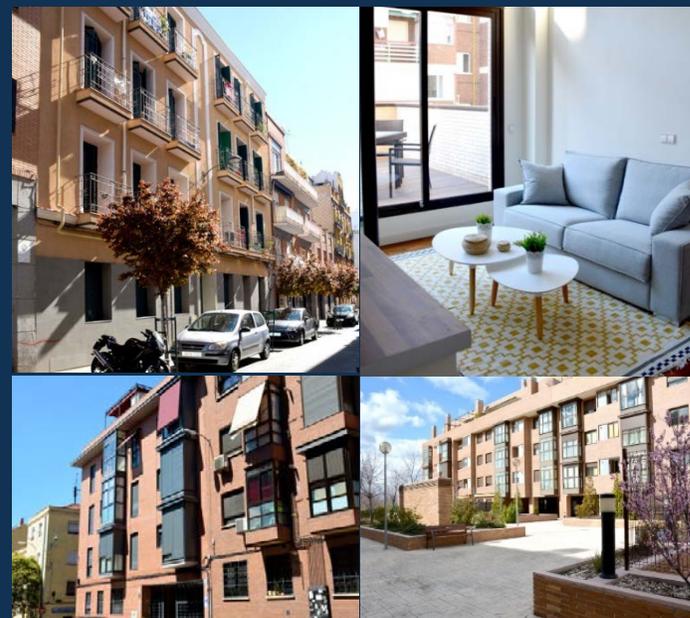




*VBARE Iberian Properties SOCIMI, S.A.*

# *Investors Presentation*

*March 2018*





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## *Who we are*

- First, publicly traded Spanish REIT **exclusively dedicated on the Residential Rental Market** (traded on the Spanish Alternative Investment Market – MAB)
- Focused on creating a portfolio of assets with a **stable rental yield** and **high capital gain potential**
- Founded by VALUE BASE and AURA Real Estate Experts, two sponsors with **extensive experience** and **know-how in Capital Markets** and **Real Estate**, respectively
- Efficient vehicle structured as a Spanish REIT (SOCIMI) taking advantage of **tax benefits** and **dividend driven policy**

## *Who we are – Sponsors*

### **VALUE BASE**

- Leading Investment Bank in Israel
- Established in 2013 by Victor Shamrich and Ido Neuberger, previously co-CEOs of Meitav-Dash, second largest investment house in Israel
- Offering full spectrum of investment banking and advisory services for both privately held and publicly traded companies
- Strong shareholders' base comprised of institutional investors and large family offices

### **AURA REE**

- Leading portfolio valuation advisor in Spain with more than 5 million transactions
- Specialized in advising Spanish and international buyers on acquisition of large NPL and REO portfolios
- Unique Real Estate tech platform with over 20 million comparable and more than 600.000 transaction prices
- >50 professionals and offices in Spain, Portugal and Italy

## Who we are – Team

### Results driven Management team and Board of Directors with strong track-record

**Fernando Acuña, MRICS**  
Chairman of the board

Founder & CEO of Aura REE  
Over 10 years of experience in Real Estate  
CEO of Mortgage & Consumer Finance Bank - Deutsche Bank Credit

**Juan Manuel Soldado**  
Vice chairman

CEO at Aura Asset Management  
Over 15 years of experience in Real Estate  
CEO of Nuphar Gestión Inmobiliaria (RE developer firm)

**Juan José Nieto**  
Independent Director

Founder and CEO at Palmera Capital y Servicios.  
Currently Director at 'La información', Norfin, Uralita, Banco Sabadell Este and Havas Media.

**Fabrizio Agrimi**  
General manager

General manager at VBARE Iberian properties SOCIMI, S.A.  
Over 14 years of experience in Real Estate  
Managing Director and Partner in Altan Capital

**Ido Nouberger**  
Director

CEO & Co-Founder, Value Base Ltd  
More than 20 years of experience in the financial sector  
Co-CEO of Meitav-Dash

**Yair Ephrati**  
Director

CEO, Value Base Mergers & Acquisitions Ltd  
Over 20 years of investment banking and corporate finance experience  
CEO, Meitav-Dash Mergers & Acquisitions

**Yeshayahu Manne**  
Independent Director

Director of Zafiro Technologies  
Over 25 years' experience in business development  
Founded numerous companies in Israel, Spain, Cuba and the Dominican Republic

## *Our Strengths*

### ***Unique database***

Exclusive access to a unique proprietary data base with more than 20 million comparables allowing a very precise underwriting of each transaction

### ***Fully compliant vehicle***

A vehicle compliant with all requirements set out by the Stock Exchange Regulator

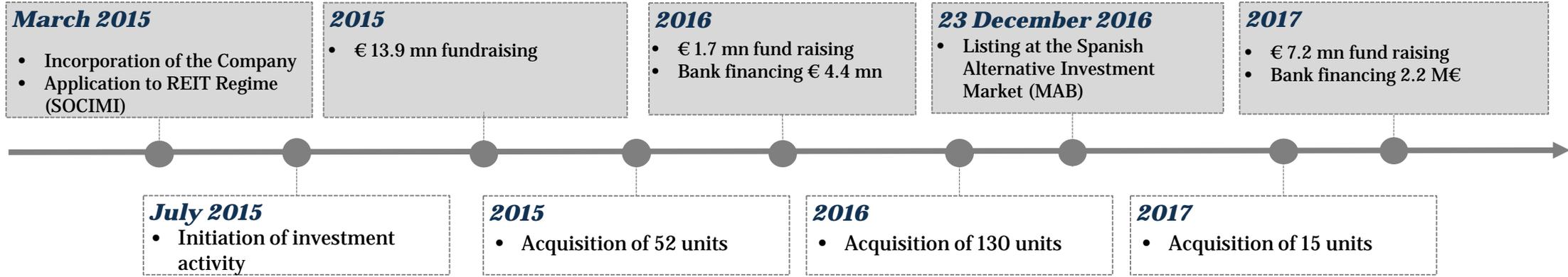
### ***Transparency***

IFRS Financial Statements audited by PwC.  
100% of the portfolio is valuated by an independent RICS appraiser on a quarterly basis

### ***Team Expertise***

The Management Team as well as the Board of Directors is composed by international well-renowned professionals with extensive knowledge in real estate investments and capital markets

## Main events

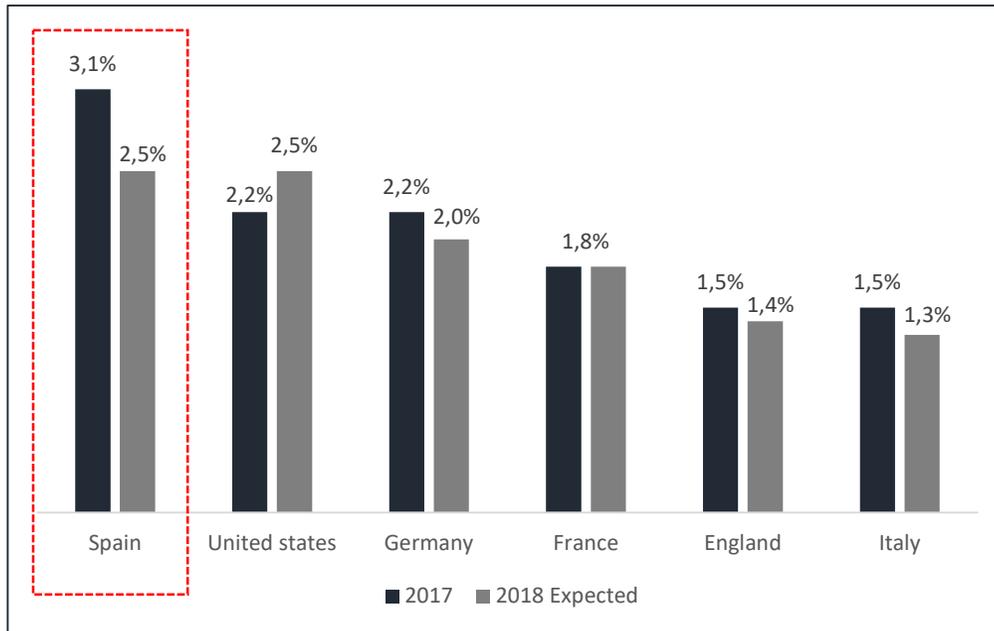


### Goals set and achieved

- Created and structured the vehicle from the legal, tax & financial perspective
- Built capabilities and assembled a team to handle the day-to-day operations, including deal sourcing, analysis and due diligence, refurbishment, asset and property management and leasing, and has constructed specific procedures for such activities
- Acquired approx. 200 apartments, evaluated more than 550 million euros of opportunities, obtained mortgages, performed refurbishments of owned apartments and rented the apartments at very low vacancy rates
- Listed on Madrid's Alternative investment market (MAB)
- Raised approx. € 23 mn up to date

