds to the assets acquired on a turnkey basis in San Fernando: the value of San Fernando (logistics asset in Madrid 1st ring) on the balance sheet corresponds only to the amounts disbursed as advanced payments at 30 September 2017 of EUR 19.4 million and EUR 12.0 million (phase I and phase II respectively) and EUR 7.5 million of capital expenditures
5) 6-month like-for-like compares with the same properties included in the portfolio at 31 December 2016

FINANCING

During the third quarter, Axiare has signed one bilateral financial agreement with Société Générale for a notional amount of EUR 11.6 million to finance the shopping centre Planetocio. Total debt with credit institutions amounted to EUR 663.0 million on the balance sheet at amortised cost. At 30 September 2017, Axiare's interest bearing debt stands at EUR 672.1 million. Since inception, the company has signed bilateral loan agreements for a notional amount of EUR 692.0 million, of which EUR 2.3 were repaid and EUR 17.6 million remain undrawn.

Cash and cash equivalents at 30 September 2017 amounted to EUR 173.1 million bringing the company's net debt to EUR 499.0 million.

Gross loan-to-value (LTV) stood at 39% at 30 September 2017.

EUR m. unless specified	30/09/2017	31/12/2016
GAV[6]	1,709.630	1,343.000
Gross debt	672.130	528.294
Cash	173.147	145.421
Net debt	498.983	382.873
Gross LTV	39%	39%
Net LTV	29%	29%
All-in cost[7]	1.9%	2.0%
Weighted average maturity	7 years	7 years

CONSOLIDATED CASH FLOW

EUR m.	9-month period until 30th September 2017	9-month period until 30th September 2016
Profit before taxes	**124.940**	**91.333**
Change in fair value investment properties	(120.702)	(85.523)
Depreciation	0.053	0.057
Financial result	9.279	5.173
Changes in working capital	(3.656)	(8.073)
Other non-cash income and expenses	17.403	12.631
Cash flows from operating activities	**27.317**	**15.598**
Acquisition of property, plant and equipment	(0.239)	(0.005)
Acquisition of investment properties	(183.203)	(92.660)
Acquisition of intagible assets	(1.273)	-
Cash flows from investment activities	**(184.715)**	**(92.665)**
Funds raised	210.721	100.204
Interest payments	(8.441)	(4.794)
Dividends paid	(12.413)	(2.982)
Acquisition of treasury shares	(2.426)	(17.026)
Other debts	0.556	-
Cash flows from financing activities	**187.996**	**75.402**
Total Changes in Cash Flows	**30.598**	**(1.665)**

6) Based on the external independent valuation carried out by CBRE Valuation Advisory (RICS) at 30 June 2017
7) All-in cost of debt includes up-front cost, spreads and hedge. Cost of debt to increase to 2.2% in 2019 when all interest rate forward swaps start. At 30 September 2017, 43% of the interest-bearing debt is hedged. This percentage will gradually increase to 78% in the next two years

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities generated a cash inflow of EUR 27.3 million, primarily driven by recurring operating income (EBITDA) of EUR 33.8 million and changes in working capital.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow from investing activities generated a cash outflow of EUR 184.7 million driven by the acquisition of investment properties and capital expenditures. During the 9-month period Axiare disbursed EUR 165 million in the acquisition of 6 assets and EUR 17.9 million in capital expenditures.

The table below shows the capital expenditures breakdown as of 30 September 2017:

CAPEX

EUR m.	30/09/2017	30/09/2016
Offices	16.134	10.466
Logistics	1.416	1.892
Other	0.381	0.501
Total	**17.932**	**12.859**

Capital expenditures for the 9-month period represented 1.0% of the portfolio GAV at 30 September 2017. By asset category, capex invested in offices and logistics represented 90% and 8% of the total capex respectively. Juan Ignacio Luca de Tena 6, Avenida de Bruselas, Don Ramón de la Cruz and Ribera del Loira were the assets with the higher capex investment for the period.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow from financing activities generated a cash inflow of EUR 188.0. Funding from bank loans the accelerated bookbuilt offer generated a positive cash flow of EUR 210.7 million. These cash inflows were partially offset by dividends payment of EUR 12.4 million, interest payments of EUR 8.4 million and acquisition of treasury shares linked to the company's management incentive plan and liquidity contract amounting to EUR 2.4 million.

Overall the company ended the 9-month period with a positive net change in cash and cash equivalents of EUR 30.6 million. At 30 September 2017 Axiare Patrimonio had cash and cash equivalents for the amount of EUR 173.1 million.

2 OUR BUSINESS

OUR PORTFOLIO

Axiare's portfolio at 30 September 2017 comprises 43 properties with a total GLA of 841 thousand sqm. Total volume invested stands at EUR 1,283 million, with a gross asset value (GAV) of EUR 1,710 million[1].

In line with the company's strategy set out in the IPO, the portfolio breakdown stands at 74% offices (of which ca. 50% in CBD locations), 18% logistics platforms and 8% other commercial assets, mainly retail warehouses.

