

HECHO RELEVANTE

ZAMBAL SPAIN SOCIMI, S.A.

28 de junio 2018

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 15/2016 del Mercado Alternativo Bursátil (MAB), ZAMBAL SPAIN SOCIMI, S.A. (la “Sociedad” o “ZAMBAL”), pone en su conocimiento que:

Con motivo de la Junta General de Accionistas de ZAMBAL celebrada el día 28 de Junio de 2018, se adjunta la presentación corporativa que será utilizada en la misma.

Atentamente,

D. Thierry Julienne

Presidente del Consejo de Administración ZAMBAL SPAIN SOCIMI S.A.

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General Shareholders Meeting 28th
June 2018



1. Business Highlights

More than €870m invested since 2013
in Spain

Currently 12 Real Estate assets owned
with an acquisition value of €763m

215,189 sq m of GLA Owned

~100% Portfolio Occupancy

No recourse to bank financing
across the entire portfolio

Current External RICs Valuation of
Portfolio (31/01/2018): €880m

1. Business Highlights

~91% of the portfolio's GLA consists of office buildings

Long and medium-term leases

Multidisciplinary management team with a wide experience in the sector

At least 80% profit-sharing as dividends as per SOCIMIs Legislation

Net Annual Rental Income in 2017:
€41.4 m *

€54.4m distributed as dividends since incorporation in 2013

* Net Rental Income from Zambal Spain Socimi, S.A. and Inversiones Iberia Nora, S.L.U.

1. Who are we?

- Zambal Spain Socimi S.A. (hereinafter Zambal), is an investment vehicle created in 2013. Zambal's purpose is to invest and subsequently manage prime real estate assets in well-consolidated markets.
- Zambal is focused on a long-term investment policy, principally based on assets that generate stable incomes, due to their quality and location, as well as to the nature of their tenants (blue-chip entities who are market leaders within their sectors). This allows the generation of recurrent cash flows and creation of value for the shareholders.
- Zambal owns a portfolio composed of 12 buildings in Madrid and Barcelona. These buildings have office and retail use, most of them with medium and long-term leases with tenants of proven credit capacity regarding the reduced level of risk taken, as in the case of (among others) the Spanish Ministry of Foreign Affairs; Enagás, S.A.; Unidad Editorial, S.A.; Distribuidora Internacional de Alimentación, S.A. (DIA); BMW Ibérica, S.A., Vodafone España, S.A.U., ATOS Spain, S.A.U. and Gas Natural SDG, S.A.
- All the acquisitions up to date have been made through equity, without turning to external financing.
- The decision structure of Zambal allows the company to rapidly reach decisions regarding new potential acquisitions. This enables the team to close transactions where the time factor may be a crucial element.
- Zambal is a vehicle externally managed by IBA Capital Partners S.L.; an independent private capital management company specialized in real estate investment.

2. 2017 Summary

- 1) Zambal is oriented towards the market segment of productive recurring rents-generating assets, preferably tertiary and located in Madrid and Barcelona:
 - I. The latest transactions Zambal undertook have been the acquisition of three office buildings in the last quarter of 2017 leased to “**Audiencia Provincial de Madrid**”, **Gas Natural SDG, S.A.U.** and **ATOS Spain, S.A. (Corporate HQ)**, all of them located in Madrid. These assets match Zambal’s strategy: long-term leases, blue-chip tenants, consolidated market and a competitive price per sq m.
- 2) Asset Management actions in 2017:
 - i. **Green Building Certificates:** Zambal is evaluating the obtention of Green Building Certificates for its assets. This year **Avda. San Luis 25** and **Paseo de los Olmos 19** have obtained Leed Gold certificate. TRIPARK Business Park and Avda. América 125 (Vodafone Headquarters) already had a Leed Gold and Leed Platinum certificates respectively.
 - ii. **CAPEX Contributions:** Zambal has contributed to various refurbishment projects for several of its tenants: The recent acquisition of **Santiago de Compostela 96**, leased to “Audiencia Provincial de Madrid”: installations are currently being renovated and fire protection systems updated (€2m). Vodafone is carrying out a refurbishment project in **Avda. América 125** with a significant CAPEX contribution of €300k. Gas Natural is improving the accessibility in **Avda. San Luis 77** with a CAPEX contribution of €60k.
 - iii. **New Agreements:**

PLAZA DE CATALUÑA 23:

The 20th of June 2018 El Corte Inglés has leaved the building

Paseo de Los Olmos 19:

A Complementary Agreement has been reached with the tenant (Enagas) to extend the lease contract for 5 additional years in exchange of a CAPEX contribution.