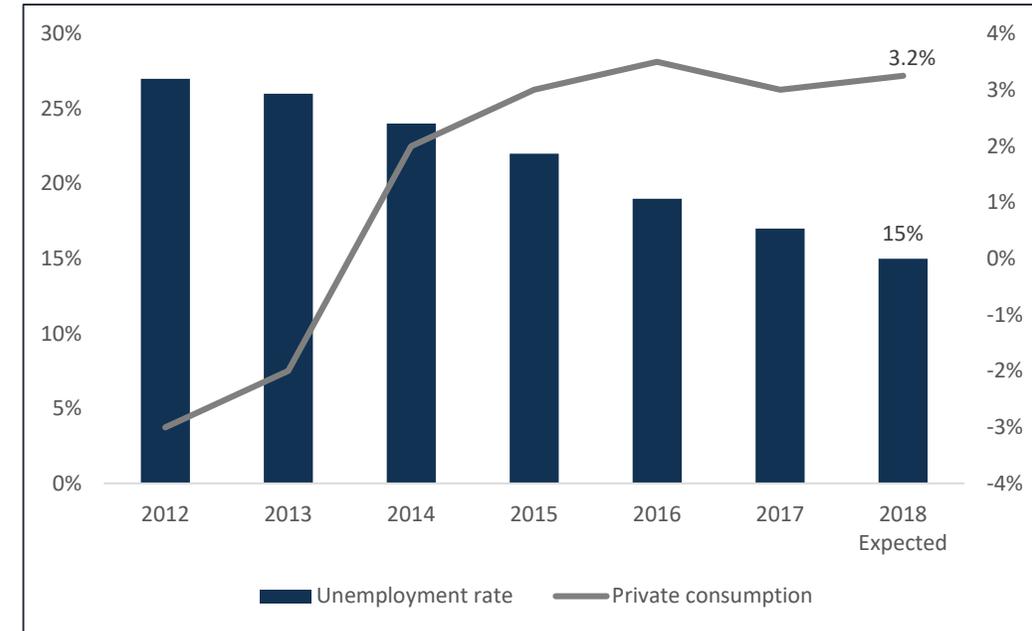
# Why we invest in the Spanish Residential Rental Market (1/3)

**Solid growth of the Spanish economy over performing other OECD countries**



Source: Bloomberg Consensus

**Strong job creation and increasing private consumption in Spain**

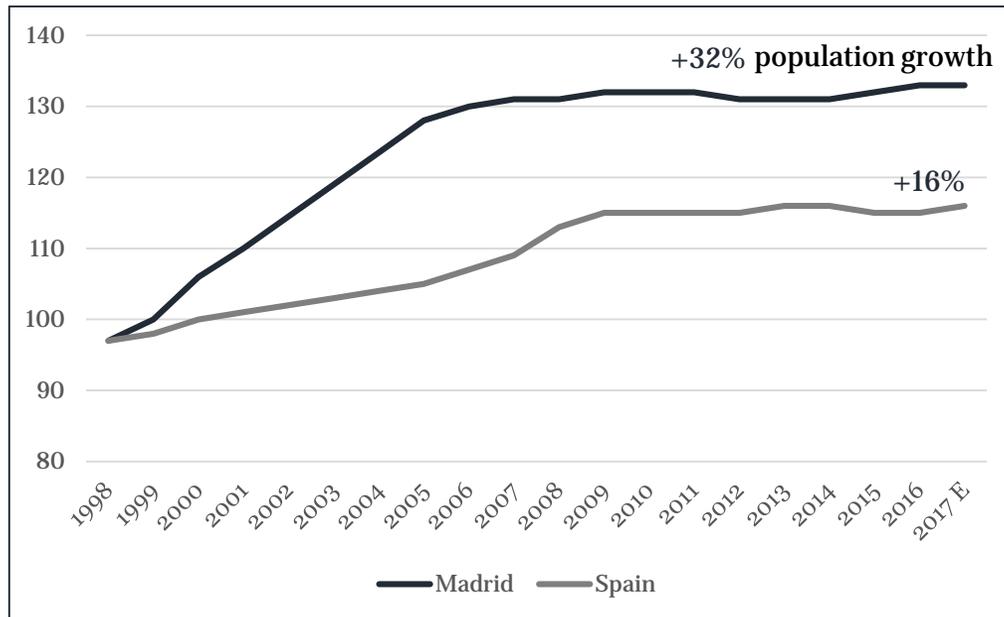


Source: INE

**Favorable macroeconomic recovery trends.....**

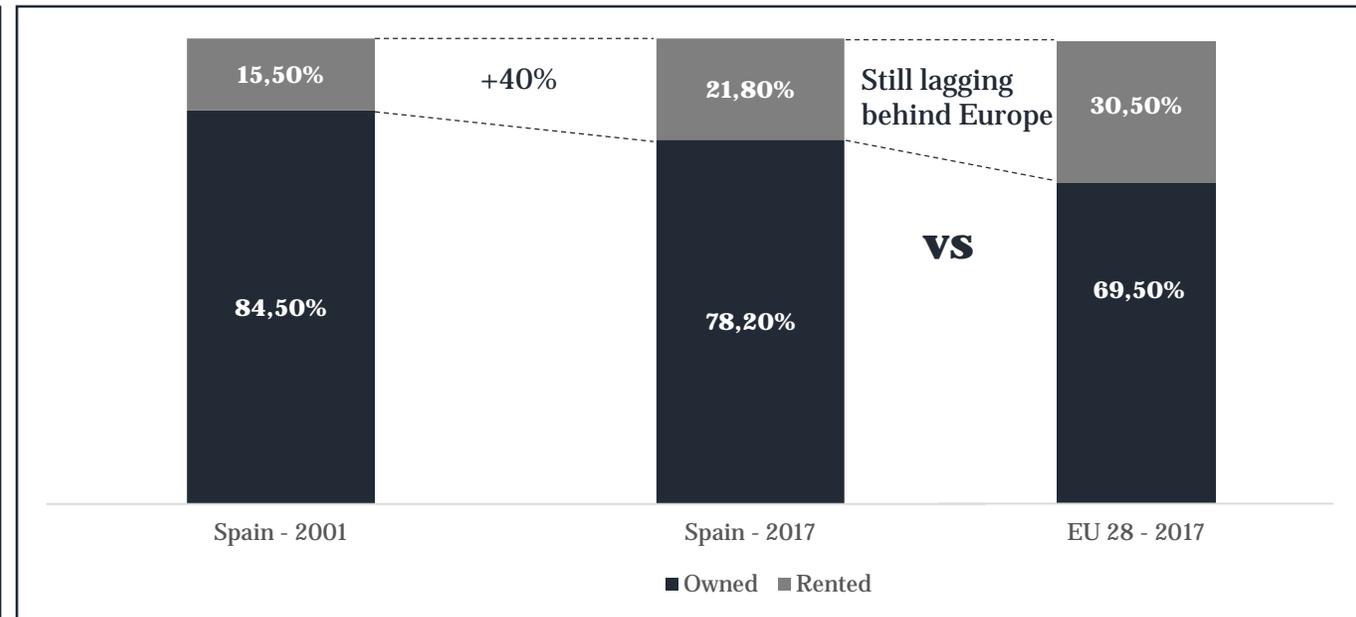
# Why we invest in the Spanish Residential Rental Market (2/3)