PORTFOLIO BREAKDOWN AT SEPTEMBER 2017[2]

Investment properties

EUR m. unless specified	GLA (sqm)	Acq Price	Acq Cost	GAV	Annualised GRI	Annualised GRI "Topped-up"	Annualised NRI	Gross yield	Gross yield "Topped up"	EPRA NIY	EPRA NIY "Topped-up"
Offices	**237,479**	**845.5**	**863.4**	**1,098.7**	**39.641**	**44.917**	**37.471**	**4.7%**	**5.3%**	**3.4%**	**3.8%**
Madrid	210,127	773.0	787.9	1,004.4	34.869	40.145	33.165	4.5%	5.2%	3.3%	3.8%
CBD	65,845	388.2	395.7	512.8	14.108	16.604	12.715	3.6%	4.3%	2.4%	2.9%
BD	144,282	384.8	392.2	491.6	20.761	23.541	20.450	5.4%	6.1%	4.1%	4.7%
Barcelona	27,351	72.5	75.5	94.3	4.771	4.771	4.306	6.6%	6.6%	4.5%	4.5%
Logistics	**332,930**	**120.3**	**123.7**	**192.6**	**11.413**	**12.061**	**10.940**	**9.5%**	**10.0%**	**5.6%**	**5.9%**
Madrid	222,185	92.8	95.4	142.1	8.020	8.668	7.612	8.6%	9.3%	5.3%	5.7%
Barcelona	68,279	18.0	18.6	32.1	2.099	2.099	2.145	11.7%	11.7%	6.6%	6.6%
Other	42,466	9.4	9.7	18.4	1.294	1.294	1.182	13.7%	13.7%	6.3%	6.3%
Others	**78,937**	**110.5**	**114.8**	**145.3**	**8.659**	**8.754**	**7.612**	**7.8%**	**7.9%**	**5.2%**	**5.2%**
Total investment properties	**649,345**	**1.076.2**	**1,101.9**	**1,436.5**	**59.713**	**65.732**	**56.023**	**5.5%**	**6.1%**	**3.8%**	**4.3%**

Redevelopments

EUR m. unless specified	GLA (sqm)	Acq Price	Acq Cost	GAV
Offices	**58,410**	**125.7**	**128.8**	**162.9**
Madrid	58,410	125.7	128.8	162.9
CBD	4,481	18.6	19.6	21.5
BD	53,929	107.1	109.2	141.4
Logistics	**133,306**	**81.0**	**81.5**	**110.2**
Total redevelopments	**191,717**	**206.7**	**210.3**	**273.1**

Total Portfolio	**841,061**	**1,282.9**	**1,312.2**	**1,709.5**

1) Based on the external independent valuation carried out by CBRE Valuation Advisory at 30 June 2017
2) Investment properties comprise rented or under commercialization properties, excluding currently undergoing redevelopments. Redevelopments in the quarter include Avenida de Bruselas

INVESTMENT MANAGEMENT

2017 continued to be another very active year for Axiare in terms of new acquisitions. The company has invested over EUR 245 million year-to-date, across the office and logistics sectors. We continue to source excellent investment opportunities in complex off-market transactions that allow us to acquire unique assets with significant potential uplift at highly competitive prices.

Our investment strategy remains unchanged since our IPO, and we remain focused on offices and logistics with substantial upside potential, in Madrid and Barcelona. In Q3 2017 we agreed to purchase off-market a ca. 8,600 sqm turnkey office project in the A2/M30 office market. This redevelopment project is located on the front line of the A2 motorway, benefiting from excellent visibility. The building will be delivered with LEED Gold certification and will be able for occupation in Q4 2018 (see page 14 for further details).

In total, year-to-date, we have added ca. 59,535 sqm of offices in Madrid and Barcelona, and 59,842 sqm of logistics in Madrid's first ring, adding to an already very strong portfolio of assets. We have a well-balanced mix of income producing assets and redevelopment opportunities with strong uplift potential that we expect to materialize within the medium term.

Axiare remains active in the investment market, and is currently analysing over EUR 1 billion of potential investment opportunities, across the office and logistics sectors, with visibility to close several attractive transactions in the coming months. We are confident that we can continue to source excellent investment opportunities in the market, and achieve above market returns as attractive as those achieved in previous periods.

Axiare agreed in Q3 to rotate of one of the stabilized assets in its office portfolio. The transaction is expected to close in Q4, with the sale price representing a 5% increase on latest GAV of 30 June 2017. This transaction is a clear example of the management's team capabilities to provide excellent return to its shareholders. The sale price represents a ca. 80% uplift against acquisition price.

OFFICES

PSA Somport

Acquired in January, the asset is located in Madrid's Las Tablas office area, the extension of Paseo de la Castellana, with direct access from the A-1 motorway, and less than five minutes by car from the M-30 orbital motorway. Axiare Patrimonio considers the Las Tablas area to be a key market due to its strategic location, and expects the area to see significant leasing activity and rental growth. As well as an established, young and well served residential area, Las Tablas is already home to major multinational HQs, including those of BBVA and Telefonica.

The free-standing property, located on Calle Puerto de Somport 8, has a GLA of 9,280 sqm and 370 car parking spaces. The asset was acquired off-market for EUR 41.5 million, representing a capital value of 4,471 €/sqm[3]. It is 100% let to PSA Peugeot Citroën and provides long term secured rental income. With this transaction, Axiare has ensured a continued rental stream from a top-tier tenant, boasting a very high NIY locked in until 2026.

3) Includes 2,245 sqm of retail GLA

Cedro

Acquired in January, and located in Madrid's Arroyo de la Vega office area, with direct access to the A-1 motorway, and less than five minutes by car to the M-30 orbital motorway. Axiare Patrimonio considers this area to be a strategic office market and expects the area to see significant recovery. Surrounding tenants include leading international companies such as BP, Samsung, Kia Motors, Galp and Cisco.

The free-standing office building has a GLA of 17,138 sqm and 381 car parking spaces. The asset has a current occupation of ca. 90% and acts as the headquarters of the international consultancy firm Capgemini in Spain.

The asset was acquired off-market for EUR 43.5 million, representing a capital value of 2,538 €/sqm, -13% below replacement cost[4].