TORRES AGORA:

Ministry of Foreign Affairs has communicated their intentions to extend the contract lease for two more years.

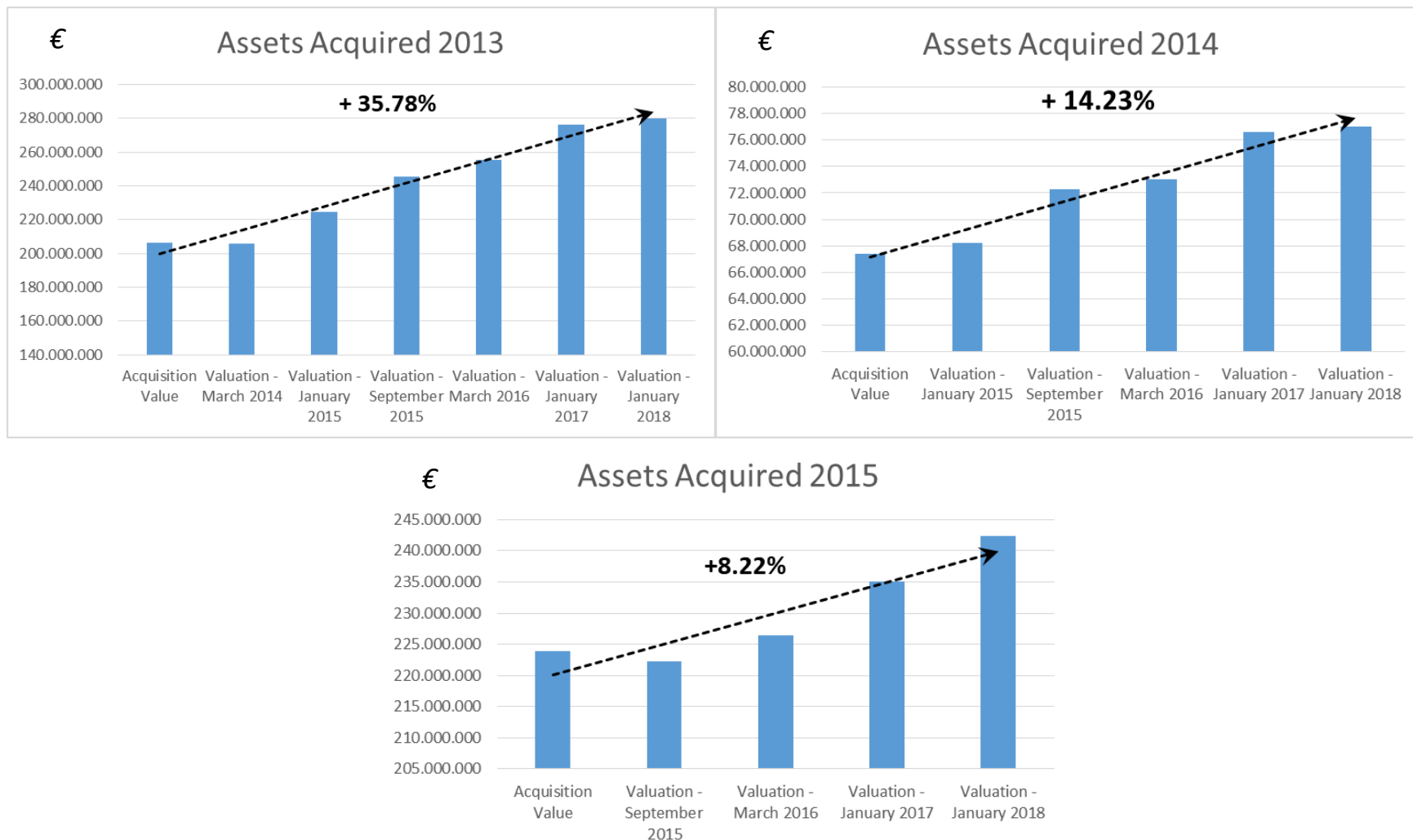
AVDA. DE MANOTERAS 40:

The affluences and sales of the leisure centre have been better than expected. Both the Cinema and the parking have accrued T.O.R. (Turn Over Rent) during 2017.