## Robust demographic growth



Source: INE

## Social trends making rental residential more attractive to young generation

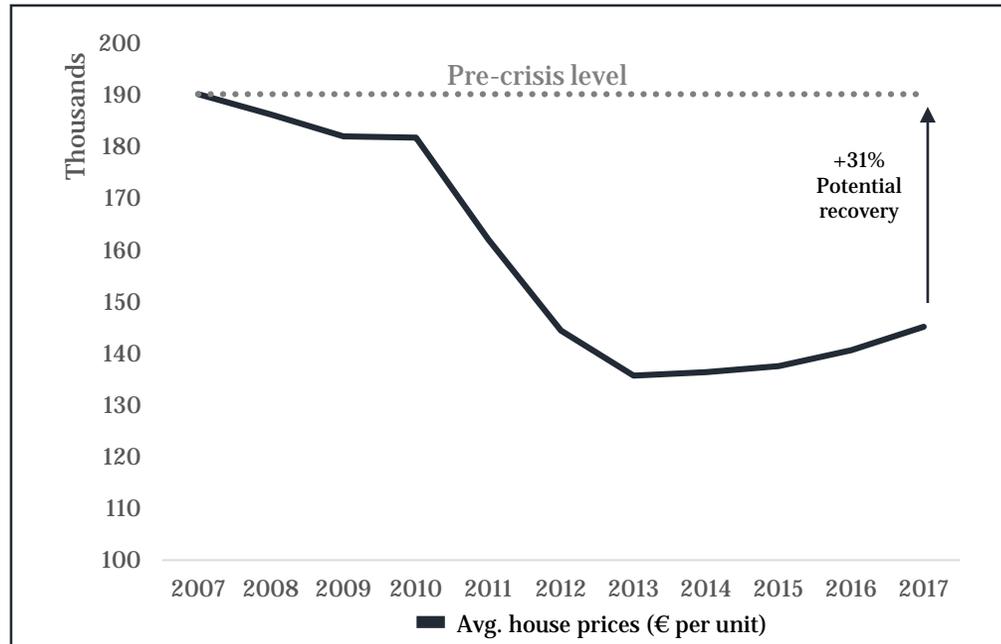


Source: Ministerio de Fomento

..... and positive sociodemographic trends .....

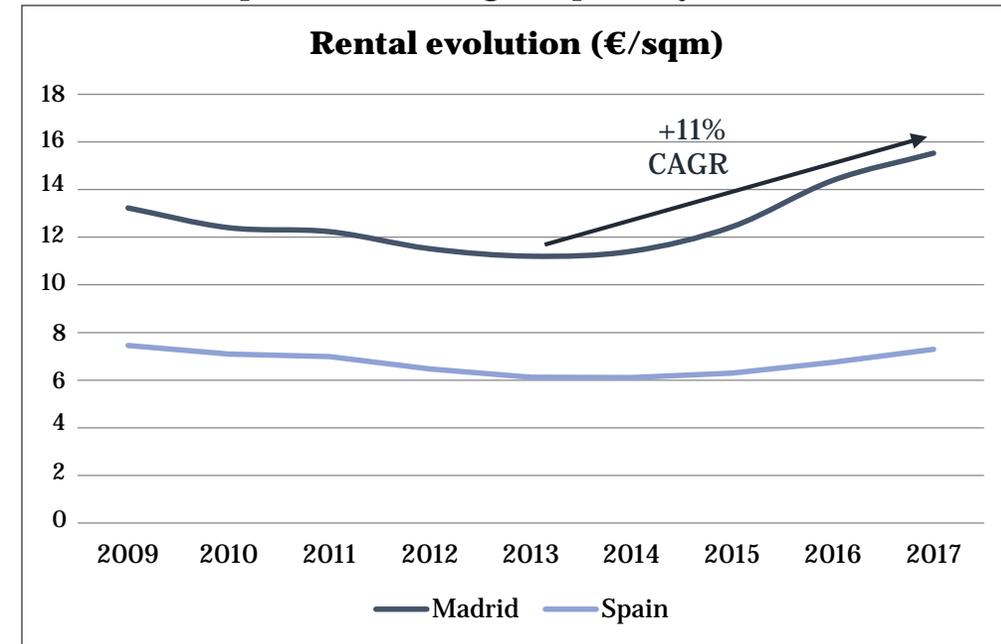
# Why we invest in the Spanish Residential Rental Market (3/3)

House prices steadily increasing since 2013 bottom values



Source: Ministerio de Fomento

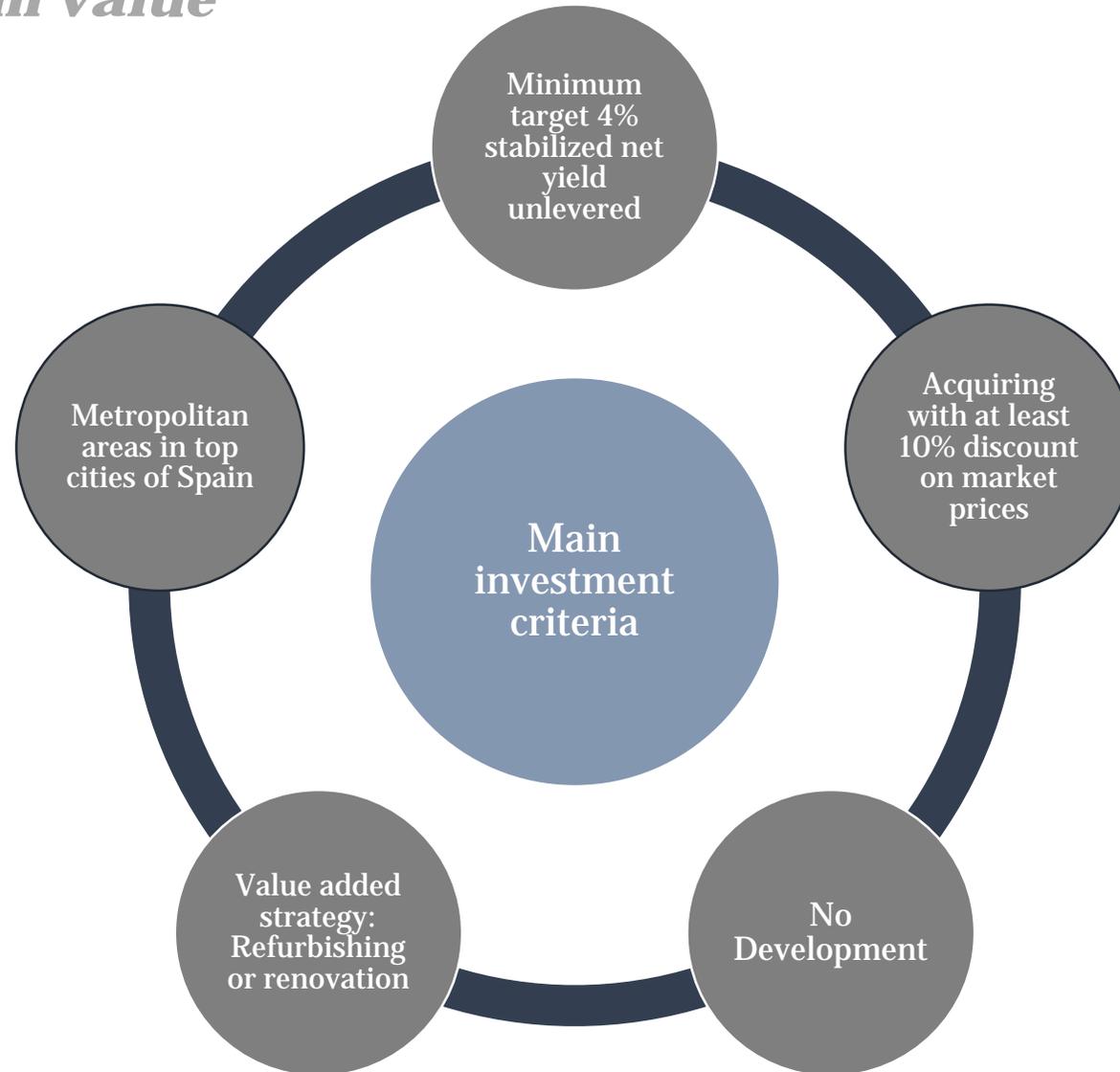
Increasing residential rental prices backed by high demand and product shortage, especially in Madrid



