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

## SPANISH STOCK MARKET COMMISSION (CNMV)

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

## SIGNIFICANT INFORMATION ANNOUNCEMENT

Axiare Patrimonio releases the **presentation material that will support the FY 2016 Earnings conference call** for investors, analysts and media, taking place today **February 27<sup>th</sup>, 2017 at 13:00 (CET)**.

This presentation document will be shared live with the participants via the following link:

[FY 2016 Earnings Conference Call](#)

and will also be available on the online Investors Area, on the Axiare Patrimonio's website:

[FY 2016 Earnings Presentation](#)

As a reminder please find dial-in numbers for today's conference call:

Spain: +34 917 900 862  
UK: +44 (0) 203 009 24 54  
USA: +1 866 388 19 27

Madrid, 27<sup>th</sup> February 2017

Luis López de Herrera-Oria  
Chief Executive Officer  
Axiare Patrimonio



**axiare**  
PATRIMONIO

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CREATING CORE PRODUCTS

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FULL YEAR 2016 RESULTS PRESENTATION





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**KEY  
HIGHLIGHTS**



# KEY HIGHLIGHTS

- Solid 2016 financial performance and a talented team to continue deliver organic growth
- Another very active year in acquisitions, committed to our investment strategy, and with further opportunities under analysis
- Record year leasing ahead of ERVs, with strong visibility going into 2017
- Completed redevelopments successfully capturing tenant demand; solid 2017 redevelopment pipeline
- Pioneering on technology and sustainability across the portfolio



# KEY PORTFOLIO METRICS YTD



## GAV<sup>(1)</sup>

EUR 1,489 million  
+23% on acq. price



## OFFICE EXPOSURE<sup>(1)</sup>

75%  
ca. 47% CBD



## YIELDS<sup>(3)</sup>

5.9% on cost  
4.6% EPRA NIY



## FINANCING<sup>(1)(4)</sup>

43% gross LTV  
1.95% all-in cost



## ANNUALISED GRI<sup>(2)</sup>

EUR 60.8 million  
+43% YoY



## EPRA NAV<sup>(5)</sup>

€ 13.8, +17.6% YoY  
+45.4% since IPO

<sup>(1)</sup> Based on latest appraisal as of December 2016 plus assets acquired during 2017 at acquisition value (Puerto de Somport, Cedro and Miguel Angel)

<sup>(2)</sup> Based on annualised topped-up GRI as of December 2016 plus annualised GRI as of January / February 2017 from assets acquired during 2017 (Puerto de Somport, Cedro and Miguel Angel)

<sup>(3)</sup> Based on latest appraisal plus assets acquired, and on annualised topped-up Rental Income plus assets acquired. Excludes Redevelopment projects (Avenida de la Vega, Manuel de Falla, Ramirez de Arellano, Don Ramon de la Cruz, Juan Ignacio Luca de Tena 14 and Avenida de Bruselas)

<sup>(4)</sup> As of February 2017 post 2017 acquisitions (Puerto de Somport, Cedro and Miguel Angel) including a bridge loan signed in February 2017

<sup>(5)</sup> As of December 2016





# FINANCIAL RESULTS





# DELIVERING SUBSTANTIAL RETURNS

+17.6% NAV 12-MONTH ACCRETION THROUGH ACTIVE MANAGEMENT AND DISCIPLINED INVESTMENTS

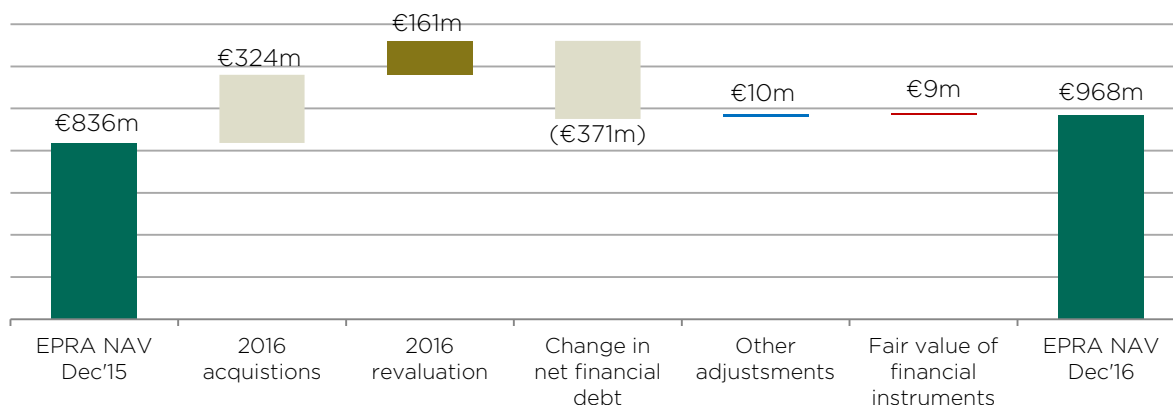
## EPRA NAV PER SHARE

€11.7  
Dec'15

> +17.6% >

€13.8  
Dec'16

## 12-MONTH CHANGE IN EPRA NAV



EPRA NAV  
+17.6%  
YoY

EPRA NAV  
+45.4%  
Since IPO



# VALUATION UPDATE

INTENSE ACTIVE MANAGEMENT AND DISCIPLINED INVESTMENTS UNDERPINNING VALUATION UPLIFT

Valuation growth  
**23%**  
ON ACQUISITION  
PRICE<sup>(1)</sup>

Valuation growth  
**14%**  
PORTFOLIO  
12m LfL<sup>(2)</sup>

Valuation growth  
**19%**  
REDEVELOPMENTS  
12m LfL<sup>(2)</sup>



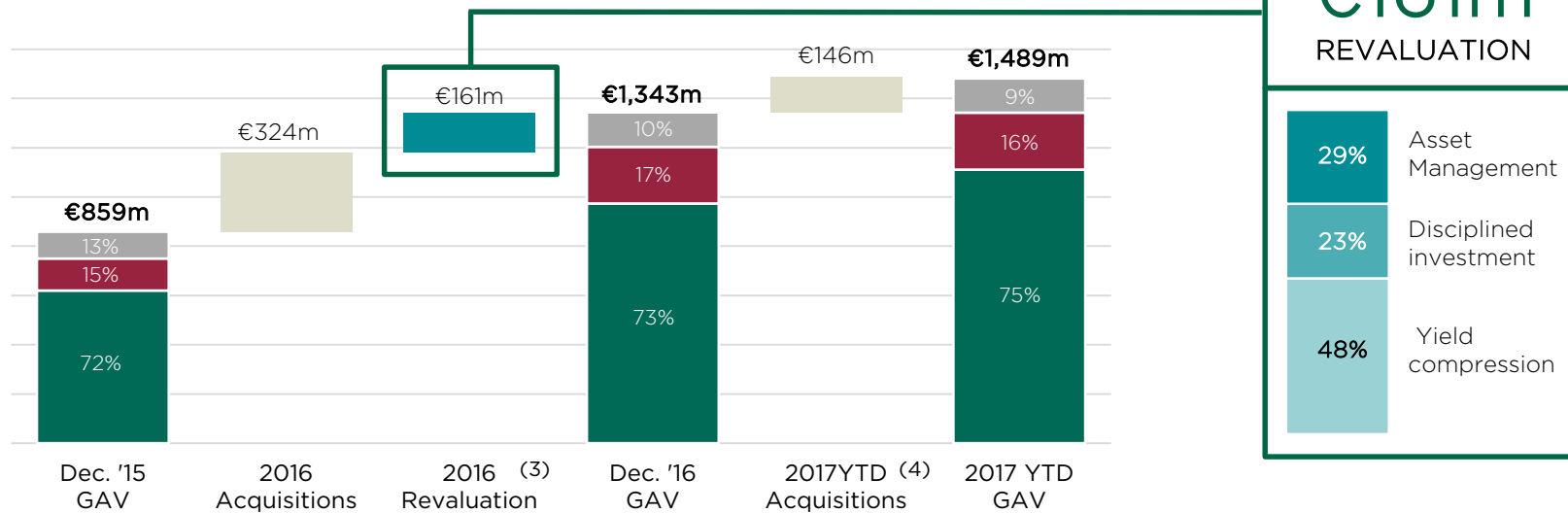
OFFICES



LOGISTICS



RETAIL



(1) Valuation growth on acquisition price at 31/12/2016; (2) External independent appraisal determined by CBRE Valuation Advisory (RICS) at 31 Dec. 2016; (3) Includes 2016 Capex of €20.8m; (4) Acquisition valued according to CBRE as of 31/12/2016