Miguel Angel 23

Prime asset acquired from various owners at various stages during the first quarter. The building is located in the heart of Madrid's CBD, in the Chamberí district, less than 50m from Paseo de la Castellana, and near the headquarters of major financial institutions, including UBS, Goldman Sachs and CaixaBank, as well as leading international law firms, including Linklaters and Cuatrecasas Gonçalves Pereira.

The building, which has a GLA of 8,036 sqm and 97 underground parking spaces, is currently 94% occupied by multiple tenants. It features floor plates of approximately 1,050 sqm and a large ground floor retail unit. It is highly visible from Paseo de la Castellana, given its prominent corner position.

The asset was acquired in four complex off-market transactions for a total of EUR 53.4 million, representing a capital value of 5,921 €/sqm[5], -34% below recent comparable transactions. It represents another example of Axiare's ability to unlock complicated, multiownership situations, and convert them into large institutional lots with significant potential.

4) Source: CBRE Valuation Advisory
5) Adjusted for 97 parking spaces, which are valued at 60,000 €/space. The property also includes 874 sqm of high street retail GLA

Sant Cugat

Acquired in March, the property is located in Sant Cugat del Vallés, a strategic office submarket in Barcelona which benefits from excellent access via the C-16 and AP-7 highways and is located 5 minutes' walk from Sant Joan Station. The area boasts institutional landlords such as Mapfre, Axa, Catalana Occidente and Banco Sabadell. Sant Cugat has become highly sought-after by tenants over the past 12 months and currently boasts one of the highest occupancy rates in Barcelona.

The building has a GLA of 12,000 sqm and over 400 parking spaces. The property features 2,500 sqm floor plates, as well as an auditorium with capacity to hold up to 200 people. The asset has a rental guarantee, ensuring a minimum annual rent of EUR 1.25 million for the next two years, with significant reversionary potential.

The asset was acquired off-market for EUR 19.5 million, representing a capital value of 1,625 €/sqm, -27% below its replacement cost[6].

Sagasta 27

Acquired from multiple vendors in various transactions during the second quarter, this prime period building is located in Madrid's CBD, near Plaza de Alonso Martinez, close to the headquarters of many of major multinational firms including McKinsey & Co., Linklaters and Cuatrecasas Gonçalves Pereira. Given its prominent corner location, the building benefits from excellent visibility, transport connections and a high level of amenities.

The building comprises a total of 5,956 sqm GLA[6]. It features floor plates of approximately 1,000 sqm, with excellent floor to ceiling height, as well as ground floor retail units. Axiare plans to refurbish and modernize the building in 2018, before bringing it to the leasing market.

The asset was acquired in various complex off-market transactions for a total of EUR 18.6 million, representing a capital value of 4,140 €/sqm, -12% below replacement cost[6]. This is another example of Axiare's ability to unlock complicated, multi-ownership situations, and convert them into large institutional lots with significant potential.

6) At 30 september 2017 Axiare has signed 4,481 sqm (75%), with 1,475 (25%) in binding agreements pending to be completed

LOGISTICS

San Fernando (phase II)

Acquired in June, this turnkey logistics project is the second phase of Axiare's existing project in San Fernando de Henares, in Madrid's first logistics ring.

The area is highly sought after by major international logistics operators, given its strategic location and proximity to the city centre and Barajas international airport. The project is also located less than 1-minute drive from the M-50 ring road and less than 4-minute drive from the A-2 motorway. Occupiers in the immediate surrounding area include Amazon, TNT and XPO.

The new platform, due to be delivered in H2 2018, has a total GLA of 59,842 sqm. It will feature state-of-the-art design and the most efficient technical specifications in the market, as well as LEED Gold sustainability certification. The asset was acquired off market for EUR 38 million, representing a capital value of 635 €/sqm, more than 20% below comparable market transactions.

POST-CLOSING EVENTS

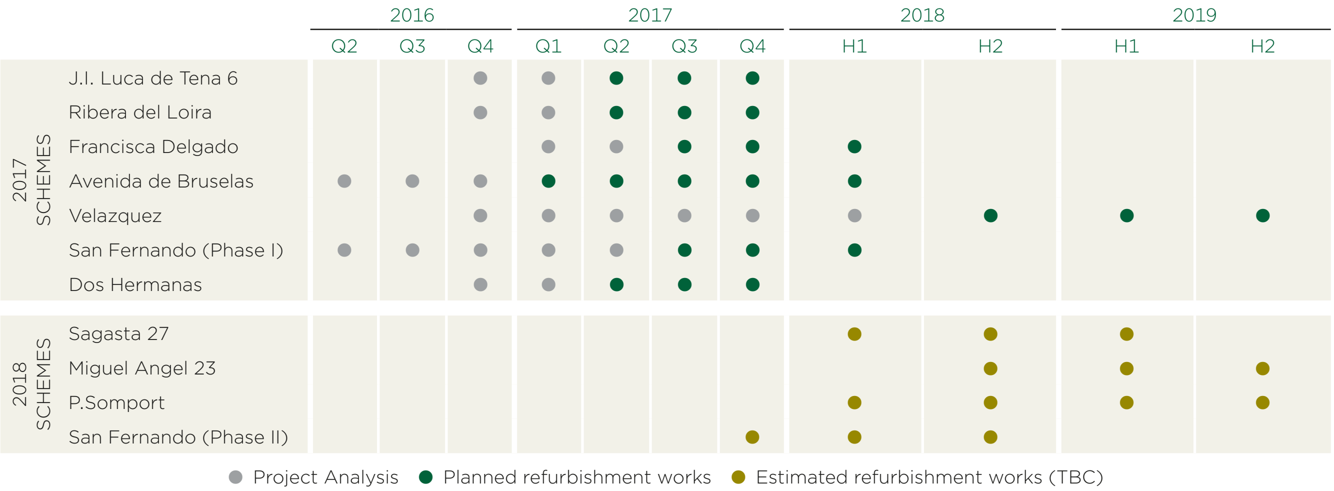
Axiare carried out a forward purchase transaction in November, on a ca. 8,600 sqm office building located on Josefa Valcarcel 40 bis, in the A2-M30 office area. The building benefits from excellent visibility given its front-line position on the A-2 motorway. With floor plates of ca. 1,300 sqm and over 250 parking spaces, and LEED Gold certification, the building will be available for occupation in Q4 2018. Axiare has reached an agreement to acquire the asset with a one-year rental guarantee from the vendor, thereby minimizing the potential letting risk.