Source: Idealista

.... creating strong momentum for the Spanish Rental Residential Market

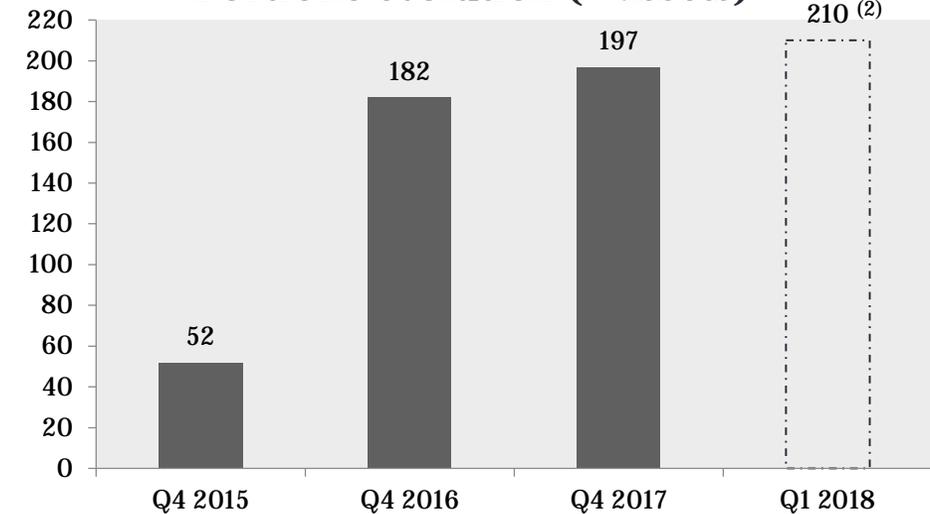
## *Creating long term value*



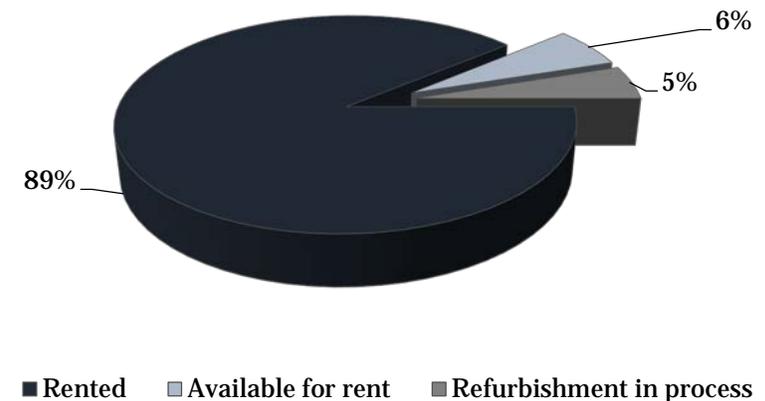
## Portfolio Overview <sup>(1)</sup>

- Number of assets **197**
- GLA **8,616 sqm**
- Occupancy rate **88.9%**
- Total invested capital: **€17.2 mn**
- GAV **€ 28.5 mn**
- GAV €/sqm **€ 3,307 per sqm**
- Passing rent **€ 1.1 mn**
- Gross yield on total invested capital **6.07%**
- EPRA NIY **3.90%**

**Portfolio evolution (# assets)**



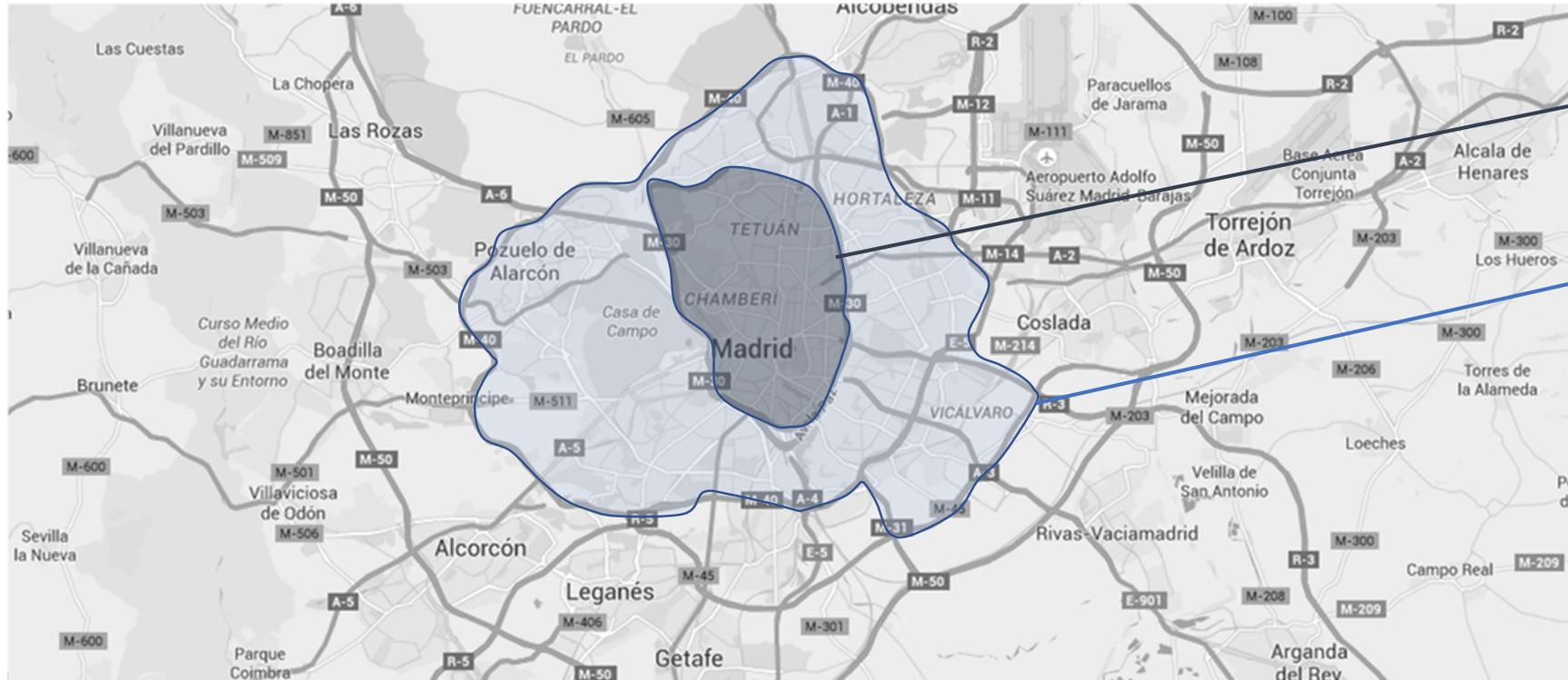
**Portfolio status**



(1) As of 31 December 2017

(2) Including investment under exclusivity expected to close by the end of 1Q2018