# CONSOLIDATED P&L ACCOUNT

## SOLID FINANCIAL RESULTS ACROSS ALL METRICS

### FY 2016 Analytical Income Statement (IFRS) and FFO

EUR m. (unless specified)	2016	2015	YoYChange
<b>Gross Rental Income (GRI)</b>	<b>42.412</b>	<b>35.496</b>	<b>19.5%</b>
Net Rental Income (NRI)	37.656	30.685	22.7%
Overheads	(6.209)	(4.775)	30.0%
<b>Operating Income (EBITDA)</b>	<b>31.447</b>	<b>25.910</b>	<b>21.4%</b>
Underlying Net Profit	24.035	22.542	6.6%
Change in fair value of assets	129.354	68.836	87.9%
<b>Reported Net Profit</b>	<b>148.626</b>	<b>85.340</b>	<b>74.2%</b>
EPRA Earnings <sup>(1)</sup>	24.036	22.707	5.9%
FFO <sup>(1)</sup>	24.093	22.609	6.6%
<b>Reported EPS</b>	<b>2.09</b>	<b>1.52</b>	<b>37.6%</b>

- **Total GRI €42.4m**, +19.5% over the same period the prior year. **Annualised GRI** as of December 2016 increased by +23% YoY
- **NRI up to €37.7m** (+22.7 YoY), while **NRI margin** reached an average of 88.8% for the year, driven primarily by operational improvements during the period
- **Operating Income (EBITDA)** reached **€31.4m** (+21.4 YoY), driven by higher gross rental income and improved NRI margin
- **EPRA earnings<sup>(1)</sup> and FFO<sup>(1)</sup>** for the period of €24m (€0.34 p.s.)
- **Dividend** of ca. € 0.30 payable in two instalments.



### Dividend<sup>(2)</sup>





# SOLID FINANCIAL POSITION TO FUND FUTURE GROWTH

APPROACHING TARGET FINANCIAL POSITION WITH  
EXCELLENT TERMS

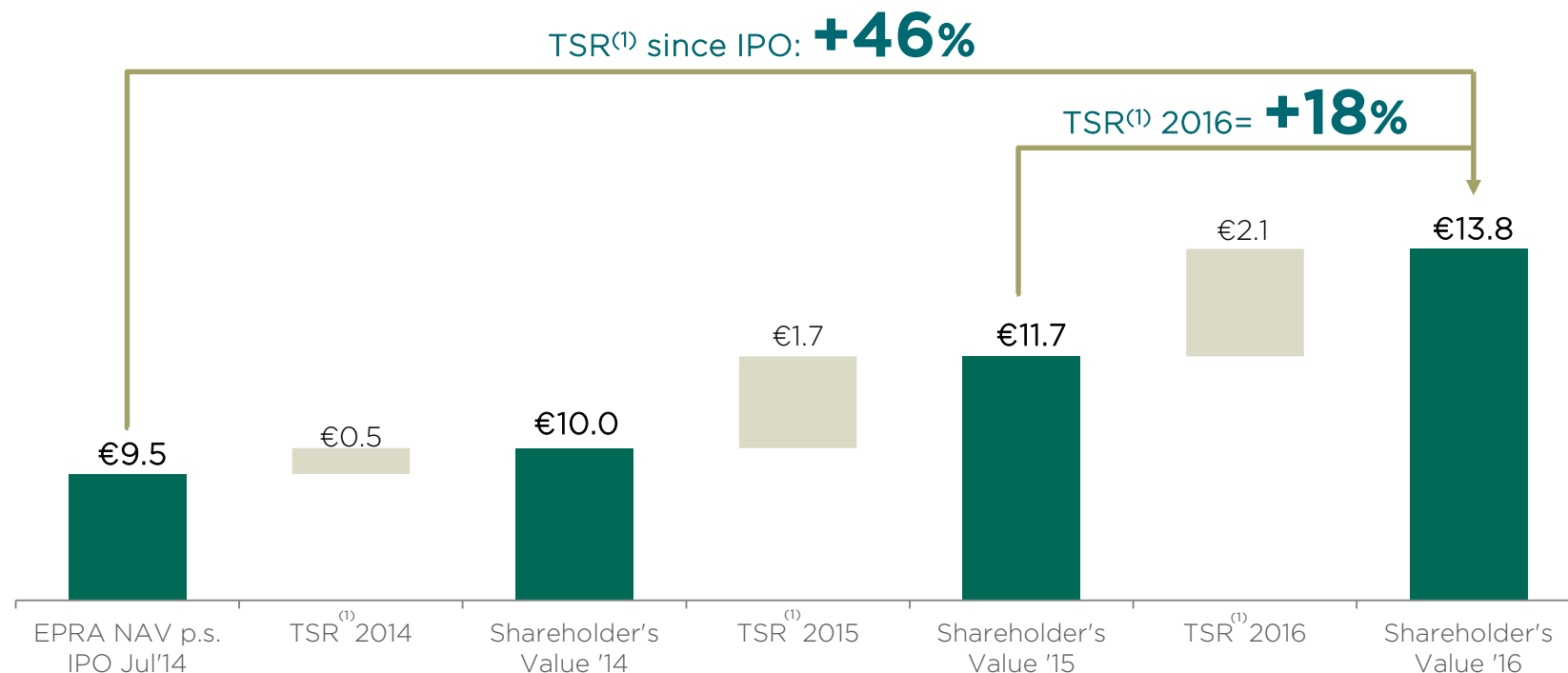
EUR m.	PF 2017YTD	31/12/2016	30/09/2016
<b>GAV</b>	1,489.3	1,343.0	1,060.2
<b>Gross Debt</b>	645.8	528.3	387.5
<b>Cash</b>	131.0	145.4	267.1
<b>Net Debt</b>	514.5	382.9	120.3
<b>Gross LTV</b>	43%	39%	37%
<b>Net LTV</b>	35%	29%	11%
<b>All-in cost<sup>(1)</sup></b>	1.95%	2.0%	2.3%
<b>Weighted Avg. Maturity</b>	7 years	7 years	8 years



# SHAREHOLDER RETURN

DELIVERING OUTSTANDING SHAREHOLDER VALUE SINCE IPO

## TOTAL SHAREHOLDER RETURN (€ p.s.)



### DIVIDEND POLICY

- ✓ aims for a covered and progressive dividend
- ✓ aims for a pay-out ratio of around 70% of EPRA Earnings

<sup>(1)</sup> Total Shareholder Return includes annual NAV growth plus distributed dividends of €0.04 p.s. in May 15 and €0.042 p.s. in June 16

