

SPANISH STOCK MARKET COMMISSION (CNMV)

In compliance with reporting requirements set forth in Article 82 of Act 24/1988, dated 28 July, on the Stock Market, Axiare Patrimonio SOCIMI, S.A. (hereinafter, "Axiare Patrimonio" or "The Company") notifies the Spanish Stock Market Commission (Comisión Nacional del Mercado de Valores) of the following

SIGNIFICANT INFORMATION ANNOUNCEMENT

Axiare Patrimonio announces the acquisition of an office building located on calle Sagasta 31-33 in Madrid, for EUR 41,800,000. The asset comprises a gross lettable area (GLA) of 7,054 sqm arranged over four floors and 93 underground parking spaces. The property is let in its majority to a North American multinational strategic consulting firm as their Spanish headquarters.

See attached press release.

Madrid, 23 November, 2016

Luis López de Herrera-Oria
CEO
Axiare Patrimonio

The Company completes one of the transactions it recently announced as being in its investment pipeline

Axiare Patrimonio acquires the headquarters of McKinsey & Co. for EUR 42 million

- The period refurbished office building comprises 7,054 sqm Gross Lettable Area (GLA) and 93 parking spaces, and is located in the Almagro area of Madrid, close to the headquarters of Linklaters, Cuatrecasas Gonçalves y Pereira, Ramón y Cajal, and BBVA's Innovation Centre.
- The Socimi now has close to EUR 1.1 billion in real estate assets with very strong potential value uplift: rents are expected to increase by 77 per cent in the next year and a half, from EUR 42 million per year to EUR 76 million in 2018.



Photo: Building purchased by Axiare Patrimonio, McKinsey & Co.'s Spanish Headquarters

Madrid, 23 November 2016 - The Socimi led by Luis López de Herrera-Oria has completed the acquisition of the Spanish headquarters of McKinsey & Co., one of the leading international consultancy firms, for EUR 41.8 million. This is one of the properties that Axiare Patrimonio announced was in its investment pipeline on 15 November. The acquisition was carried out off-market, in line with the company's strategy to acquire assets at competitive prices and with strong potential value uplift.

The period refurbished office building comprises 7,054 sqm Gross Lettable Area (GLA) and 93 underground parking spaces. It is located in the Almagro area of Madrid, close to Linklaters, Cuatrecasas Gonçalves y Pereira, Ramón y Cajal, and BBVA's Innovation Centre.

Press Release



Luis López de Herrera-Oria, CEO of Axiare Patrimonio, states that “with the purchase of this property, Axiare Patrimonio continues to be firmly on-track to meet its business plan and as it draws towards the end of 2016, has an extremely upbeat outlook”. López de Herrera-Oria added: “This unique property located on Plaza de Alonso Martínez meets all of our requirements: it is a prime product, is located in the capital’s financial centre and has excellent potential value uplift”. The building is similar to the case of the Alphabet Building in Finsbury Square in London, a period building that has been fully modernised inside. It houses the headquarters of various reputable tenants and commands the highest rents in its catchment area.

So far this year, Axiare Patrimonio has signed a total of 24 lease agreements, corresponding to more than 100,000 sqm of gross leasable area (GLA). This positive trend continues, with Axiare Patrimonio adding a further 11,000 sqm of new leases, either already signed or with closed agreements pending contract signing.

The Company holds EUR 67 million for asset refurbishment and repositioning projects, with the goal of having the best buildings in each submarket. This has already been proven in various assets, including Manuel de Falla 7, where a refurbishment has recently been finished, bringing about a 37% increase in asset valuation, from EUR 31 million to EUR 42.6 million.

The Socimi now has close to EUR 1.1 billion in real estate assets with very strong potential value uplift: rents are expected to increase by 77 per cent in the next year and a half, from EUR 42 million per year to EUR 76 million in 2018. Axiare Patrimonio holds more than EUR 200 million solely for completing new acquisitions.

Axiare Patrimonio continues to demonstrate its ability to provide an attractive return for its shareholders. The company has achieved higher returns than any of the other Spanish listed real estate companies, seeing its share price increase by 25% and its NAV per share increase by 37% since it listed on the Stock Exchange in July 2014.

Axiare Patrimonio was advised on the transaction by EY on the legal side, PWC on the technical side and Cushman & Wakefield on the brokerage side. The seller was advised by Tenigla Real Estate and Aiga Investments.

About Axiare Patrimonio:

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 is a member of EPRA (European Public Real Estate Association).

For more information please contact:

Press Release



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