## Portfolio location



**51.8% of GAV located in Madrid center (inside M-30)**

**42.5% of GAV in the rest of the city of Madrid**

**5.7% of GAV in the rest of Madrid metropolitan area**

**100% of the portfolio is currently located in Madrid metropolitan area - benefiting from fast-growing rents and asset values**

# Our assets – examples

## Juan Pascual



## Bariloche



## Santa Julia



## Vicente Carballal



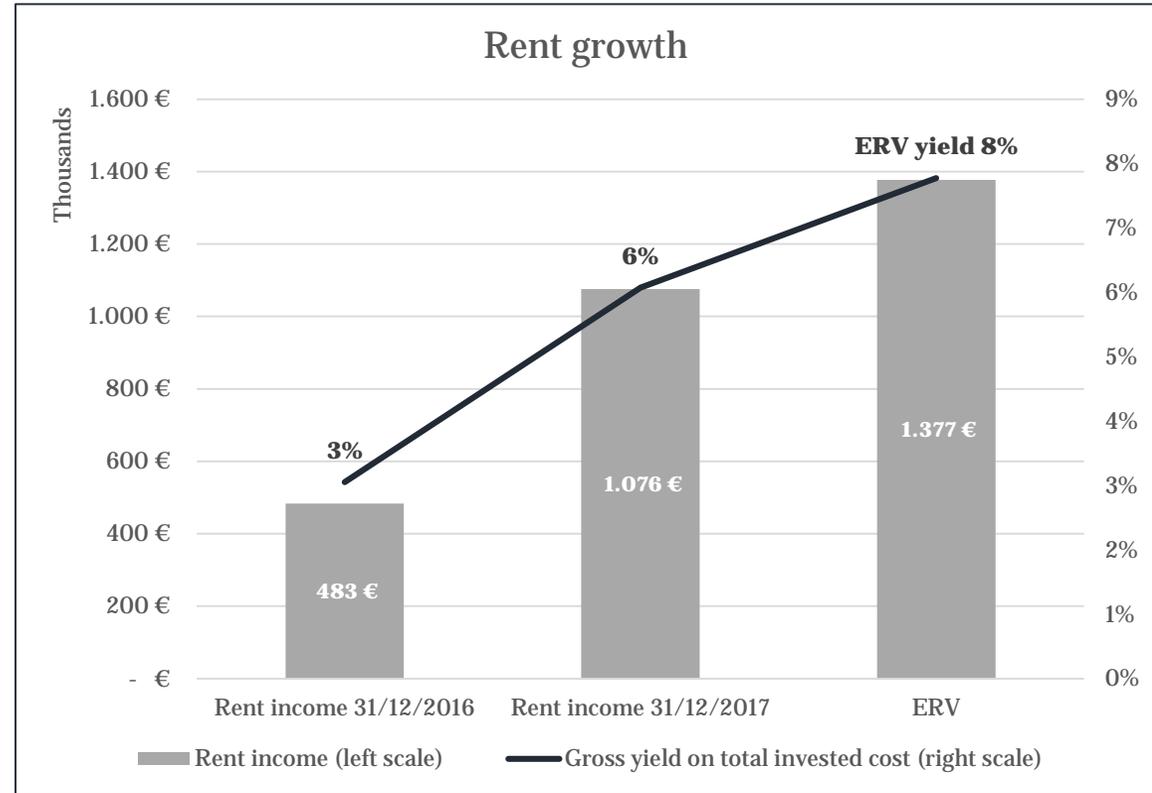
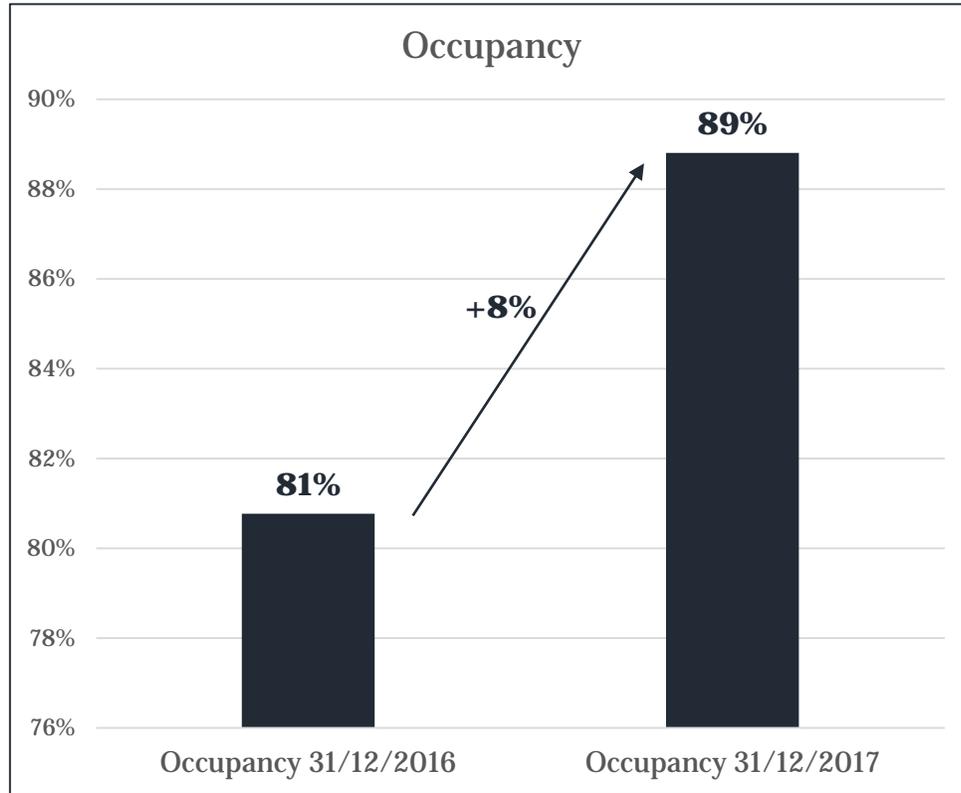
## Carnicer



## Antonia Ruiz Soro



## Strong operating results



Revenues trending up primarily driven by increase in occupancy and renewals with high potential to create additional value