3.1. Like for Like Portfolio Evolution

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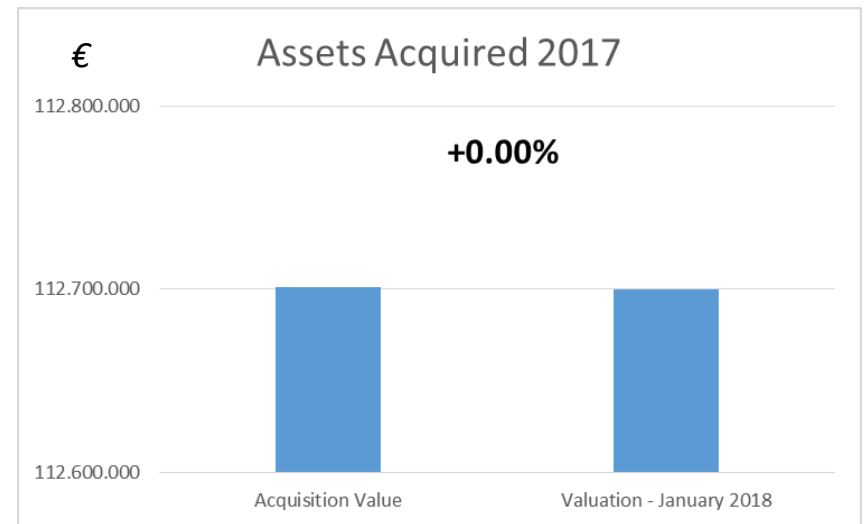
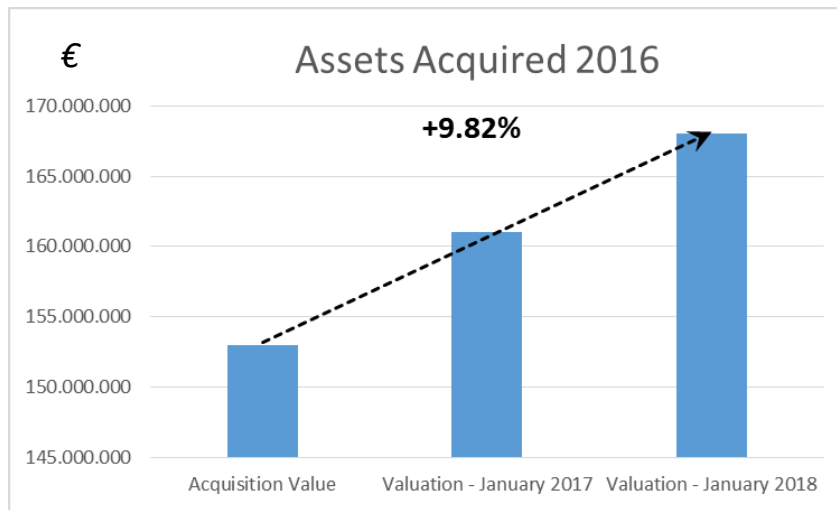


RICS valuations by an external expert.