REDEVELOPMENT MANAGEMENT

Axiare continues to advance in its ambitious redevelopment pipeline, a vital part of the company's business and value creation strategy. Two projects were already completed in H1 2017 - Don Ramon de la Cruz and Juan Ignacio Luca de Tena 14. The demand for these two Madrid office buildings has been very strong and both are almost fully leased, achieving significant rental uplift and delivering a yield-on-cost of over 7% in aggregate.

In the case of Don Ramon de la Cruz, we have witnessed a valuation uplift of ca. 50% over total investment following works completion and having fully leased the building to two major multinational companies. In addition, following the completion of the refurbishment by Axiare, the building achieved LEED Platinum certification. We expect similar or even better results for the upcoming redevelopment schemes as they are lease up.

The chart below illustrates the (re)development pipeline expected to be completed within the next 18 to 24 months:



Offices redevelopment pipeline

ERV (EUR m.):	28.014
Est. Yield on total investment:	7.2%
Est. Exit Yield:	4.7%

Logistics redevelopment pipeline

ERV (EUR m.):	8.811
Est. Yield on total investment:	9.4%
Est. Exit Yield:	6.9%

Total redevelopment pipeline

ERV (EUR m.):	36.824
Est. Yield on total investment:	7.6%
Est. Exit Yield:	5.2%

Axiare expects to invest ca. EUR 95 million on the repositioning projects in aggregate, of which ca EUR 45 million are already committed across the 2017 schemes. The 2017 schemes are progressing well, running on, or ahead of schedule. All are receiving good traction with potential tenants before completion.

In the logistics portfolio, the pipeline includes two turnkey projects of ca. 134,000 sqm in San Fernando de Henares, Madrid, and a 9,200 sqm warehouse extension in Dos Hermanas, Sevilla. The turnkey projects will not require additional capital expenditure beyond the price agreed at acquisition, but payments amounting EUR 49.6 million are expected to be disbursed in the next 18 months as milestones are completed.

Axiare expects EUR 29.0 million of additional rental income from the current redevelopment pipeline given current ERVs. This leads to a +44% rental income increase after completion of projects and an aggregated yield-on-cost of ca. 7.6% considering the total amounts invested in these assets.

Progress on the 2017 schemes is detailed below.

Three **near completion** schemes soon to be delivered:

Juan Ignacio Luca de Tena 6

Refurbishment works are due to finish in Q4 2017, with the building pre-certified LEED Gold. The main entrance and reception area has undergone a major modernization, the office floor configuration has been redesigned, opening the western façade and increasing levels of natural light in all office floors. The freestanding building also benefits from ample floor to ceiling height.

The building is an ideal headquarter building for medium-sized companies, given its strategic location directly opposite the soon-to-open Banco Santander office complex and 6,000 sqm shopping centre (early 2018), which will provide a wide range of services to the building's future occupier.

Axiare purchased Luca de Tena 6 in September 2015, for EUR 9.5 million, representing a capital value of 2,083 €/sqm. Total capital expenditure will amount to ca. 700 €/sqm, bringing the total all-in investment to 2,783 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 7.75% once fully let.

Ribera del Loira

Refurbishment works are advancing at an excellent pace, and due to complete on schedule by year end. The project includes improvements to all common areas, building entrance and reception, as well as a new co-working space, overlooking the building's main entrance. In addition, the south-east and entrance façade has been replaced by a new, glass structure, with in-built lighting system, improving the building's new modern appearance. The building is pre-certified LEED Gold.

Axiare is already in discussions with a number of interested potential multinational tenants and the building is generating good traction, due to its singularity and excellent potential as a large headquarter building.

Axiare purchased Ribera del Loira in December 2014, for EUR 47.0 million, representing a capital value of 3,666 €/sqm.

Total capital expenditure will amount to ca. 300 €/sqm, bringing the total all-in investment to 3,966 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 6.25% once fully let.

Dos Hermanas

9,200 sqm warehouse extension. Works started in March 2017 and are due to complete by year-end. The extension is already fully leased to the existing tenant (Carrefour) and will start producing income as soon as the works complete. As a result of the extension, Carrefour has committed to a 5-year obligatory lease term extension.

Axiare purchased Dos Hermanas in July 2014, for EUR 9.4 million, representing a capital value of 222 €/sqm. Total capital expenditure will amount to ca. 60 €/sqm[7], bringing the total all-in investment to 282 €/sqm. Based on the single lease signed with Carrefour, we expect to deliver a yield-on-cost of ca. 12.75%.