## *Proven Asset Management Capabilities*

**222** new leases signed

+ **11,8 %** rent uplift

**€ 7,4K** Avg. CapEx invested per unit

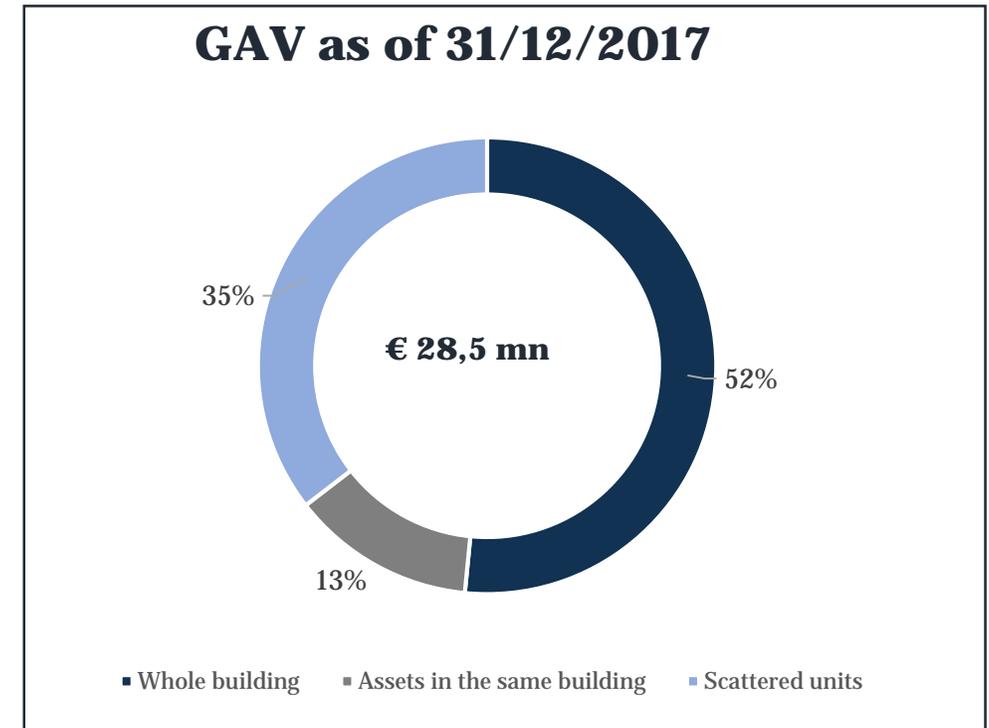
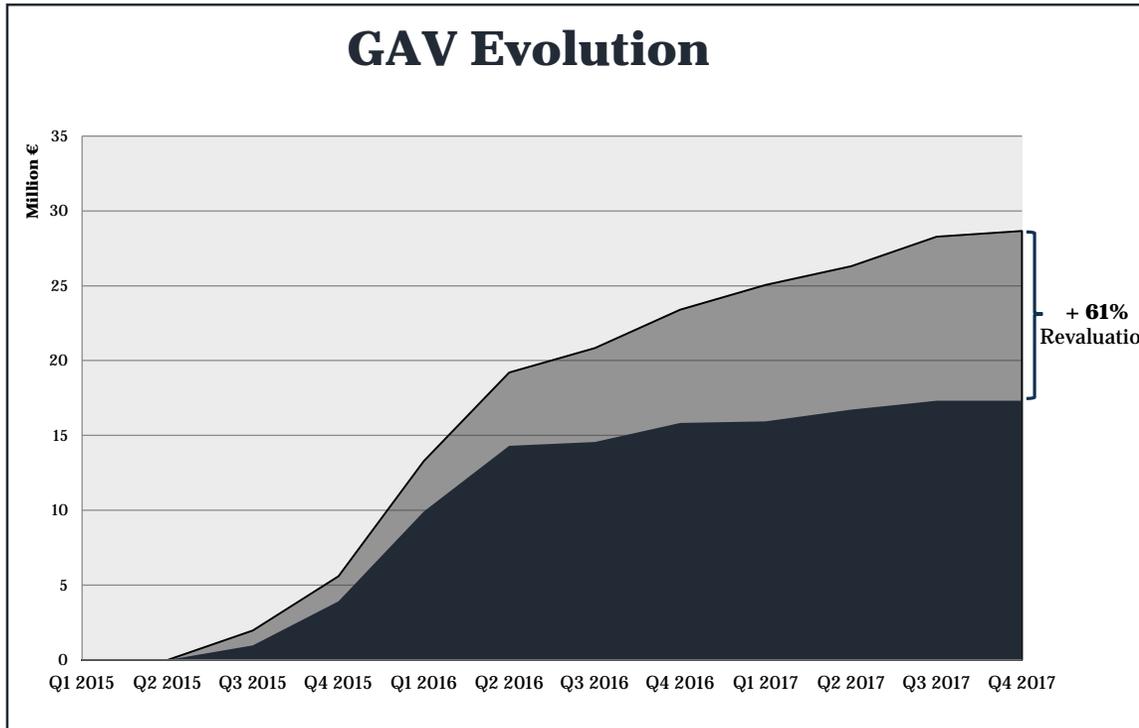
+**200%** occupancy growth

> **26K** Avg. views per month on online leasing platforms

+**61%** GAV increase

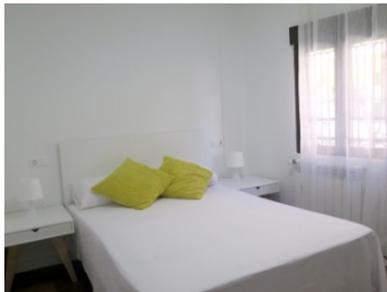
Outstanding performance through active Value Add asset management

## Extraordinary performance



61% increase in portfolio value driven by our investment strategy and Value Add asset management capabilities

## Case Study – Brihuega



- Asset located in the south-west area of Madrid with good transportation options and nearby services
- Avg. purchase price per unit € 69.6K
- Additional CapEx invested per unit of € 3,200
- Rents increase +12,8%
- 8,85% stabilized yield on total invested capital
- +92% GAV revaluation

## Case Study - Tetuán



- Tetuan is one of the most attractive and fast-growing neighborhood in Madrid
- 40% of portfolio units are located in this area
- € 7,2 mn total invested capital
- Additional CapEx invested of € 565K
- Rents increase +13,4%
- +36% GAV portfolio revaluation

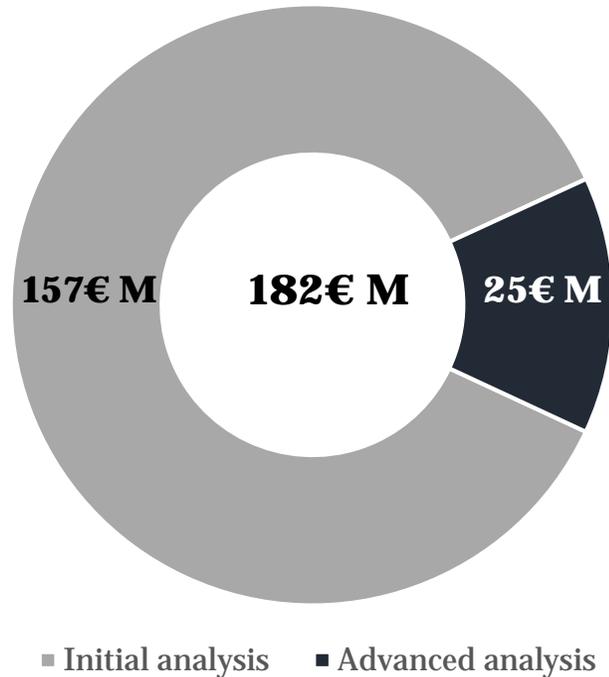
## Case study – Vicente Carballal



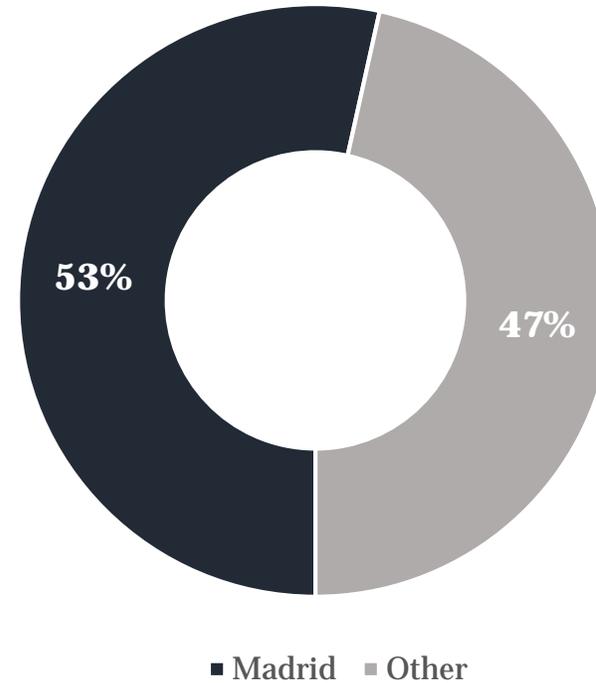
- 31 residential units located in the south east of Madrid
- Acquisition price € 2.1 mn
- Additional CapEx invested of € 100K
- Rents increase over initial underwriting +9,7%
- 9,1% stabilized yield on total invested capital
- +106% GAV revaluation

