

## **SPANISH STOCK MARKET COMMISSION (CNMV)**

In compliance with reporting requirements set forth in Article 17 of EU Regulation No. 596 of the European Parliament and Council, dated 16 April 2014, regarding market abuse, and in Article 228 of the revised text on the Stock Market, approved by the Royal Legislative Decree Act 4, dated 23 October 2015, 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

### **IMPORTANT INFORMATION ANNOUNCEMENT**

During its ordinary course of business as a listed Real Estate Investment Trust (REIT or "Socimi" in Spanish), Axiare Patrimonio announces the sale of an office building located at Calle Fernando el Santo 15 in Madrid, for EUR 30,000,000, EUR 1,500,000 higher than the Gross Asset Value (GAV) assigned to the property at 30 June 2017 in the valuation report completed by CBRE Valuation Advisory, S.A., and equating to a 5.3% premium on the GAV. The sales decision was made in compliance with the obligation to remain neutral as per the requirements set forth in Article 28 of the Royal Decree No. 1066 dated 27 July 2007, regarding takeover bids.

The asset, acquired in September 2014, has a gross lettable area (GLA) of 3,254 sqm and 42 parking spaces. Negotiations with the buyer for the sale of the property began in May 2017, and the disposal was approved by the Board of Directors at their meeting on 25 July 2017, subject to certain conditions being met; conditions which were satisfied prior to the sale. On 27 July 2017, a reciprocal sale and purchase agreement was signed, after certain planning requirements were met. Having now satisfied these requirements, the sale of the property has been completed as per the agreed terms.

See attached press release.

Madrid, 20 December 2017

Luis López de Herrera-Oria  
CEO  
Axiare Patrimonio

## Nota de Prensa

The Socimi has increased the property's rental level by 43% and achieved full occupancy

### Axiare Patrimonio sells Fernando el Santo for €30 million

- Axiare Patrimonio has sold the prime property located in the centre of Madrid at Calle Fernando El Santo 15, to a national investor for €30 million
- This is the Socimi's first divestment. The property, acquired in September 2014 for €16.5 million, has been sold for €30 million, equating to a value uplift of 82% in three years
- The Socimi's active management strategy has allowed it to increase the property's rental level by 43%



Photo: Axiare Patrimonio

**Madrid, 20 December 2017.** Axiare Patrimonio completes its first sale in its three-year history, obtaining close to double its 2014 acquisition price. After holding the property in its portfolio for three years, as per the legal requirement for Socimis, the company headed up by Luis López de Herrera-Oria has sold the period property located in Madrid at Calle Fernando El Santo 15 to a national investor for €30 million. The sales price equates to an 82% increase on the acquisition price and is 5% above the last valuation carried out in June 2017. This prime property, which



## Nota de Prensa

houses the headquarters of the Republic of Argentina's Embassy and Consulate, is located in Madrid's CBD and next to the current Republic of Argentina's Ambassador's Residence.

The Company's active management strategy has allowed it to increase the property's rental levels by 43% and the occupancy up to 100%.

The Fernando El Santo 15 property retains its original period façade and comprises six floors, with a total area of 3,254 sqm. The property features 42 underground parking spaces, a rarity in this area.

The CEO of Axiare Patrimonio, Luis López de Herrera-Oria, confirmed: "Our company's first divestment is an unquestionable success for Axiare Patrimonio, whilst the sales price achieved is yet another sign that the market clearly values our active management strategy. When we purchased this property in the heart of Madrid it had very low rents. We renegotiated the lease with an existing tenant at higher rents and signed leases with two new tenants, also at higher rents". López de Herrera-Oria added: "We identified an excellent purchase opportunity in 2014 and have sold at a time when there is a lack of product in the CBD and a great deal of demand. This is a faultless transaction via which we have created value for the Company and its shareholders".

### **A portfolio valued at more than €1,700 million**

So far this year, Axiare Patrimonio has let its three most recently repositioned offices at rents 21.4% above initial estimates and 7% above the market rent estimated by the valuers.

Following this divestment, Axiare Patrimonio has a rental property portfolio valued at €1,710 million. 74% of its assets are office buildings - the majority of which are located in the CBDs of Madrid and Barcelona – 18% are logistics assets located on Spain's main distribution corridors and the remaining 8% are primarily retail warehouses located in areas with high footfall.

The Socimi was advised on the sale by CBRE and EY was the legal advisor.

### **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 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.



## Nota de Prensa

### **About RICS:**

RICS is a global professional body. We promote and enforce 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)