7) 60 €/sqm across total warehouse area or 350 €/sqm on warehouse extension

Excellent progress across three **in progress** schemes – Avenida de Bruselas, Francisca Delgado and San Fernando:

Avenida de Bruselas

Full redevelopment works continue, and expected to complete on schedule in H1 2018. The building has been stripped back to its structure. All features, systems and installations will be brand new and the latest in terms of sustainability. A new glass curtain façade will provide excellent level of natural light in the office floors, which have a standard floor plate of over 2,000 sqm. The building is already attracting interest from potential international tenants, given its excellent visibility from the A-1 motorway, proximity to Metro station, and large floor plates. The building is expected to be certified LEED Gold.

Axiare purchased Avenida de Bruselas in September 2015, for EUR 27.5 million, representing a capital value of 1,890 €/sqm. Total capital expenditure will amount to ca. 800 €/sqm, bringing the total all-in investment to 2,690 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 7.0% once fully let.

Francisca Delgado

Works began in Q2 2017 and are expected to last until H1 2018. Axiare plan to convert the asset into the first “intelligent” building in Spain, which will be fully connected via state-of-the-art technology, including machine learning and zero interface.

A technological development devised by Axiare will transform the building into a virtually connected space, allowing its occupiers to manage their day-to-day office lives via their mobile phones or by directly instructing the property itself via voice commands.

VIRTO, the new virtual assistant, name and visual identity of the building, is due to be delivered in the spring of 2018 and will comprise more than 17,000 sqm of LEED GOLD office space.

Axiare purchased Francisca Delgado in July 2014, for EUR 28.75 million, representing a capital value of 1,664 €/sqm. Total capital expenditure will amount to ca. 350 €/sqm, bringing the total all-in investment to 2,014 €/sqm. Given current ERVs and the building’s current rental income level, we expect to deliver a yield-on-cost of ca. 9.75% once fully let.

San Fernando

Development works on Phase I are well under way and progressing ahead of schedule. Phase II initial works have begun this quarter.

The brand-new logistics complex will feature state-of-the-art design and the most efficient technical specifications in the market, including LED lighting & WiFi system throughout the entire warehouse and offices, and free height of ca. 12 meters. The warehouses will also comply with the strictest fire safety requirements. This is of utmost importance to potential occupiers. The entire complex will have a total GLA of ca. 134,000 sqm.

Phase I is due to be delivered end of H1 2018, and Phase II in H1 2019, both with LEED Gold sustainability certification. Axiare has already pre-let 65% (ca. 42,000 sqm) of the Phase I to a major international logistics operator, given its strategic location and excellent build quality.

Axiare forward purchased San Fernando in two phases, the first in June 2016, the latter in June 2017, for a total of EUR 81.0 million, representing an average capital value of 608 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 10.5% once fully let.

In addition, two development schemes are currently **committed:**

Velazquez

Axiare Patrimonio's largest CBD property will undergo a complete redevelopment, starting in H1 2018. Works will include redistribution of its current layout, new building entrance, common areas, brand new installations, façade and office areas. The refurbished property will include approximately 13,000 sqm of office space and 3,000 sqm of retail space distributed across three units. Standard office floor plates will be over 2,000 sqm, highly sought after by institutional tenants in CBD, and becoming increasingly difficult to source. The new asset is due to be certified LEED Gold.

Axiare purchased Velázquez in various transactions from 2015 to 2017, for EUR 88.8 million, representing an average capital value of 5,283 €/sqm. Total capital expenditure will amount to ca. 1,000 €/sqm, bringing the total all-in investment to 6,283 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 7.5% once fully let.

Somport

Development of a new state-of-the-art office complex of ca. 23,000 sqm with over 525 car parking spaces. Works are due to begin in H1 2018 and complete H1 2020. The complex will feature two office buildings of ca. 11,500 sqm each, inter-connected at ground floor level by a large concrete semi-covered structure, with large, rectangular, column-free office floors of ca. 2,800 sqm each. The campus will also offer spacious green areas and will feature large terraces, and a wide range of modern facilities and tenant services. The complex is due to be certified both LEED Gold.

Axiare purchased Somport in various transactions between 2015 and 2016, for EUR 23.27 million, representing an average capital value of ca. 1,000 €/sqm. Total capital expenditure will amount to ca. 1,560 €/sqm, bringing the total all-in investment to 2,562 €/sqm. Given current ERVs, we expect to deliver a yield-on-cost of ca. 9.0% once fully let.

LEASING ACTIVITY

Leasing activity remained strong during the quarter, with demand continuing to gain momentum, and the offer of high quality office space constantly decreasing, pushing rents up and forcing tenants to take decisions quicker. CBD rents in Madrid continue their upward trend, rising up 8% over the past twelve months[8]. Importantly, consolidated business districts outside CBD are also beginning to experience rental increases, with rents up 6% over the past twelve months[8]. The upwards trend in rents continues as high-quality space is becoming more sought after than in previous years. Average rents in CBD are now at 30 €/sqm/month in Madrid and 22,50 €/sqm/month in Barcelona[9], and vacancy rates continue to fall (currently 10.9% and 7.7% respectively)[9]. Take up levels reached 348,000 sqm from Q1-Q3 in Madrid and 265,000 sqm in Barcelona, representing a 20% and 19% increase respectively increase against the same period in the previous year.

Axiare continues to prove that its repositioning strategy is successfully paying off, and the company holds a prominent position capturing a significant stake of the institutional demand in Madrid's office market. Year-to-date new leases include tenants such as Ebay, Boston Consulting Group, top-tier Madrid administrative and governing bodies, Banco Sabadell, Asisa and Kruk. Our new best-in class assets completed throughout 2017 are reaching full occupancy levels in record time, with strong rental uplifts and our near completion/ in progress schemes are generating significant interest from major international tenants. We have an exceptional redevelopment pipeline and expect to deliver similar or better results in our upcoming redeveloped assets, as the rental market continues to improve and the economic growth remains strong.