3.1. Like for Like Portfolio Evolution

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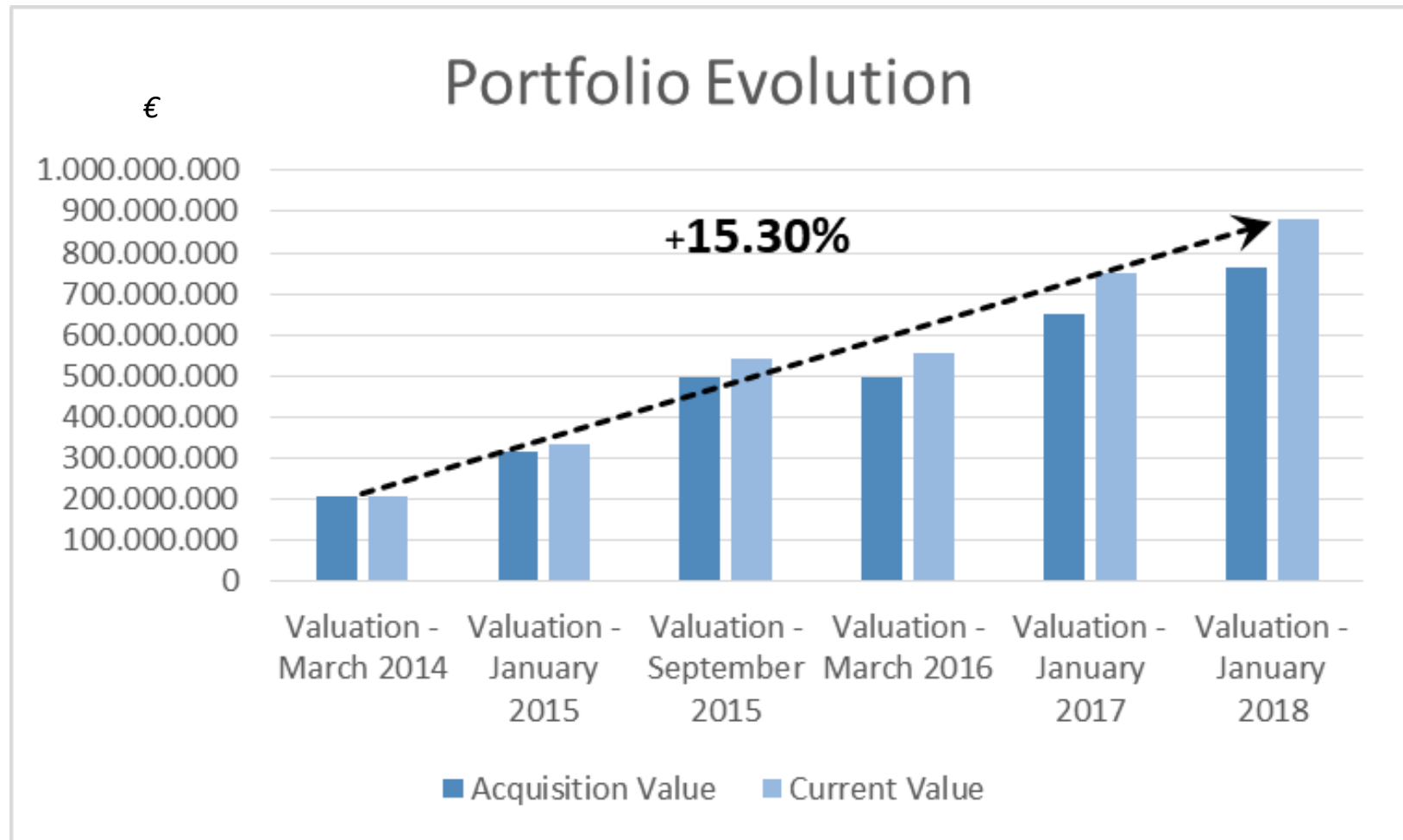


RICS valuations by an external expert.

3.2. Portfolio Evolution

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RICS valuations by an external expert.

4. Assets Acquired in 2013

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PLAZA DE CATALUÑA 23 (Barcelona) *DEPARTMENT STORE*



- Acquisition Date: June 2013
- GLA: 7,393 sq m
- Tenant: El Corte Inglés

The property is located on the corner of Plaza de Cataluña and Las Ramblas, one of the most prestigious retail locations in Barcelona. It is one of the two buildings of Plaza de Cataluña with 100% retail use. The building has eight floors dedicated to retail use, it was rented to El Corte Inglés until 20th June 2018.

AVDA. DE SAN LUIS 25 (Madrid) *OFFICE BUILDING*



- Acquisition Date: September 2013
- GLA: 16,889 sq m + 403 parking units
- Tenant: UNEDISA (Rinacimiento Correo de la Serra group)

The building is located in the northern-central part of Madrid city, specifically, in Avenida de San Luis, 25, between M-30 and M-40 ring roads. It has direct access to the airport. The total area of the property is distributed over five floors, three of them being above ground.

ÁGORA TOWERS (Madrid) *OFFICE BUILDING*



- Acquisition Date: December 2013
- GLA: 30,469 sq m + 496 parking units
- Tenant: Spanish Ministry of Foreign Affairs

Torres Ágora is a landmark building designed by Gabriel Allende and delivered in 2004. It has direct access from M-30 ring road. Best-in-class office building divided in two twin towers, distributed in fifteen floors above ground and three levels below ground.