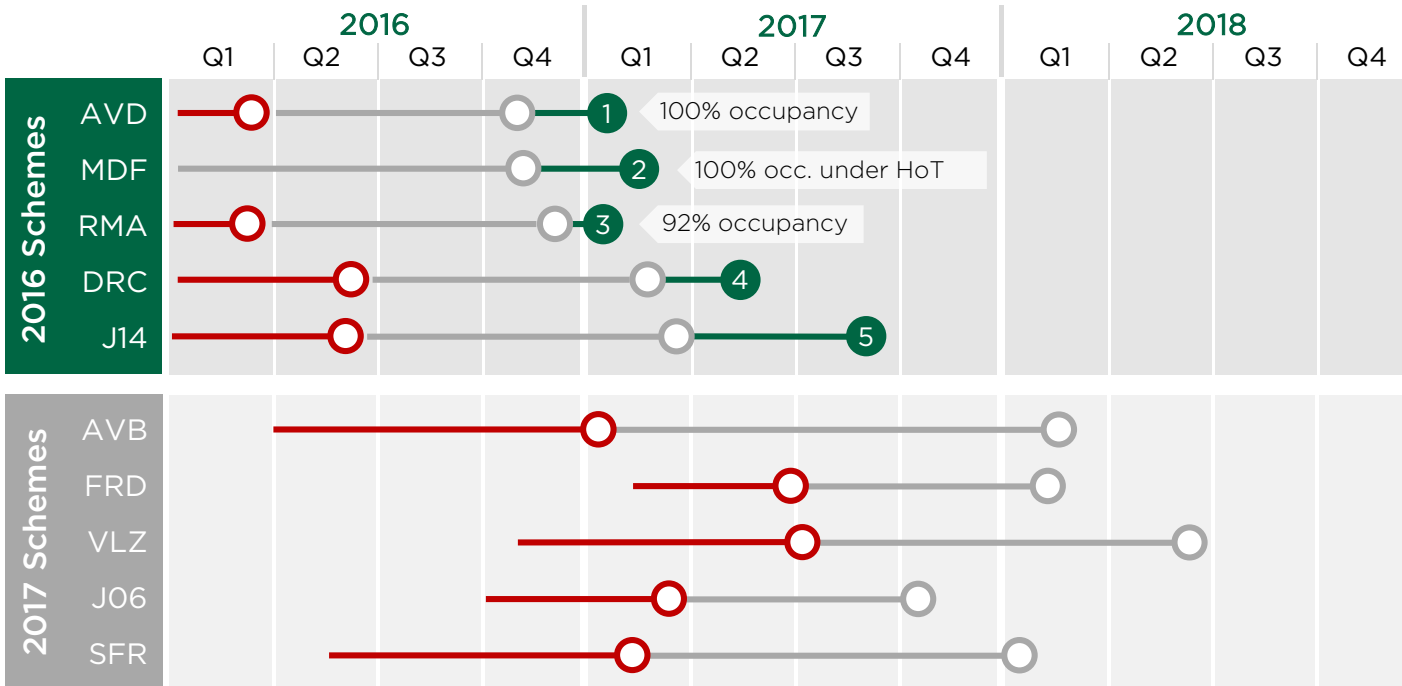




# **OPERATIONAL HIGHLIGHTS & GROWTH DRIVERS**

# REDEVELOPMENT PIPELINE

CRYSTALIZING THE REVERSIONARY POTENTIAL OF OUR PORTFOLIO



Schemes completed in 2016 are being successfully leased, achieving rental growth. We expect similar results from the existing and future redevelopment pipeline

—○— PROJECT ANALYSIS    —○— REFURBISH WORKS    —●— COMMERCIAL PHASE

## Avenida de la Vega



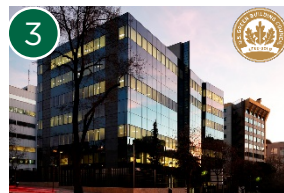
Acq. Price: €52.0m  
Capex: 220 €/sqm  
Total Investment<sup>(1)</sup> €58.0m

## Manuel de Falla



Acq. Price: €31.0m  
Capex: 0 €/sqm  
Total investment<sup>(1)</sup> €31.4m

## R. de Arellano



Acq. Price: €16.5m  
Capex: 480 €/sqm  
Total Investment<sup>(1)</sup> €20.1m

## D. Ramón de la Cruz



Acq. Price: €32.7m  
Capex: 440 €/sqm  
Total investment<sup>(1)</sup> €37.8m

## J.I. Luca de Tena 14

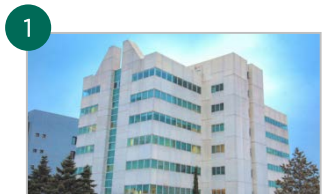


Acq. Price: €17.0m  
Capex: 440 €/sqm  
Total investment<sup>(1)</sup> €20.8m



# OVERVIEW OF ACQUISITIONS

## 2016/2017YTD ACQUISITIONS OVERVIEW<sup>(1)</sup>



**1**

Name J. Valcarcel 24  
Date 26/01/16  
Price €13.0 m  
Location Madrid



**2**

Name Viapark  
Date 15/04/16  
Price €20.0 m  
Location Almeria



**3**

Name P.Somport 10-18  
Date 20/06/16  
Price €19.2 m<sup>(3)</sup>  
Location Madrid



**4**

Name San Fernando  
Date 15/06/16  
Price €43.0 m  
Location Madrid



**5**

Name Sagasta 33  
Date 17/11/16  
Price €41.8 m  
Location Madrid



**6**

Name LIM Portfolio  
Date 25/11/16  
Price €14.2 m  
Location Madrid



**7**

Name Almagro 9  
Date 02/12/16  
Price €124.0 m  
Location Madrid



**8**

Name Luca de Tena 7  
Date 23/12/16  
Price €35.0 m  
Location Madrid



**9**

Name P. de Somport 8  
Date 20/01/17  
Price €41.5 m  
Location Madrid



**10**

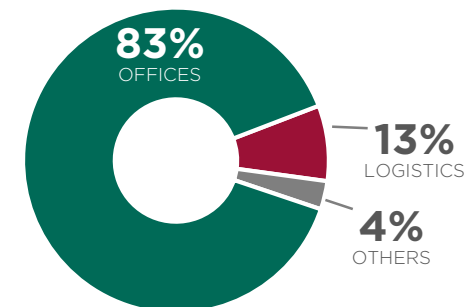
Name Cedro  
Date 31/01/17  
Price €43.5 m  
Location Madrid



**11**

Name Miguel Angel  
Date 24/02/17  
Price €53.4  
Location Madrid

€462m<sup>(2)</sup> Total Investment



<sup>(1)</sup> See pages 27-29 for further details in acquisitions; <sup>(2)</sup> Includes the acquisition of minor remaining stake in Velazquez; <sup>(3)</sup> Excludes €4 m already paid in Dec. 2015

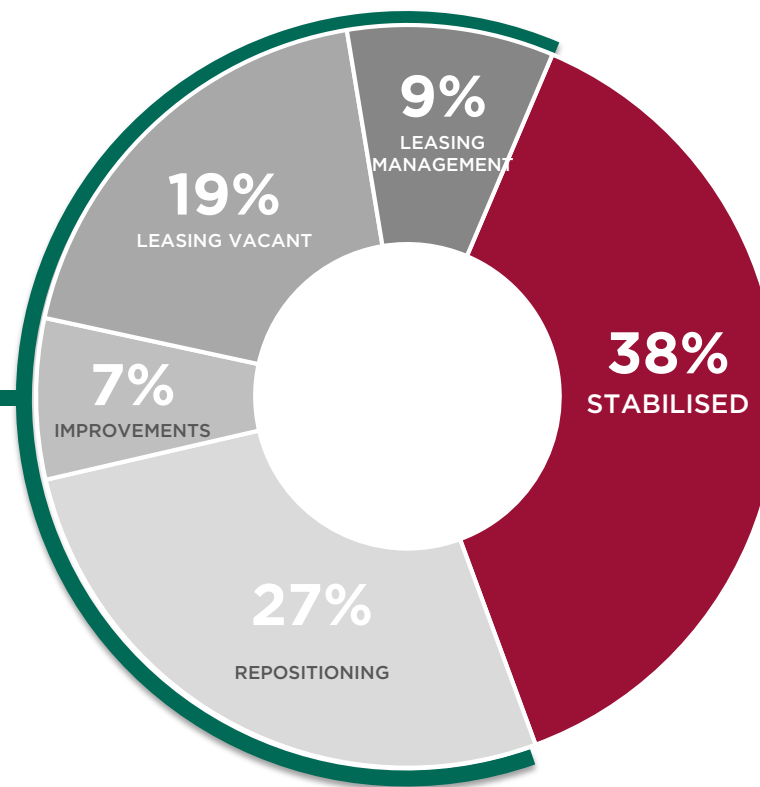
# VALUE CREATION

HIGH  $\alpha$  PLAY THROUGH ACTIVE ASSET MANAGEMENT

UPSIDE  
**7.8%**  
REVERSIONARY  
YIELD

LEASING MANAGEMENT	9%
GAV (€m)	135
LEASING VACANT	19%
GAV (€m)	282
IMPROVEMENTS	7%
GAV (€m)	99
REPOSITIONING	27%
GAV (€m)	406