## Market opportunities

**Pipeline status**



**Pipeline by Location**



- € 25 mn of investment opportunities in advanced analysis matching our investment strategy
- Increasing volume of investment opportunities outside of Madrid

## Key financial figures

### Main balance sheet figures

	Dec. 2017	Dec. 2016
GAV	28,542 K	23,390 K
Gross financial debt	6,323 K	4,259 K
Gross LTV	22.5%	18.2%
Weighted average cost	1.67%	1.60%
Fixed interest rate	68%	52%
Average maturity (years)	13.98	14.68
Cash	8,374 K	3,577 K

- Strong balance sheet to finance new acquisitions
- Stable and conservative profile
- High rental income growth
- Accumulated fair value gain over invested capital > € 10 mn

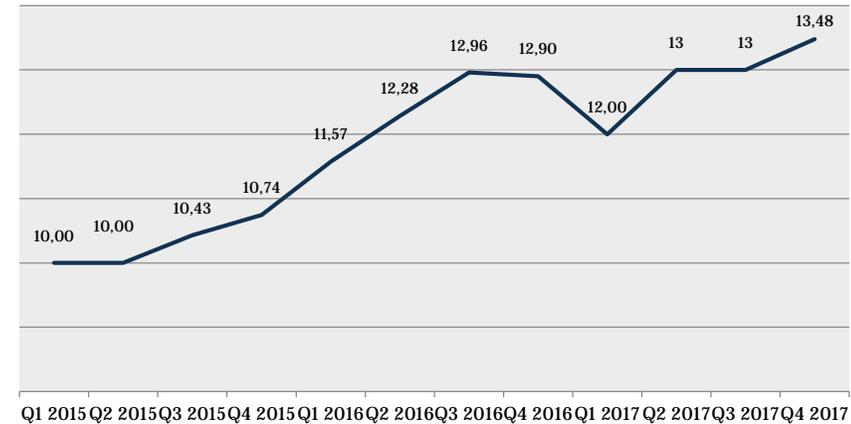
### Consolidated Income Statement

	Dec. 2017	Dec. 2016
Gross Rental Income	1.076	483
Property operating expenses	(533)	(340)
<b>Gross Profit</b>	<b>543</b>	<b>143</b>
Gain from fair value on investment properties	3.266	5.905
<b>Net result from real estate operations</b>	<b>3.809</b>	<b>6.048</b>
General & Administrative expenses	(1.447)	(1.740)
<b>Operating result</b>	<b>2.362</b>	<b>4.308</b>
Finance result	(111)	(24)
<b>EBT</b>	<b>2.251</b>	<b>4.284</b>
CIT	-	-
<b>Net profit</b>	<b>2.251</b>	<b>4.284</b>
<b>Basic earnings per share (Euro):</b>	<b>1,25</b>	<b>2,78</b>

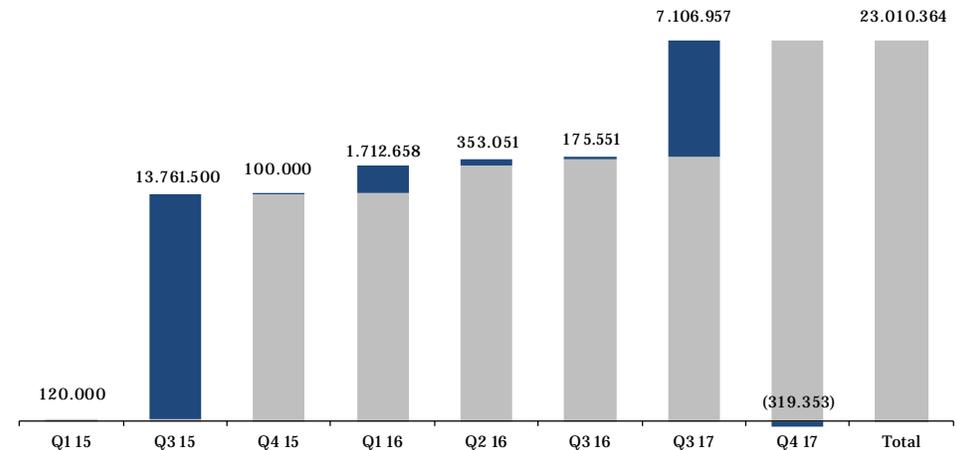
## Capital structure <sup>(1)</sup>

- Market capitalization € 28.9 mn
- Share value € 13.98
- EPRA NAV € 29.9 mn
- EPRA NAV per share € 14.08
- Target annual dividend 3%
- Distribution of share premium per share (December 2017) € 0.15

Share Value evolution (€)



Fund raising evolution



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## *Closing Remarks*

- Excellent operating results driven by active asset management
- Outstanding portfolio revaluation of 61% over invested capital
- Solid financial position to fund future investments
- Strong investment momentum with € 25 mn of identified opportunities in advanced analysis

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# *Annex*

## Annex 1 – CVs of Board and Management team (1/2)

### Fernando Acuña – Board of Directors and Management team

- ✓ Founder & CEO of Aura Ree & Taurus (a Spanish real estate broker company)
- ✓ CEO of Mortgage & Consumer Finance Bank - Deutsche Bank Credit (former)
- ✓ McKinsey & Company, engagement manager, Madrid and New York (former)
- ✓ Over 10 years of experience in the Spanish real estate market
- ✓ BA, Universidad Complutense
- ✓ BA, Anglia Polytechnic University of Cambridge

### Juan Manuel Soldado – Board of Directors and Management team

- ✓ CEO at Aura Asset Management
- ✓ Former CEO of Nuphar Gestión Inmobiliaria (RE developer firm)
- ✓ Former partner at Proyconsol, RE land management company
- ✓ Over 12 years of experience in the Spanish real estate market
- ✓ BA, Economic, Sciences & Marketing, CEADE

### Juan José Nieto – Board of Directors (Independent)

- ✓ Independent Director
- ✓ Founder and CEO at Palmera Capital y Servicios
- ✓ Currently Director at 'La información', Norfin, Uralita, Banco Sabadell Este and Havas Media
- ✓ Worked for Goldman Sachs in London and Bankers Trust managing M&A department
- ✓ Former General Manager at Telefónica, and CEO at Antena 3, and Telefónica Media. Former Director at Onda Cero Radio, Endemol y Pearson Recoletos
- ✓ Former President of Service Point. Founder partner and CEO of Arcano, CEO at Arcano Capital
- ✓ BA, ICADE, London Business School and Stanford University

### Fabrizio Agrimi – General Manager

- ✓ Former Managing Director and Partner in Altan Capital (real estate arm of the Altamar Group, leading alternative asset manager in Spain)
- ✓ Previously part of the Investment Team at Aguirre Newman (2004-2006)
- ✓ Worked in Milan and London in the law firm Vita Samory, Fabrini e Associati (now part of Orrick) as part of the M&A, Private Equity and Financial Services team
- ✓ Wide knowledge of real estate industry and extensive experience in investment operations, mergers and acquisitions, not only in Spain but also in the United Kingdom and Italy
- ✓ MBA from ESADE Business School, Barcelona (Spain)
- ✓ Degree in Law from the University of Trento (Italy)