4. Assets Acquired in 2014

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PRINK BUILDING (Madrid) *OFFICE BUILDING*



- Acquisition Date: June 2014
- GLA: 9,798 sq m + 187 parking units
- Tenant: ENAGAS

Prink Building is strategically located in Embajadores neighborhood, an area enjoying a steady growth due to Madrid Río scheme delivered in 2012 and the Vicente Calderón and Mahou site redevelopment projects. The building is comprised of two blocks with separate entrances and communication cores. It has eight floors above ground and 3 basements. It has been fully refurbished in 2017.

TRIPARK BUSINESS PARK (Las Rozas de Madrid) *OFFICE BUILDING*



- Acquisition Date: June 2014
- GLA: 10,480 sq m + 411 parking units
- Tenant: DIA

This class-A office building is one of the three buildings which belongs to Tripark Business Park. It has four floors above ground and two under ground. It has a LEED Gold Certificate and has been developed by Hines (Architect: Gabriel Allende).

4. Assets Acquired in 2015

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AVDA. DE BURGOS 118 (Madrid) OFFICE BUILDING



- Acquisition Date: January 2015
- GLA: 11,237 sq m + 448 parking units
- Tenant: BMW

An emblematic modern business complex overlooking the A-1 motorway with a premier building specification. The building is facing to Castellana northern extension.

AVDA. DE AMÉRICA 115 (Madrid) OFFICE BUILDING



- Acquisition Date: September 2015
- GLA: 50,421 sq m + 1,503 parking units
- Tenant: VODAFONE SPAIN

Located on the North side of the Avenida de América (A2 highway) with access to this strategic route in both directions. This business park, delivered in 2012, constitutes 5 free-standing glazed-facade buildings surrounding a central atrium. Each building has a ground floor plus six above-ground floors and to two basement floors for parking.

4. Assets Acquired in 2016

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AVDA. DE MANOTERAS 40 (Madrid) *LEISURE CENTRE*



- Acquisition Date: May 2016
- GLA: 12,923 sq m + 980 parking units
- Tenant: Multi Tenant (Main tenant CINESA-AMC)

The retail building has a gross lettable area of 12,923.55 sqm and 980 parking spaces at basement level. It is currently rented to different groups such as Cinesa (AMC), Vinci Park/Indigo and renowned food and beverage groups like Vips, 100 Montaditos or Tagliatella, amongst them. The occupancy rate is 98.18% of the building's GLA.

AVDA. DE SAN LUIS 77 (Madrid) *OFFICE BUILDING*



- Acquisition Date: December 2016
- GLA: 31,899 sq m + 979 parking units
- Tenant: Gas Natural SDG, S.A

The asset consists of 14 buildings that form the corporate HQ of Gas Natural in Madrid. The asset is located in Avenida de San Luis, 77, in the northern-central part of Madrid city between M-30 and M-40 ring roads. It has direct access to the airport.

4. Assets Acquired in 2017

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SANTIAGO DE COMPOSTELA 96 (Madrid) OFFICE BUILDING



- Acquisition Date: November 2017
- GLA: 14,731 sq m + 182 parking units
- Tenant: Audiencia Provincial de Madrid

Office building located on the M-30, in the northwest area of Madrid. The property consists of 14 floors above ground, total SBA of 14,731 m² and 182 parking spaces. The building is fully rented to the Community of Madrid, being the headquarters of the Provincial Court of Madrid.

LÉRIDA 44 (Madrid) OFFICE BUILDING



- Acquisition Date: November 2017
- GLA: 4,045 sq m
- Tenant: Gas Natural SDG, S.A

Office building located 500 meters from the Azca area. It consists of 4,038 m² of office space and is fully rented to Gas Natural Fenosa.

AVDA. DE ALBARRACÍN 25 (Madrid) OFFICE BUILDING



- Acquisition Date: December 2017
- GLA: 14,904 sq m + 191 parking units
- Tenant: ATOS Spain, S.A.U.

Office building located in the Julian Camarillo office area. The property consists of 5 floors above ground, total SBA of 13,283 m² and 191 parking spaces. The building is fully rented Atos, being their headquarters in Spain.