**62%**  
ACTIVE  
MANAGEMENT



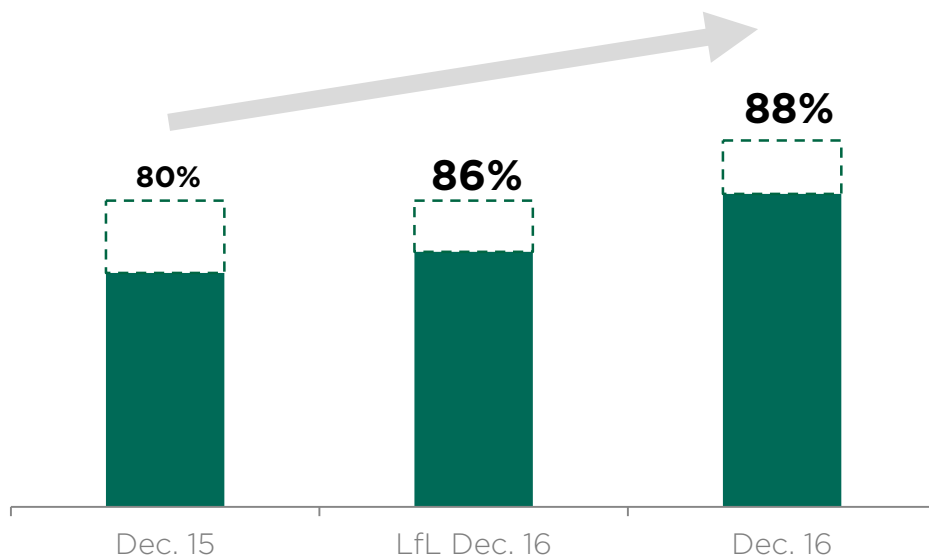


# LEASING ACTIVITY

## COMPETITIVELY POSITIONED TO OUTPERFORM THE LEASING MARKET

- 2016 record year on leasing activity
- LfL occupancy up +6pp YoY
- Strong visibility going into 2017 with repositioned office space already signed or in advanced negotiations

### LFL PORTFOLIO OCCUPANCY RATE UP TO 88% (+558 bps vs Dec.2015)



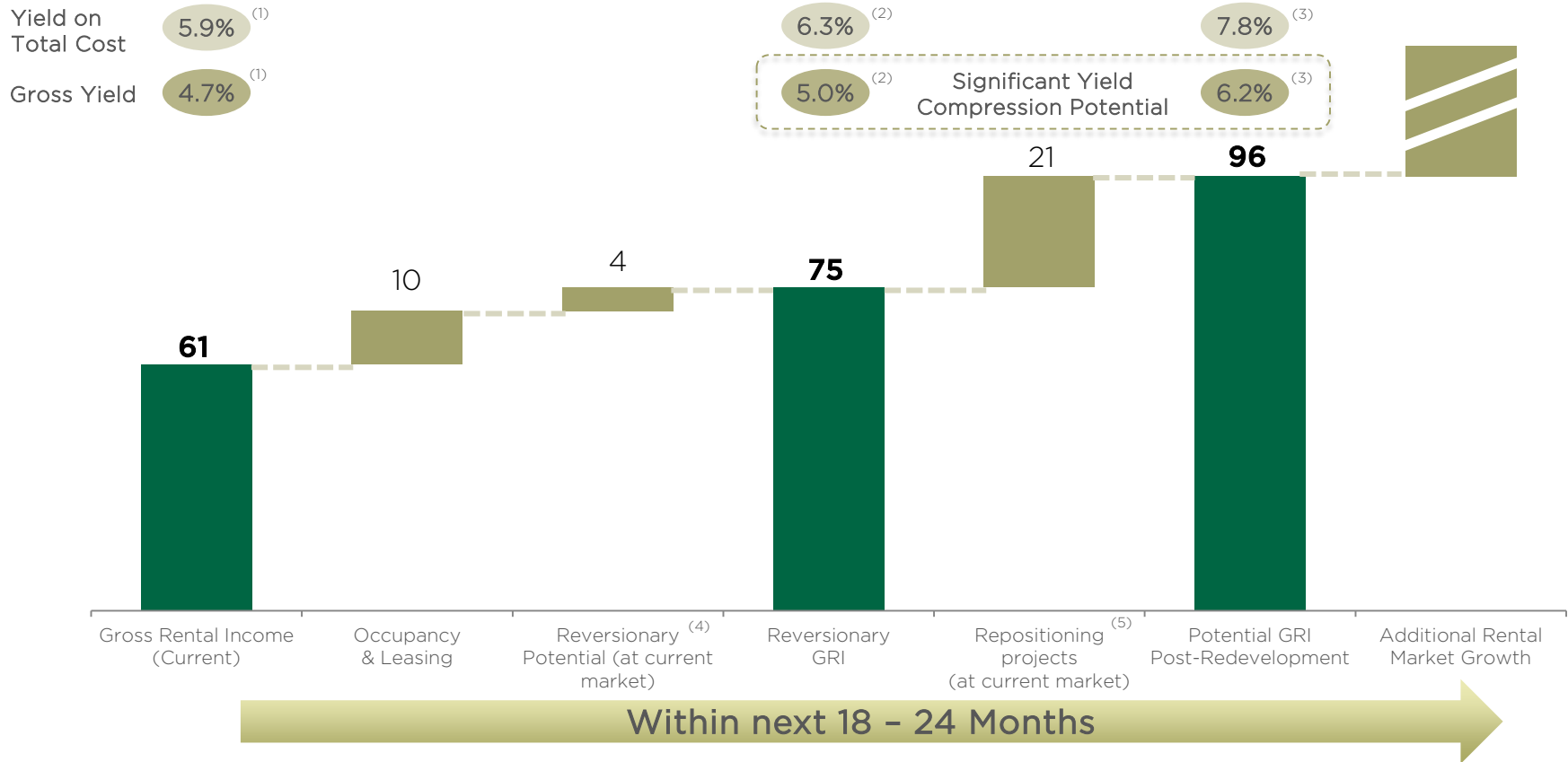
- 14 new leases signed in 2016 (53,481 sqm) +62% YoY, generating additional annual rent of €3.1 m (+210% YoY)
- Since period end, over 15,334 sqm of Office and Logistic space signed and over 80,000 sqm in advanced negotiations
- Solid prospects for 2017, with institutional demand increasingly focused on new and refurbished spaces

% above ERV<sup>(1)</sup> in new 2016 leases

+14%

# HIGHLY VISIBLE SUBSTANTIAL GRI GROWTH POTENTIAL

CURRENT PORTFOLIO - GROSS RENTAL INCOME EXPECTED EVOLUTION (AT CURRENT MARKET RENTS)



- (1) Based on passing GRI and CBRE June-16 valuation (for Gross Yield) and Acquisition Total Cost (for Yield on Total Cost)
- (2) GAV (for Gross Yield) and Acquisition Total Cost (for Yield on Total Cost) adjusted for Improvement Capex
- (3) GAV (for Gross Yield) and Acquisition Total Cost (for Yield on Total Cost) adjusted for Improvement and Repositioning Capex
- (4) Includes certain ERV increases due to Improvement Capex
- (5) Includes certain ERV increases due to Repositioning Capex. Repositioning projects are Francisco Delgado, Puerto Somport, Avenida Bruselas, Velazquez, Don Ramon de la Cruz, Juan Ignacio Luca de Tena 14 and Juan Ignacio Luca de Tena 6)

# ACTIVE ASSET MANAGEMENT SUSTAINABILITY & TECHNOLOGY



## SUSTAINABILITY

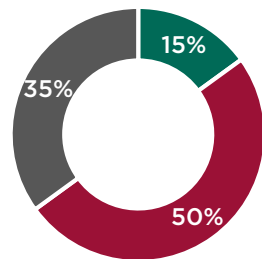
Entire portfolio currently registered under LEED/BREEAM certification programmes.