During the 9-month period, Axiare has signed 179,396 sqm, of which 110,358 sqm corresponds to new leases and 69,038 corresponds to renewals of existing contracts. New contracts provided the company with over EUR 11.1 million of additional annualised rents, while renewals securing ca. EUR 6.3 million.

During the quarter, Axiare has signed 4,906 sqm, primarily in offices, of which 4,440 sqm corresponds to new leases and 466 sqm to renewals of existing contracts. We have increased occupancy in every business district outside CBD in the quarter, as demand from new and existing tenants continues to gain momentum.

8) Source: Aguirre Newman Research
9) Source: JLL Research

Highlights for the period include:

- New lettings signed during the 9-month period totalling 110,358 sqm, generating additional annualised rent of over EUR 11 million, and 69,038 sqm renegotiated securing annual rent of ca. EUR 6.3 million
- All completed office redevelopment schemes successfully leased (21,207 sqm) on average 21.4% above the underwriting assumptions and 7.4% ahead of valuers' December 2016 ERV, and all on triple net basis
- Seven existing tenants increasing their leased space by 36% on average
- Two pre-lets signed in logistics totalling 51,015 sqm, generating additional annualised rent of ca. EUR 2.6 million
- During the quarter, 4,906 sqm signed, primarily in offices, of which 4,440 sqm corresponds to new leases, increasing occupancy in every business district outside CBD
- Rents in the quarter continued to be signed some 7% above ERV for new tenants and with 12% releasing spreads. All new contract signed also included embedded rental step-ups
- Leasing of our most recently refurbished asset (J. I. Luca de Tena 14) progressing well, with over 75% leased and the remaining space in advanced negotiations
- Occupancy increased to 93.4%, up 544 bps in the 9-month period on a like-for-like basis, with sound increases in offices and logistics
- Since period-end, 1,242 sqm signed of new lettings in offices signed and ca. 2,500 sqm of office space with HoT signed or under advanced negotiation with positive outlook

OFFICES

Axiare continues with the excellent progress made in H1 2017, during which it was ranked #1 in leasing volume (sqm) in Madrid amongst all real estate companies operating in the Spanish market .

Overall, during the first 9 months of 2017 Axiare has signed 19 new contracts covering 58,975 sqm of which 32,403 sqm corresponds to new contracts (vs 5,017 sqm signed during the same period the previous year), generating additional annualised rent of ca. EUR 7.3 million. 26,572 sqm corresponds to renewals of existing contracts, securing more than EUR 5 million of annualised rent.

During the quarter, Axiare has increased occupancy in every business district outside CBD with the signing of 4,131 sqm, of which 3,665 sqm corresponds to new leases and 466 sqm to renegotiation of existing contracts. Rents in the quarter continued to be signed some 7% above ERV for new tenants and with 12% releasing spreads.

Success Story Juan Ignacio Luca de Tena 14

Three months after works completion (June 2017) Axiare has rented 75% of the asset to two blue-chip tenants. The remaining vacant space is now in advanced negotiations with a positive outlook to close before year-end.

Axiare has achieved rental levels +16% above December 2016 valuers' ERV, leading to a +55% marginal rental uplift -compared to the rent level that was offered prior refurbishment works- and a 7.5% yield-on-cost.

Asset:	Juan Ignacio Luca de Tena 14
Location:	Madrid BD M30–A2
Quality:	Class A & LEED Gold (expected Q4 2017)
Total Area	7,872 sqm
Leased Area	5,859 sqm
Asset occupancy at acquisition	0%
Asset occupancy following works completion	75% (with the remaining in advanced negotiations)
Estimated yield on total investment	ca. 7.5%

In addition, existing CBD and outside-CBD tenants continue to take additional space as the Spanish economy continues its positive trend. During the quarter, two existing tenants have increased their leased space by 32% on average. All new leases and renegotiations were signed with embedded rental step-ups of over 6% p.a. for the following 2-5 years, followed by market rent reviews.

During the quarter, we have had one tenant exit totalling 1,050 sqm in Miguel Angel 23, owing to a contract expiry we decided not to renew, as we are preparing the asset for future redevelopment works.

The current occupancy across Axiare's office investment properties is 86.7%, up 519 bps on a like-for-like basis, comparing the same properties included in the office investment properties portfolio at the start of the year.

Since period end, Axiare has signed 1,242 sqm of new lettings in offices and has lease agreements for ca. 3,000 sqm under advanced negotiations. We expect these lease agreements to be signed before year-end.

LOGISTICS

Overall, during the first 9 months of the year we have signed 119,646 sqm of logistics space, of which 77,180 sqm corresponds to new leases (vs 44,217 sqm during the same period the previous year) and 42,466 sqm corresponds to renegotiations.

The occupancy across Axiare's logistics investment properties is 97.1% at 30 September 2017, up 786 bps on a like-for-like basis comparing the same properties included in the logistics investment properties portfolio at the start of the year.

OTHERS

In the Others portfolio, one of our tenants has increased its lettable area by signing 775 sqm in the quarter and we had one small tenant exit of 297 sqm.

The occupancy across Axiare's Others investment properties is 97.9% at period-end.

At 30 September 2017, the average rent across our office and logistics portfolio was EUR 17.6 and EUR 3.1 respectively[10]. Our total annualised rent roll was EUR 65.7 million by period-end.