5. Financial Information

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(€'000)

Balance sheet	31/12/2017	31/12/2016	Variance	% Variance
Non-current assets	736,631	632,898	103,733	16.39%
Investment properties	724,938	623,122	101,816	16.34%
Long-term investments	11,693	9,776	1,917	19.61%
Current assets	8,651	28,476	(19,825)	(69.62%)
Trade and other receivables	1,209	6,595	(5,386)	(81.67%)
Short-term investments	1,348	1,348	0	0.00%
Prepayments and accrued income	179	121	58	47.93%
Cash and cash equivalents	5,915	20,412	(14,497)	(71.02%)
Total assets	745,282	661,374	83,908	12.69%

Source: Consolidated Annual Accounts 2017

Non-current assets

- The principal item in non-current assets is investment property. During the period Zambal has made new investments in three office buildings located in Madrid.
- The €11,693k under long-term investments relates to deposits arranged at Public Housing Institutions of the pertinent Autonomous Regions and straight line rents.

5. Financial Information

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(€'000)

Balance Sheet	31/12/2017	31/12/2016	Variance	% Variance
Equity	639,408	529,099	36,907	6.98%
Share capital	566,006	474,806	91,2	19.21%
Share Premium	46,522	23,722	22,8	96.11%
Reserves	7,418	5,284	2,134	40.39%
Treasury shares	(581)	(1,574)	993	(63.09%)
Profit/(loss) for the year	20,043	26,861	(6,818)	(25.38%)
Non-current liabilities	6,294	5,726	568	9.92%
Long-term payables	6,294	5,726	568	9.92%
Current liabilities	99,580	126,549	(26,969)	(21.31%)
Accruals	2,144	2,223	(79)	(3.55%)
Short Term Intercompany Loans	85,166	114,204	(29,038)	(25.43%)
Trade and other payables	11,902	9,731	2,171	22.31%
Accruals and deferred income	368	391	(23)	(5.88%)
Total equity and liabilities	745,282	661,374	83,908	12.69%

Source: Consolidated Annual Accounts 2017

Shareholders' Funds

- The Company's equity amounts to €639,408k of which €581k relates to treasury shares.

Non-current liabilities

- Non-current liabilities relate to deposits received from the tenants of the rented properties.

Current liabilities

- Current liabilities relate to the intercompany loans for the acquisition of the last investment properties and €9.9m pending to be paid to one of the sellers of Albarracín 25.

5. Financial Information

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(€'000)

Income Statement	31/12/2017	31/12/2016	Variance	% Variance
Incomes	41,417	35,425	5,992	16.91%
Total Revenue	41,417	35,425	5,992	16.91%
Staff Costs	(137)	(136)	(1)	(0.74%)
Other Operating Expenses	(8,515)	(6,711)	-1,804	26.88%
Fixed Asset Depreciation	(11,508)	(9,212)	-2,296	24.92%
Impairment	(21)	(27)	6	(22.22%)
Total Operating Results	21,236	19,339	1,897	9.81%
% of Revenue	51.27%	54.59%	(3.32%)	-
Financial Income	-	26	(26)	(100%)
Financial Expense	(1,287)	(1,009)	(278)	27.55%
Financial Income/(Expense)	(1,287)	(983)	981,713	(99.87%)
% of Revenue	(3.11%)	(2.77%)	(0.34%)	-
Profit/Loss Before Taxes	19,949	18,356	1,593	8.68%
Corporate Income Tax	-	-	-	-
Profit/(Loss) from ongoing operations	19,949	18,356	1,593	8.68%
Profit/(Loss) from discontinued operations (Including CIT)	94	8,505	(8,411)	(98.89%)
Net Profit/(Loss)	20,043	26,861	(6,818)	(25.38%)

Source: Consolidated Annual Accounts 2017

Profit/(Loss) from discontinued operations

- Profit for the disposal of two assets (ABC Serrano and Preciados 9) .

Financial Income/ expenses

- The Company had amortized the intercompany loans on 29th November 2016 and 12th May 2017 and got another two to finance the last acquisitions on 23rd November 2017 and 15th December 2017.

5. Financial Information

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€'000

	31/12/2017	31/12/2016	31/12/2015(*)
Income	41,417	35,425	18,732
EBITDA**	32,765	28,578	15,235
Investment Properties (IP)	724,938	623,122	478,967
% EBITDA / IP	4.52%	4.58%	3.18%

* 9 months exercise (1/4/15 to 31/12/15).

** EBITDA is calculated as Operating Result - Fixed Asset Depreciation - Impairment

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