### Certifications awarded to date



### LEED/BREEAM certifications targets

65% of the portfolio by end 2017



■ Certified   
 ■ Certified end 2017   
 ■ Certified 2018-2019



## TECHNOLOGY

*Axiare I+D+i* launched in 2016 to pioneer technological advance in Spanish RE market

Initiatives include: mobile apps, advanced access systems, electric bicycles, eco parking spaces, green areas, 100% WiFi coverage, co-working

### *Axiare I+D+i* first initiative launched in 2017:



Mobile app in Avenida de la Vega: easy access, reserve parking/sports facilities and meeting rooms, order and pay meals



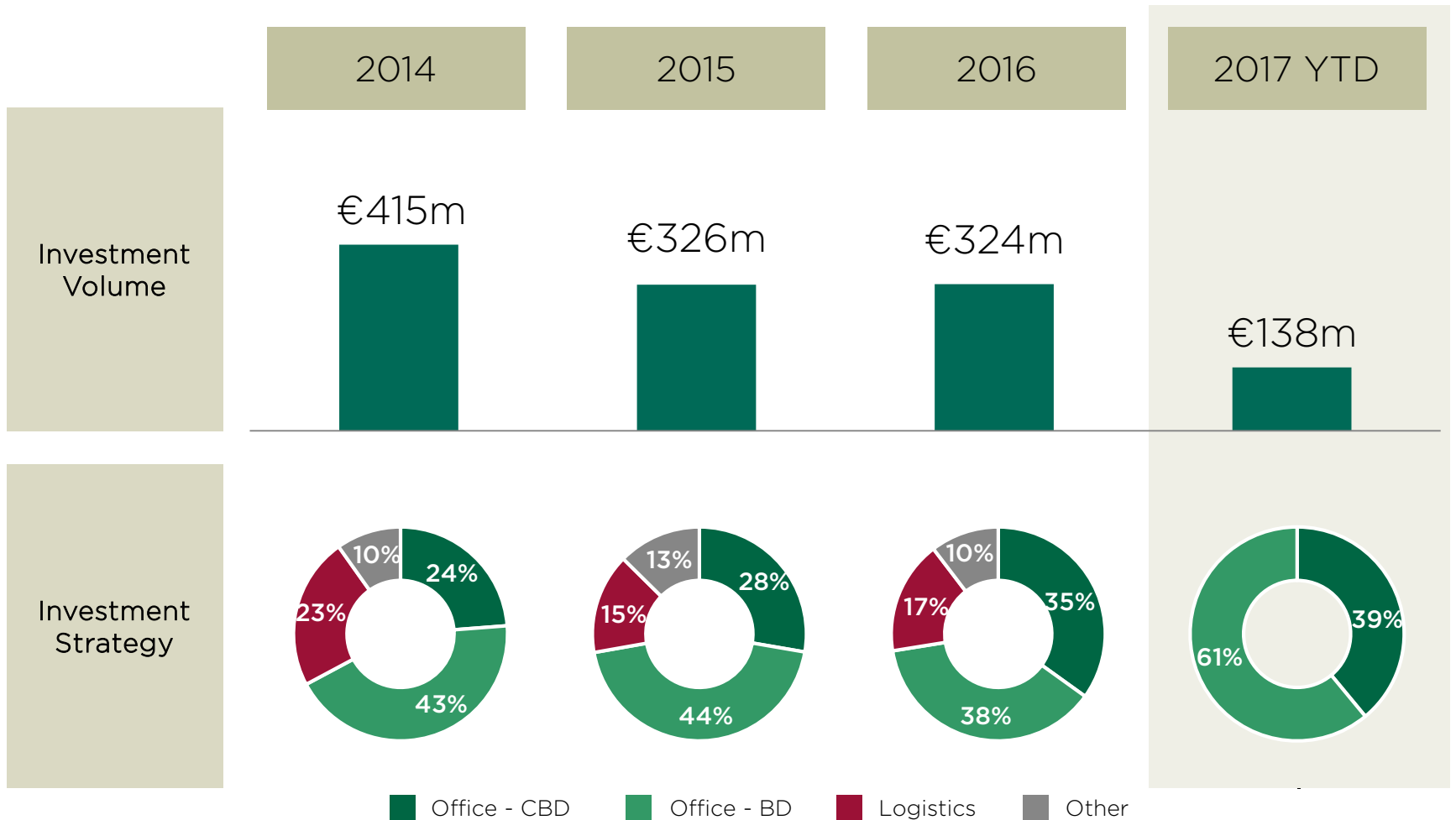




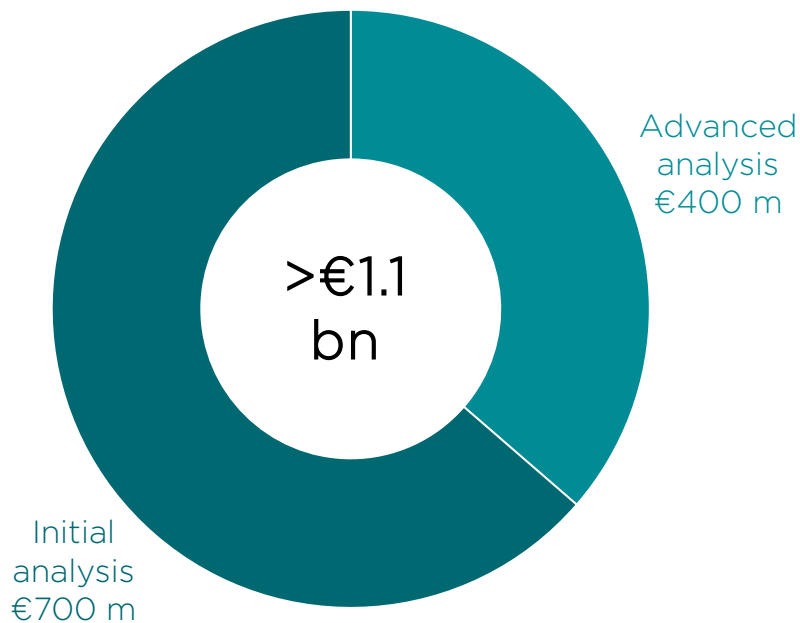
# INVESTMENT ACTIVITY

# CONSISTENT INVESTMENT TRACK RECORD

SOLID TRACK RECORD WITH STEADY INVESTMENT PACE AND CONSISTENT STRATEGY

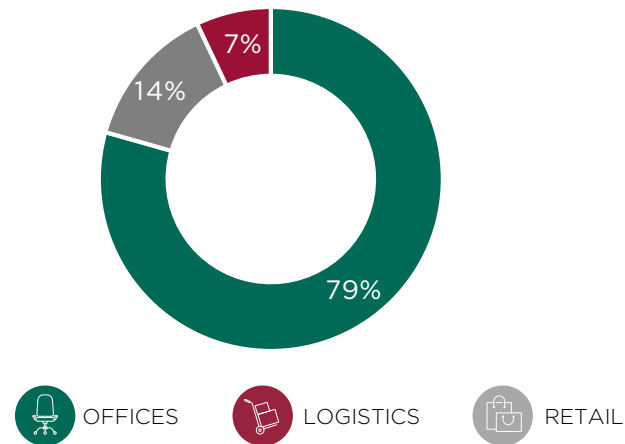


# PIPELINE OPPORTUNITIES IN LINE WITH VALUE CREATION STRATEGY

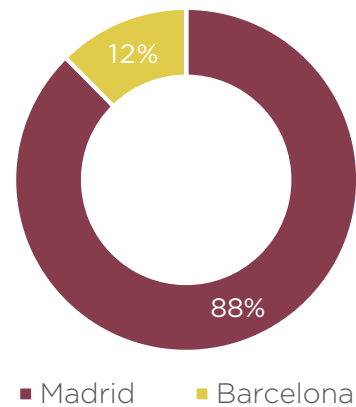


- ✓ Assets in line with Axiare's original investment plan
- ✓ Substantial upside potential through active asset management