Overall, the leasing activity helped increase occupancy across Axiare's investment properties to 93.4% at quarter-end. This represents an increase of 544 bps on a like-for-like basis compared to the investment properties portfolio at the start of the year.

The table below shows Axiare's occupancy per business sector.

Occupancy

Investment properties[11]	Q3 2017	Q2 2017	QoQ change	9 months LfL Q3 2017	Q4 2016[12]	9 months LfL change
Offices	**86.7%**	**85.6%**	**110 bps**	**86.7%**	**81.5%**	**519 bps**
Madrid	84.9%	83.7%	124 bps	84.8%	79.6%	517 bps
CBD	85.7%	87.3%	(175) bps	83.8%	83.8%	(11) bps
BD	84.6%	82.1%	254 bps	85.2%	78.0%	722 bps
Barcelona	100.0%	100.0%	0 bps	100%	100.0%	0 bps
Logistics	**97.1%**	**97.1%**	**0 bps**	**97.1%**	**89.3%**	**786 bps**
Madrid	95.7%	95.7%	0 bps	95.7%	83.9%	1,178 bps
Barcelona	100.0%	100.0%	0 bps	100.0%	100.0%	0 bps
Other	100.0%	100.0%	0 bps	100.0%	100.0%	0 bps
Others	**97.9%**	**97.3%**	**61 bps**	**97.9%**	**97.5%**	**39 bps**
Total	**93.4%**	**92.9%**	**48 bps**	**93.6%**	**88.1%**	**544 bps**

10) Average rent related only to the assets main use GLA
11) Investment properties comprise rented or under commercialization properties, excluding those currently undergoing redevelopments. Redevelopments in the quarter includes Av de Bruselas P. Somport, Ribera del Loira, J.I. Luca de Tena 6 and Sagasta 27 in offices; San Fernando (Phases I and II) in logistics
12) Ribera del Loira and J.I Luca de Tena 6 refurbishments works started in Q1 2017, and are therefore part of the redevelopment properties at quarter-end. For comparative reasons Ribera del Loira and J.I Luca de Tena 6 have been excluded from the Q4 2016 figures shown on the occupancy table

SUSTAINABILITY AND TECHNOLOGY

SUSTAINABILITY

Sustainability continues to act as a vital backbone to Axiare's management strategy. The company recognises the need and responsibility to build assets that not only contribute positively to the environment, but also to the wellbeing and health of its occupiers and employers.

The Company is pioneering the Spanish real estate market with the introduction of the WELL certification in its major repositionings and redevelopments. WELL is the leading tool for advancing health and well-being in buildings globally. Its flexible framework improves occupiers' health and human experience through design. The Company intends to certify the following assets in 2018: Ribera del Loira, De la Vega Business Park, Avenida de Bruselas, Francisca Delgado and Juan Ignacio Luca de Tena. In 2019, Velázquez and Somport, two of the Company's largest schemes, are due to be certified.

As part of its asset repositioning strategy, Axiare is certifying its entire portfolio with internationally recognized sustainable certification programmes; the office assets are all registered under the LEED programme, the logistics assets under the BREEAM programme.

Axiare is successfully certifying all assets, at different stages in their repositioning process. All fully refurbished assets are being handed over with LEED/BREEAM certification, the most recent cases being Don Ramón de la Cruz (which, having been predicted a LEED Gold certification, achieved LEED Platinum recognition) and Juan Ignacio Luca de Tena 14, which is currently undergoing final analysis to improve its certification from Gold to Platinum, as in the case of DRC.

Both cases show the positive results of the management team's diligent strategy and attention to detail, outperforming our own expectations and that of the contracted building designer. We intend to continue to raise the bar and achieve such positive results going forward.

TECHNOLOGY

Axiare I+D+i remains committed to investing in technology that improves the efficiency and overall performance of our properties, capitalising on the knowledge that are gathering in order to improve our real estate business.

We continue to work on developing our mobile app for workspace management in offices, known as the *Better Work Place App (BWP App).* Thanks to what we have learnt and to the shared experiences of our tenants, we are able to continually improve the services offered by the app. It is no longer in a development phase, but rather a product that is being used by more and more occupiers every day in our pilot project in the De la Vega Business Park.

We are currently working on integrating this mobile app into our main tenants' day-to-day life, as it will allow them to considerably improve aspects as important as access control, security and employee services. At this stage, we are confident that we will exceed our expectations and that by the end of the year over 50% of employees at the De la Vega Business Park will be regularly using our mobile app.

We are also working on what we call the “app core”, which will allow us to install the apps almost instantaneously in other buildings. The modules activated will depend on the services that can be offered in each building, though all buildings will have the access and visitor management function installed as standard.

The team is working to improve our real-time knowledge of how our app is being used in our buildings, thereby allowing us to improve our services and the future design of our projects.

Virto

When it comes to the latest trends in digital technology, the Virto building will stand out as the world's first cognitive building, based on a new way of integrating software into buildings in order to improve the efficiency of the people working in it.

The Virto concept allows occupiers to naturally interact via a ‘zero interface' (no need for keyboards or any other aids, simply voice-activation) with the building, providing a series of functions and services to occupiers. This technology will be incorporated into specific communal spaces of the building, such as its meeting rooms, reception and auditorium. We will also be able to incorporate it into our tenants' offices on-demand.

This very easy-to-use interface is based on the highly complex technology that companies such as Google have developed: artificial intelligence. This technology allows any occupier to access their documents, records and accounts anywhere where Virto is present, as the AI is able to securely recognise each person and interact with them via voice, gestures or keyboard.

