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c/ José Ortega y Gasset, 29  
Madrid 28006  
A-86971249

## **TO THE SPANISH STOCK MARKET COMMISSION**

In compliance with reporting requirements set forth in Article 228 of the Consolidated text of the Securities Market Law (Royal Legislative Decree 4/2015), Axiare Patrimonio SOCIMI, S.A. (hereinafter "**Axiare Patrimonio**" or the "**Company**") notifies the Spanish Stock Market Commission (*Comisión Nacional del Mercado de Valores*) the following

### **SIGNIFICANT INFORMATION ANNOUNCEMENT**

Axiare Patrimonio releases its trading update for the third quarter of 2017, which is available on the company's website:

[Trading update third quarter 2017](#)

Madrid, November 15, 2017,

Mr, Luis López de Herrera-Oria  
Chief Executive Officer  
Axiare Patrimonio

The Socimi has significantly increased its portfolio occupancy to 93.4%

## **Axiare Patrimonio registers a profit of EUR 125 million to 30<sup>th</sup> September, up 37% y-o-y**

- Axiare Patrimonio completed nine lettings comprising 110,358 sqm during the first nine months of the year, and is on course to close more before year end.
- Year to date, Axiare has let its three latest repositioned office properties, at rental levels that have exceeded initial estimates by 21% and estimated market rents by 7%. The company expects to achieve similar or even better results with its new repositioning projects.
- The Socimi has agreed a dividend payment of 0.14 EUR per share 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
- With the development of Virto, the first intelligent building in the market, and the analysis of the implementation of WELL certification across the portfolio, Axiare Patrimonio continues to demonstrate that technology and sustainability are a vital part of the company's business.



Photo: Axiare Patrimonio

**Madrid, 15 November 2017.** Axiare Patrimonio's financial results continue to register double-digit growth, demonstrating the value of its management. The Socimi obtained a net profit of EUR 125 million in the first nine months of the year, a 36.9% y-o-y increase. Its active asset portfolio management strategy helped the Company to register a rental income of EUR 44.4 million during this period, up 45.8% y-o-y. EBITDA (gross operating profit) stands at EUR 33.8 million, up 50.2% y-o-y. Furthermore, the Board of Directors has agreed a dividend payment of EUR 14 cents per share on account of 2017 results 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.

The Socimi, led by Luis López de Herrera-Oria, boosted the occupancy rate of its property portfolio to 93.4%, after letting 110,358 sqm across nine transactions in the first nine months of the year. These lettings will contribute a total annual income of over EUR 11 million. New leases in Q3 2017 were signed on average 7% above market rent estimates calculated by the



## Press Release

independent valuers. Additionally, seven tenants have increased the space that they occupy by an average of 36%.

Since period-end, more than 1,200 sqm of new office lettings were signed, with circa 2,500 sqm of additional office space in the advanced stages of negotiations and due to be closed before the end of the year.

All of its repositioned properties have been successfully let with significant rental uplifts, compared to the estimates calculated by both the independent valuers and the Company prior to the works. Renovation works are also nearing completion on two of the Company's office properties and one logistics warehouse, all of which are generating significant traction amongst potential tenants.

So far this year, Axiare Patrimonio has invested EUR 245 million in the acquisition of seven properties in Madrid and Barcelona. These investments, in line with the company's strategy, have strong value uplift potential, and will offer attractive returns for its shareholders. It is also in the advanced analysis stage on a number of other transactions, valued at EUR 200 million.

The CEO of Axiare Patrimonio, Luis López de Herrera-Oria said: "The active management of our properties is allowing us to both attract a large amount of institutional demand and increase our rents, with our excellent results and the value uplift achieved at our properties paying testament to this. Axiare Patrimonio has once again demonstrated its ability to generate value for its shareholders via the outstanding work of its management team. Our year-end forecasts for 2017 are very encouraging, and we remain optimistic regarding the growth of the Spanish real estate market in general". López de Herrera-Oria added: "As well as being the first rental property portfolio company in Spain to be regulated by RICS, Axiare Patrimonio is set to lead the way in the Spanish real estate market via the introduction of WELL certification in its properties, demonstrating the attention we pay to improving the well-being of our portfolio's tenants".

Axiare Patrimonio owns a portfolio with a market value of EUR 1,710 million, according to the valuation completed by the independent consultancy firm CBRE. In line with the business plan that it set out at its stock market listing in June 2014, offices account for 74% of its portfolio, logistics warehouses 18%, and retail properties account for the remaining 8%, most of which are retail warehouses.

To date, the Company has invested/committed all of the EUR 93.4 million raised from its share capital increase in March 2017, and it has also obtained EUR 130.8 million in bank financing under very favourable terms and conditions. The Company's gross loan-to-value ratio currently stands at 39%.

Axiare has demonstrated a strong financial performance and has outperformed Spanish SOCIMIs listed on the Spanish stock exchanges, with a 74% share price appreciation and a 62% growth in NAV per share since its Initial Public Offering in July 2014, driven by a portfolio that shows a substantial growth potential through active management, as well as an attractive pipeline of new acquisitions in line with the Company's strategy.

**About Axiare Patrimonio:**

Regulated by RICS



## Press Release

Axiare Patrimonio is a Spanish company that has been listed on the Madrid Stock Exchange as a SOCIMI (*Sociedad Anónima Cotizada de Inversión Inmobiliaria*), since July 9, 2014. Its primary activity is the identification of investment opportunities in the Spanish real estate market and the creation of a prime property portfolio with strong potential value uplift that provides an attractive yield for its shareholders.

The company's value creation strategy is based on the active management of its portfolio, carried out by an expert team solely dedicated to this task - in order to maximise its quality, occupancy and value and transform the properties in to the leading schemes in their catchment area. Axiare Patrimonio's investment activity is focused on the acquisition of Grade A office buildings - or that have the potential to be - in the CBD and the most sought-after business districts in Madrid and Barcelona; logistics platforms on the main distribution highways and retail schemes in established areas in Spain. Axiare Patrimonio forms part of EPRA (European Public Real Estate Association) and is the first rental property portfolio company on the stock exchange to be regulated by RICS in Spain.

As well as defining and setting out the highest international professional standards, RICS aims to lead the way in terms of identifying solutions to the main challenges faced by the sector through professional expertise.

### **About RICS:**

RICS is a global professional body. It promotes and enforces the highest professional qualification and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve. The work of our professionals creates a safer world: we are proud of our profession's reputation and we guard it fiercely. T +351 91 370 51 19 - E [ricsespana@rics.org](mailto:ricsespana@rics.org) - [www.rics.org](http://www.rics.org)

### **For more information please contact:**

#### **Axiare Patrimonio Press Office:**

Biel Huguet Tel: +34 91 576 52 50 / + 34 637 883 468 Email: [bhuguet@estudiodecomunicacion.com](mailto:bhuguet@estudiodecomunicacion.com)

#### **Head of Axiare Patrimonio Investor Relations:**

Carmen Boyero-Klossner Tel: +34 91 431 93 17 Email: [investors@axiare.es](mailto:investors@axiare.es)