## Pipeline by Asset Class



## Pipeline by Location







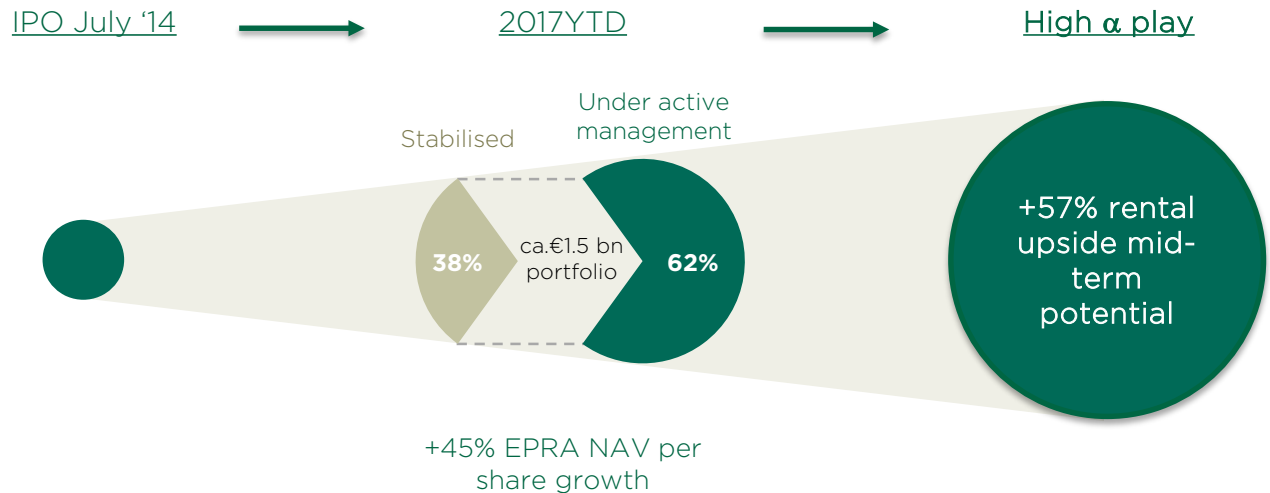
**CLOSING  
REMARKS**



# STRONG GROWTH DELIVERY

Balanced portfolio offering substantial reversionary potential through both high  $\beta$  (market recovery) and high  $\alpha$  (active management)

Significant rent and NAV upside potential



## high $\beta$

- Wault < 2 years
- Rental levels substantially below historical market rents

## high $\alpha$

- Ability to add value to our investments through repositioning, improvements, leasing and leasing management



# Q&A

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THANK YOU

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FULL YEAR 2016 RESULTS PRESENTATION





# APPENDICES

# PORTFOLIO IN DETAIL

N°	ASSET	ACQUISITION DATE	GLA (sqm)	PARKING SPACES (UNITS)	NET ACQUISITION PRICE	GROSS ACQUISITION PRICE	MARKET VALUE <sup>3</sup>	CAPITAL STRUCTURE		
								EQUITY	DEBT <sup>(1)</sup>	LTV
1	F. Delgado	28.jul.14	17,273	394	28.750	29.274	47.470	29.470	18.000	38%
2	F. Santo	24.sep.14	3,254	42	16.500	16.810	27.500	15.500	12.000	44%
3	Av Vega	24.sep.14	22,578	447	52.000	52.926	71.000	42.400	28.600	40%
4	M. Falla	-	6,244	41	31.000	31.431	44.500	20.500	24.000	54%
5	Diagonal	4.dec.14	15,351	251	53.000	54.433	67.000	37.850	29.150	44%
6	Rib. Loira	4.dec.14	12,822	370	47.000	48.128	49.300	25.200	24.100	49%
7	Cristalia 2&3	4.dec.14	17,338	418	53.000	54.272	60.550	31.400	29.150	48%
8	Tucuman	30.mar.15	6,327	170	23.500	23.906	25.400	12.474	12.926	51%
9	Luca de Tena 14	30.mar.15	7,872	185	17.000	17.303	20.830	9.980	10.850	52%
10	Cristalia 5&6	22.may.15	17,587	381	49.000	50.199	61.100	33.600	27.500	45%
11	Velazquez	15.jun.15	16,816	155	88.840	90.646	110.000	57.876	52.124	47%
12	R.Arellano	21.jul.15	6,832	112	16.500	16.837	23.000	14.500	8.500	37%
13	Av Bruselas	23.sep.15	14,547	364	27.500	28.082	38.000	23.600	14.400	38%
14	Alcalá	23.sep.15	6,260	185	12.000	12.254	14.250	7.550	6.700	47%
15	Luca de Tena 6	23.sep.15	4,560	190	9.500	9.701	10.600	6.100	4.500	42%
16	D.Ramón Cruz	8.oct.15	9,339	93	32.725	33.633	44.000	23.000	21.000	48%
17	P. Somport	23.dec.15	22,000	300	23.115	23.273	32.200	32.200	0.000	0%
18	J Valcarcel 24	26.jan.16	5,652	90	13.000	13.235	14.500	7.500	7.000	48%
19	Sagasta 33	17.nov.16	7,054	93	41.800	42.676	46.000	19.600	26.400	57%
20	Almagro 9	02.dec.16	15,094	201	124.000	124.977	130.000	54.300	75.700	58%
21	Luca de Tena 7	23.dec.16	10,147	260	35.000	35.630	36.000	36.000	0.000	0%
22	Puerto de Somport 8	20.jan.17	9,280	370	41.500	42.301	45.200	45.200	0.000	0%
23	Cedro	31.jan.17	17,032	381	43.500	43.874	43.500	20.081	23.419	54%
24	Miguel Angel	31.jan.17	8,036	99	53.400	55.400	57.600	57.600	0.000	0%
<b>OFFICES</b>			<b>279,294</b>	<b>5,592</b>	<b>933.130</b>	<b>951.200</b>	<b>1,119.500</b>	<b>663.481</b>	<b>456.019</b>	<b>41%</b>
25	Cabanillas	29.jul.14	37,879	-	16.681	17.214	23.300	13.602	9.698	42%
26	Miralcampo	30.jul.14	35,781	-	14.485	14.849	20.100	10.957	9.143	45%
27	Dos Hermanas	30.jul.14	42,466	-	9.420	9.658	16.500	11.319	5.181	31%
28	Rivas	24.sep.14	35,248	-	17.000	17.316	24.500	15.150	9.350	38%
29	Valls	9.oct.14	26,026	-	4.500	4.591	9.500	4.547	4.953	52%
30	Guadalix	9.oct.14	14,945	-	4.500	4.603	8.000	3.651	4.349	54%
31	Camarma	9.oct.14	70,296	-	26.000	26.595	35.000	15.119	19.881	57%
32	Constantí	30.jul.15	42,253	-	13.500	14.029	20.000	8.985	11.015	55%
33	San Fernando	15.jun.16	73,464	-	43.000	43.530	57.200	57.200	0.000	0%
34	Alcalá de Henares	25.nov.16	8,972	-	5.634	5.859	6.000	2.737	3.263	54%
35	Azuqueca	25.nov.16	19,064	-	8.550	8.972	10.500	5.721	4.779	46%
<b>LOGISTICS</b>			<b>406,394</b>	<b>-</b>	<b>163.270</b>	<b>167.215</b>	<b>230.600</b>	<b>148.988</b>	<b>81.612</b>	<b>35%</b>
36	Planetocio	24.sep.14	19,222	797	14.000	14.473	17.500	17.500	0.000	0%
37	Bauhaus	4.dec.14	12,413	352	27.000	27.729	34.400	19.550	14.850	43%
38	Hotel	24.abr.15	10,447	212	10.500	12.195	15.500	8.500	7.000	45%
39	Las Mercedes	23.sep.15	21,111	540	39.000	39.825	50.200	25.700	24.500	49%
40	Viapark	15.apr.16	15,744	1.500	20.000	20.623	21.600	10.100	11.500	53%
<b>OTHER</b>			<b>78,937</b>	<b>3,401</b>	<b>110.500</b>	<b>114.845</b>	<b>139.200</b>	<b>81.350</b>	<b>57.850</b>	<b>42%</b>
<b>TOTAL PORTFOLIO</b>			<b>764,624</b>	<b>8,993</b>	<b>1,206.900</b>	<b>1,233.260</b>	<b>1,489.300</b>	<b>893.819</b>	<b>595.481</b>	<b>40%</b>