## *Annex 1 – CVs of Board and Management team (2/2)*

### **Yair Ephrati – Board of Directors and Management team**

- ✓ CEO of Value Base M&A and director in various private and public companies, with over 20 years of investment banking and corporate finance experience
- ✓ CEO of Meitav-DS Mergers & Acquisitions, a leading firm in the Israeli investment banking industry (former)
- ✓ McKinsey & Co. In London and New York leading teams advising Fortune 100 companies on new market development, acquisitions, and strategy
- ✓ MBA (High Distinction) from the University of Michigan and a BA in Economics and Business from Tel Aviv University

### **Ido Nouberger – Board of Directors and Management team**

- ✓ CEO & Co-Founder, Value Base Ltd. With more than 20 years of experience in the financial sector.
- ✓ Prior to founding Value Base, Mr. Neuberger served as Co-CEO of Meitav-DS and oversaw the investment management activities and the operational functions of the firm
- ✓ founded Apex (which later on became Meitav-DS) in 1993, and through organic, as well as M&A activity, grew it to become the second largest investment house in Israel with more than \$40B assets under management
- ✓ M.A and a B.A. in Economics from Tel Aviv University

### **Yeshayahu Manne – Board of Directors (Independent)**

- ✓ Independent Director
- ✓ Director of Zafiro Technologies a Spanish company focused on technologic and engineering solutions
- ✓ More than 25 years' experience in business development and strategic implementation
- ✓ Founded numerous companies in Israel, Spain, Cuba and the Dominican Republic in the fields of IT, telecommunications, energy, infrastructure and real estate
- ✓ BD in electrical engineering , Ben Gurion University

## Annex 2 – SOCIMI Requirements

	<b>Requirement</b>
<b>Legal form</b>	The SOCIMI must be a Spanish stock corporation (SA – Sociedad Anónima).
<b>Capital requirements</b>	Nominal capital of a SOCIMI must be at least €5m. There is no maximum threshold for external debt.
<b>Listing requirements</b>	SOCIMIs must be listed on an organised stock market in Spain, the EU, the EEA, or in any other country with an effective tax information exchange with Spain. MAB: typically SOCIMIs are listed in MAB, a secondary Spanish regulated market with less requirements and reduced costs.
<b>Restrictions on investors</b>	No minimum number of investors required (subject to further requirements of regulator – min. 20 shareholders) No specific restrictions on non-resident investors.
<b>Asset/income/ activity tests</b>	The corporate activity of the SOCIMI must be: <ul style="list-style-type: none"> <li>• The acquisition and development of urban real estate for lease;</li> <li>• The holding of shares in other SOCIMIs or in foreign companies subject to a similar REIT regime with regards to the corporate activity and the dividend distribution requirements;</li> <li>• The holding of shares in Spanish or foreign companies with the same corporate activity, dividend distribution obligations, asset and income tests as SOCIMIs; and</li> <li>• The holding of units in Spanish regulated real estate collective investment institutions.</li> </ul> At least 80% of the value of the assets must consist of qualifying real estate assets and shares. In addition, at least 80% of earnings, exclusive of capital gains, must relate to rents and dividends from qualifying shares. Qualifying assets must be held for a minimum period of 3 years.
<b>Restrictions on foreign assets</b>	There are no restrictions on foreign assets assuming that they are similar to Spanish qualifying assets and are located in a jurisdiction with a tax information exchange with Spain.
<b>Distribution requirements</b>	The SOCIMI is obliged to distribute the following amounts: <ul style="list-style-type: none"> <li>• 100% of profits derived from dividends received from other SOCIMIs, foreign REITs, qualifying subsidiaries and collective investment institutions;</li> <li>• At least 50% of capital gains derived from qualifying real estate assets and shares. The remaining gain shall be reinvested within a 3 year period or fully distributed once the 3 year period has elapsed and no reinvestment has been made; and</li> <li>• At least 80% of profits derived from income other than dividends and capital gains, i.e. including rental income and ancillary activities.</li> </ul> Distribution of dividends shall be agreed within the 6 month period following the end of the financial year and be paid within the month following the date of the distribution agreement.

## Annex 3 – Financial Statements

### Consolidated Statement of Financial Position

€ Thousand	Dec. 2016	Dec. 2017
Property plant and equipment	1	4
Investment properties	23.390	28.542
Non - Current financial assets	26	74
<b>Non- Current Assets</b>	<b>23.417</b>	<b>28.620</b>
Trade and other receivables	68	53
Other current financial assets	273	18
Other receivables group companies and associates	9	9
Short term accruals	31	40
Cash and cash equivalents	3.577	8.374
<b>Current Assets</b>	<b>3.958</b>	<b>8.494</b>
<b>Total Assets</b>	<b>27.375</b>	<b>37.114</b>
Non-current financial liabilities	98	127
Borrowings	4.156	6.100
<b>Non- Current Liabilities</b>	<b>4.254</b>	<b>6.227</b>
Current financial liabilities	270	15
Borrowings	113	223
Trade and other payables	1.847	673
<b>Current Liabilities</b>	<b>2.230</b>	<b>911</b>
<b>Total Liabilities</b>	<b>6.484</b>	<b>7.138</b>
<b>Net Equity</b>	<b>20.891</b>	<b>29.976</b>
<b>KPI's</b>		
Net Debt	(692)	2.051
Working Capital	1.728	7.583

Source: Audited Consolidated Financial Statements under IFRS - EU

### Consolidated Income Statement

	Dec. 2016	Dec. 2017
Gross Rental Income	483	1.076
Property operating expenses	(340)	(533)
<b>Gross Profit</b>	<b>143</b>	<b>543</b>
Gain from fair value on investment properties	5.905	3.266
<b>Net result from real estate operations</b>	<b>6.048</b>	<b>3.809</b>
General & Administrative expenses	(1.740)	(1.447)
<b>Operating result</b>	<b>4.308</b>	<b>2.362</b>
Finance result	(24)	(111)
<b>EBT</b>	<b>4.284</b>	<b>2.251</b>
CIT	-	-
<b>Net profit</b>	<b>4.284</b>	<b>2.251</b>
<b>Basic earnings per share (Euro):</b>	<b>2,78</b>	<b>1,25</b>

Source: Audited Consolidated Financial Statements under IFRS - EU

## Annex 4– Terms & Conditions

<b>Registered Advisor</b>	Renta 4 Corporate, S.A.		
<b>Legal &amp; Tax Advisor</b>	Thomas de Carranza Abogados, S.L.; Uría Menéndez Abogados, S.L.P.		
<b>Auditor</b>	PricewaterhouseCoopers Auditores, S.L.		
<b>Liquidity provider and Bank Agent</b>	Renta 4 Sociedad de Valores, S.A.		
<b>Valuation company (RICS) Equity valuation Financial Due Diligence</b>	Aguirre Newman Grant Thornton BDO Advisory		
<b>Management Company</b>	A Spanish limited liability company owned by Aura AM S.A (50%), Value Base (37.5%) and Yair Ephrati (12.5%) and managed by Spanish residents.		
<b>Management fees</b>	<b>Asset Management Fees</b>	<b>Success Fee</b>	
	Calculated as a percentage of assets value (degressive / cumulative)		
	<b>(€ M)</b>	<b>% (+ VAT)</b>	<ul style="list-style-type: none"> <li>▪ 16% + VAT carried interest over 8% hurdle.</li> <li>▪ Catch-up mechanism.</li> <li>▪ High watermark mechanism</li> </ul>
	X<60	1%	
	60<X<120	0.9%	
	120<X<250	0.8%	
250<X<500	0.7%		
X>500	0.6%		