The meeting rooms located in the building's common areas are an example of how it can be used. Once Virto has identified the employee, this person will then be able to access all their information and the documents that they need in order to work from the Virto room of their choice, control temperature or order anything from the canteen by simply talking out loud. Virto will allow employees to share information and documents with those attending meetings held in their rooms.

APPENDIX: PORTFOLIO IN DETAIL

EUR m. unless specified

Nº	ASSET	Acquisition Date	GLA (sqm)	Parking spaces (units)	Net Acquisition Price	Gross Acquisition Price	Market Value	Capital Structure	
								Debt[1]	LTV
1	F. Delgado	28.jul.14	17,273	394	28.750	29.274	50.000	18.000	36%
2	F. Santo	24.sep.14	3,254	42	16.500	16.810	28.500	12.000	42%
3	Av. Vega	24.sep.14	22,578	447	52.000	52.926	77.500	28.171	36%
4	M. Falla	-	6,252	41	31.000	31.431	55.000	24.000	44%
5	Diagonal	4.dec.14	15,351	251	53.000	54.433	74.000	28.713	39%
6	Rib. Loira	4.dec.14	12,822	370	47.000	48.128	50.700	24.100	48%
7	Cristalia 2&3	4.dec.14	17,338	418	53.000	54.272	62.650	28.603	46%
8	Tucuman	30.mar.15	6,327	170	23.500	23.906	26.000	12.926	50%
9	Luca de Tena 14	30.mar.15	7,872	185	17.000	17.303	25.000	10.600	42%
10	Cristalia 5&6	22.may.15	17,587	381	49.000	50.199	63.200	27.500	44%
11	Velazquez	15.jun.15	16,816	155	88.840	90.646	125.750	52.124	41%
12	R. Arellano	21.jul.15	6,832	112	16.500	16.837	25.500	8.500	33%
13	Av Bruselas	23.sep.15	14,547	364	27.500	28.082	41.800	14.400	34%
14	Alcalá	23.sep.15	6,260	185	12.000	12.254	14.550	6.700	46%
15	Luca de Tena 6	23.sep.15	4,560	190	9.500	9.701	12.500	4.500	36%
16	D. Ramón Cruz	8.oct.15	9,339	93	32.725	33.633	56.200	21.000	37%
17	P. Somport	23.dec.15	22,000	300	23.115	23.273	36.350	-	-
18	J Valcarcel 24	26.jan.16	5,652	90	13.000	13.235	15.200	7.000	46%
19	Sagasta 33	17.nov.16	7,054	93	41.800	42.676	51.050	26.400	52%
20	Almagro 9	02.dec.16	15,094	201	124.000	124.977	136.000	75.700	56%
21	Luca de Tena 7	23.dec.16	10,147	260	35.000	35.616	36.700	19.000	52%
22	Puerto de Somport 8	20.jan.17	9,280	370	41.500	42.489	48.600	-	-
23	Cedro	31.jan.17	17,138	381	43.500	43.874	46.700	23.419	50%
24	Miguel Angel	31.jan.17	8,036	96	53.357	55.504	60.250	-	-
25	Sant Cugat	31.jan.17	12,000	408	19.500	21.063	20.320	14.500	71%
26	Sagasta 27	31.jan.17	4,481	0	18.550	19.584	21.500	-	-
OFFICES			**295,889**	**5,997**	**971.137**	**992.126**	**1,261.520**	**487.857**	**39%**
27	Cabanillas	29.jul.14	37,879	-	16.681	17.214	24.500	9.586	39%
28	Miralcampo	30.jul.14	35,781	-	14.485	14.849	20.700	9.143	44%
29	Dos Hermanas	30.jul.14	42,466	-	9.420	9.658	18.400	5.103	28%
30	Rivas	24.sep.14	35,248	-	17.000	17.316	24.900	9.210	37%
31	Valls	9.oct.14	26,026	-	4.500	4.591	11.500	4.954	43%
32	Guadalix	9.oct.14	14,945	-	4.500	4.603	9.100	4.349	48%
33	Camarma	9.oct.14	70,296	-	26.000	26.595	46.000	19.881	43%
34	Constantí	30.jul.15	42,253	-	13.500	14.029	20.560	11.015	54%
35	San Fernando	15.jun.16	73,464	-	43.000	43.530	62.900	-	-
36	Alcalá de Henares	25.nov.16	8,971	-	5.634	5.856	6.300	3.263	52%
37	Azuqueca	25.nov.16	19,064	-	8.550	8.973	10.600	4.778	45%
38	San Fernando (Phase II)	30.jun.17	59,842	-	38.000	38.000	47.300	-	-
LOGISTICS			**466,235**	**-**	**201.270**	**205.213**	**302.760**	**81.282**	**27%**
39	Planetocio	24.sep.14	19,222	797	14.000	14.473	19.400	11.640	60%
40	Bauhaus	4.dec.14	12,413	352	27.000	27.729	34.700	14.572	42%
41	Hotel	24.apr.15	10,447	212	10.500	12.195	15.500	7.000	45%
42	Las Mercedes	23.sep.15	21,111	540	39.000	39.825	53.500	24.500	46%
43	Víapark	15.apr.16	15,744	1,500	20.000	20.623	22.150	11.500	52%
OTHER			**78,937**	**3,401**	**110.500**	**114.845**	**145.250**	**69.212**	**48%**
TOTAL PORTFOLIO			**841,061**	**9,398**	**1,282.907**	**1,312.184**	**1,709.530**	**638.351**	**37%**

1) Debt value corresponds only to mortgage loans

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axiare
PATRIMONIO

Ortega y Gasset 29, 5th Floor
28006 – Madrid – Spain
Tel. +34 91 431 93 17
www.axiare.es

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