# 2016 ACQUISITIONS

CONTINUED DISCIPLINED AND PROFITABLE INVESTMENT APPROACH

## TOTAL 2016 INVESTMENT

# €324m

JOSEFA VALCÁRCEL 24



Asset Class: Offices  
 Location: Madrid  
 Price: €13m / €2,300 sqm  
 GLA: 5,652 sqm



Office building located in a well established office submarket.

Relative low capital value for surrounding área.

88% occupation by single multinational tenant.

Excellent visibility from A2 Highway.

P. SOMPORT



Asset Class: Offices  
 Location: Madrid  
 Price: €19m<sup>(1)</sup> / €1,056 sqm  
 GLA: 18,000 sqm



Off market opportunity to purchase 22,000 sqm of office in Madrid.

Located in the heart of Las Tablas BD, considered as the extensión of Paseo de la Castellana.

Acquired -32% below replacement cost(1).

VIAPARK



Asset Class: Retail  
 Location: Almería  
 Price: €20m / €1,270 sqm  
 GLA: 15,744 sqm



Retail warehouses strategically located between Almería and Roquetas de Mar with catchment area of 0.4 million inhabitants.

100% occupation by four multinational tenants with highly attractive returns.

Acquired -16% below replacement cost(1).

S. FERNANDO DE HENARES



Asset Class: Logistics  
 Location: Madrid  
 Price: €43m / €585 sqm  
 GLA: 73,464 sqm



Logistics warehouses (73,000 sqm) located in San Fernando de Henares - Madrid's first logistics ring.

Turnkey Project expected to be delivered in H2 2017 with LEED certification.

Acquired -10% below replacement cost(1).



# 2016 ACQUISITIONS (CONT'D)

CONTINUED DISCIPLINED AND PROFITABLE INVESTMENT APPROACH

TOTAL 2016 INVESTMENT

€324m

## SAGASTA 33



Acquisition Date: Nov-16  
 Asset Class: Offices  
 Location: Madrid  
 Price: €42m / €5,925 sqm  
 GLA: 7,054 sqm



McKinsey & Co headquarters in Madrid CBD

Acquired 25% below comparable transactions

90% let with substantial rental uplift in the short term

Excellent visibility and public transportation

## LIM LOGISTICS



Acquisition Date: Nov-16  
 Asset Class: Logistics  
 Location: Madrid  
 Price: €14m / €506 sqm  
 GLA: 28,036 sqm (two assets)



Located in Madrid's Henares Corridor (2nd ring) and Alcala de Henares (1st ring)

Both of them 100% let to single tenants

Substantial rental uplift in the short term

## ALMAGRO 9



Acquisition Date: Dec-16  
 Asset Class: Offices  
 Location: Madrid  
 Price: €124m / 8,215 sqm  
 GLA: 15,094 sqm



Trophy asset acquired in Madrid's Prime CBD

Acquired 24%-30% below comparable transactions

100% let to a multinational single tenant

Complex off-market opportunity to acquire 15,000 sqm in Madrid's Prime CBD

## LUCA DE TENA 7



Acquisition Date: Dec-16  
 Asset Class: Offices  
 Location: Madrid  
 Price: €35m / €2,310 sqm<sup>(1)</sup>  
 GLA: 10,147 sqm



Off-market sale and lease back operation to acquire an office building in a well established sub-market

100% let with a 5 year compulsory term

Ca. 10,000 sqm of additional buildable area

Great visibility from the A2

# 2017 ACQUISITIONS

## 2017 YTD ACQUISITIONS OVERVIEW

TOTAL 2017 YTD INVESTMENT

€138m

### PSA SOMPORT



Acquisition Date: Jan-17  
 Asset Class: Offices  
 Location: Madrid  
 Price: €41.5m / €4,472 sqm  
 GLA: 9,280 sqm



Off-market transaction

100% let with 10-year compulsory term and c. 8% NIY

Located in the heart of Las Tablas BD, considered as the extension of Paseo de la Castellana

### CEDRO



Acquisition Date: Jan-17  
 Asset Class: Offices  
 Location: Madrid  
 Price: €43.5m / €2,554 sqm  
 GLA: 17,032 sqm



Institutional office building located in the Arroyo de la Vega sub-market

87% leased, primarily to a technological consultancy company

Relative low capital value for surrounding area, with significant rental upside potential in the short term

### MIGUEL ANGEL



Acquisition Date: Feb-17  
 Asset Class: Offices  
 Location: Madrid  
 Price: €53.4m / €6,645 sqm <sup>(1)</sup>  
 GLA: 8,036 sqm



Office building located in the Prime CBD of Madrid

Complex transaction (4 different sellers) closed in less than 6 weeks

Significant reversionary potential through asset repositioning

# CASE STUDY REPOSITIONING AND LEASING

MANUEL DE FALLA

## INVESTMENT RATIONALE

1. Freestanding low-rise office building in Madrid's Prime CBD
2. Full repositioning project completed, and delivered with LEED Gold certification end September 2016
3. Highly efficient building with high ceilings and spacious floor plates
4. In advanced negotiations to lease the entire building to a single tenant

Upon acquisition - Q4 2014



Works completed end September 2016  
(Marketing started in Q4 2016)



Prime  
CBD

Total investment: €31.0 million  
4,956 €/sqm





# CASE STUDY IMPROVEMENTS

AVENIDA DE LA VEGA

## INVESTMENT RATIONALE

1. High quality business park with excellent visibility from A1 motorway
2. The refurbishment and implementation of technology has attracted interest and increased building's occupancy to 100%
3. Completed in Q4 2016 with LEED Gold certification

<b>Renegotiations:</b>	15,235 sqm (67% of GLA)
<b>New Leases:</b>	4,667 sqm (21% of GLA)
<b>Asset occupation at acquisition:</b>	74%
<b>Asset occupation upon works completion:</b>	100%
<b>Additional &amp; secured rent:</b>	ca. EUR 3.5 million





# CASE STUDY REPOSITIONING

JUAN IGNACIO LUCA DE TENA 14

## INVESTMENT RATIONALE

1. Freestanding office building opposite Banco Popular's new global HQ (due to complete simultaneously)
2. Refurbishment project underway, repositioning the building with LEED Gold certification
3. Façade replacement will change the building's entire image and design
4. To be leased to single tenant

PRIOR REDEVELOPMENT  
(June 2016)



POST REDEVELOPMENT  
(March 2017)



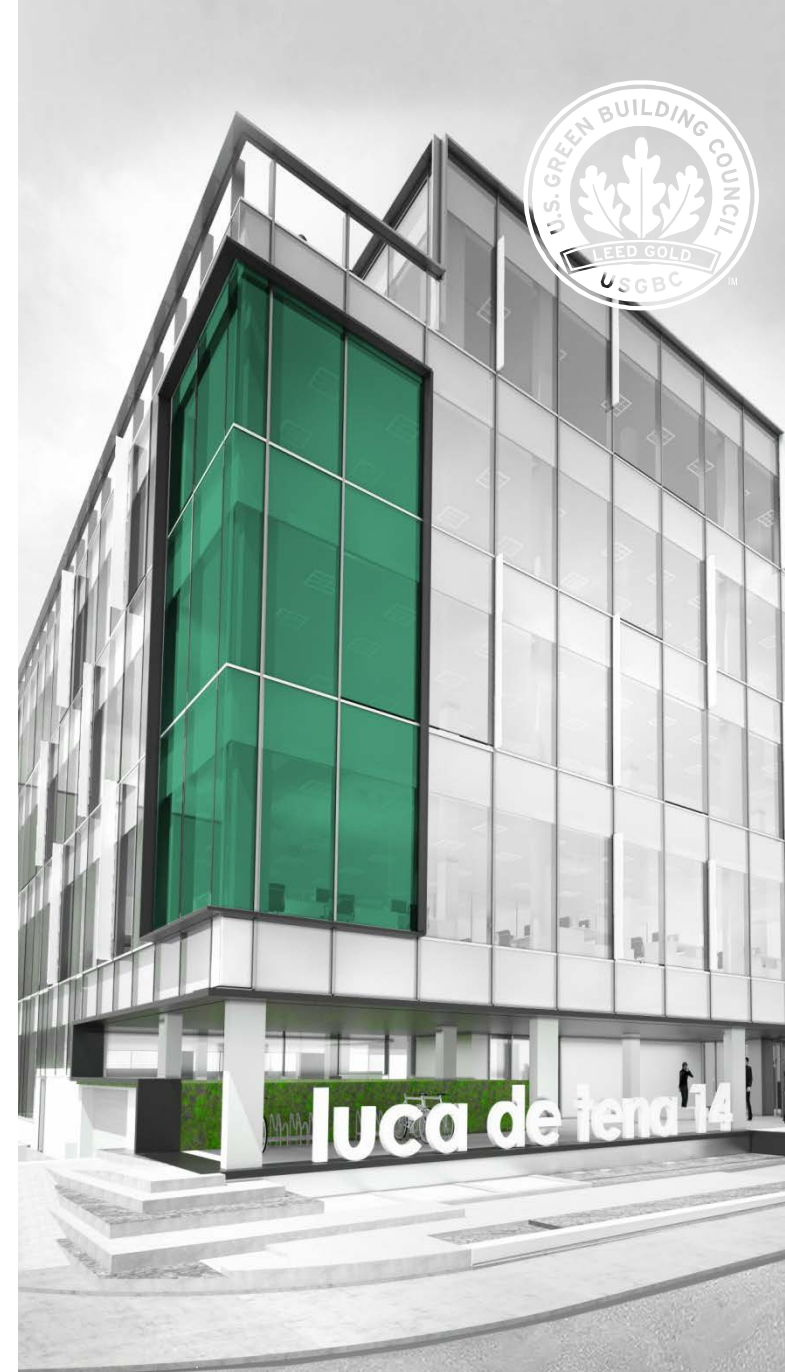
Acq price:  
2,117 €/sqm



+ Capex:  
436 €/sqm



Total inv.:  
2,553 €/sqm



# CASE STUDY REPOSITIONING

D. RAMÓN DE LA CRUZ

## INVESTMENT RATIONALE

1. Reposition Project due to be delivered in Q1 2017 with LEED gold certification
2. 100% of office space advanced negotiations with a blue-chip companies
3. Large quality office building located in Madrid's CBD with free-height of 3.5 meters in floorplates of over 2,000 sqm - unusual features in the city centre

PRIOR REDEVELOPMENT  
(July 2016)



POST REDEVELOPMENT  
(March 2017)



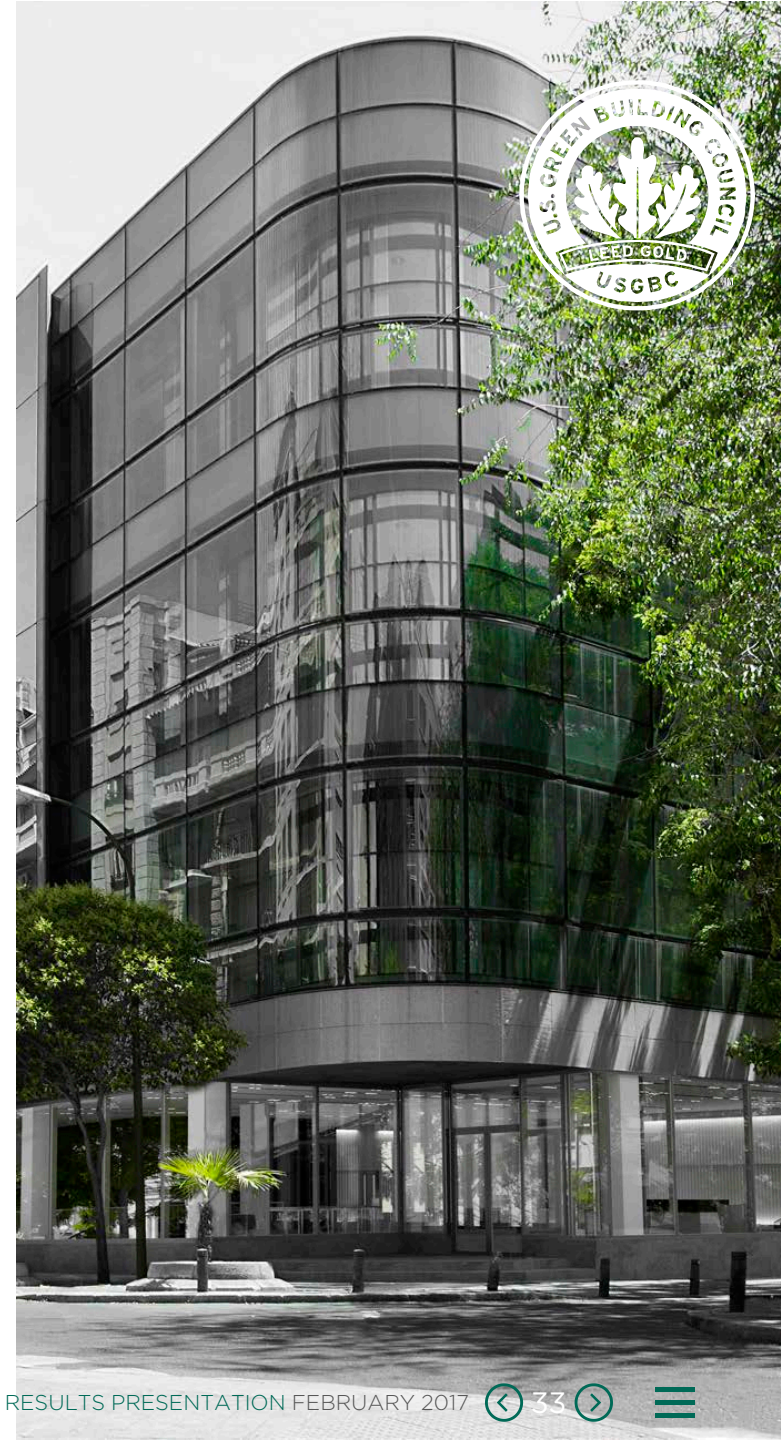
Acq price:  
3,545 €/sqm



+ Capex:  
440 €/sqm



Total inv.:  
3,985 €/sqm





# CASE STUDY REPOSITIONING

AV. DE BRUSELAS

## INVESTMENT RATIONALE

1. Highly visible large office building in A1 office market
2. Floor plates of over 2,000 sqm, ideal for corporate HQ
3. Major redevelopment project to repositioning the building with LEED Gold certification. Works started in December 2016
4. To be leased to single tenant, taking advantage of lack of large class A office buildings currently available

PRIOR REDEVELOPMENT  
(November 2016)



POST REDEVELOPMENT  
(Expected H1 2018)



Acq price:  
1,890 €/sqm



+ Capex:  
605 €/sqm



Total inv.:  
2,495 €/sqm



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