



THIS RELEVANT FACT IS A TRANSLATION OF THE SPANISH VERSION. IN CASE OF ANY DISCREPANCIES, THE SPANISH VERSION SHALL PREVAIL.

Madrid, 17 May 2019

Pursuant to the terms set forth in Article 17 of EU Regulation No. 596/2014 with regard to abuse of markets and Article 228 of the Consolidated Text of the Stock Exchange Law, approved by Royal Legislative Decree 4/2015 dated October 23 and other related provisions, as well as Notice 6/2018 of the Mercado Alternativo Bursátil ("**MAB**"), VBARE Iberian Properties SOCIMI, S.A. (the "**Company**" or "**VBARE**") hereby publishes the following:

### **RELEVANT FACT**

In relation to the Relevant Event published today where the Board of Directors of the Company has called the General Shareholders' Meeting, the Company, by means of this relevant fact, wants to explain more in detail all the information set out therein.

Due to the interest shown by certain current international shareholders as well as other institutional investors in participating in a share capital increase for an approximately amount of 15 million euros, the Company has decided to propose to the General Shareholders' Meeting the approval of:

1. A capital increase through monetary contributions in the maximum total effective amount of 29,993,742.60 euros, via the issuance of up to 2,238,339 new ordinary shares with pre-emptive subscription rights subject to the execution of the share capital increase in a minimum amount of 12,500,000 euros
2. The authorization of the Board of Directors so that, in conformity with the provisions of article 297.1.b) of the Companies Law (Ley de Sociedades de Capital), it can within a maximum term of five years increase the share capital by up to 50% of the current share capital, on one or more occasions and in the amount that it considers appropriate, at a minimum issue price of 13.40 euros per share.

Within the framework of this share capital increase, the Company has decided to propose to the General Shareholders' Meeting the approval of a series of proposals conditioned on the success of the aforementioned share capital increase in a minimum amount of 12.5 million euros, which we will now detail hereunder:

1. Approval of an addendum to the management agreement signed between the Company and VBA REAL ESTATE ASSET MANAGEMENT 3000, S.L. (the "Management Company"). This addendum modifies the success fee to be received by the Management Company as from 1 January 2019 and the expiry date of this contract.

The success fee would then be calculated as a 16% of the Annual Share Price Increase. The Annual Increase in the Share Price will be the difference between the weighted average Share Price of the Company in the 90 trading sessions prior to the close of the corresponding year and the weighted average Share Price of the Company in the 90 trading sessions prior to the close of the previous year, adjusted for dividends or other distributions made in the year in such year.

Additionally, the Success Fee will be paid in Company shares, except for the applicable VAT that will be paid in cash.



The Success Fee shall be payable once the Market Price reaches a minimum level of 15.70 euros (EPRA NAV per share as of December 31, 2018).

Additionally, it is established a hurdle rate of 6% per annum with full catch-up and a high-water mark mechanism.

On the other hand, it has been agreed to propose as the new termination date of the management contract the 31 December 2024 unless the Company initiates its liquidation before that date. In that case, the term of the agreement will be extended until 31 December 2026 or until the date of liquidation if it is earlier.

The Company shall publish at least 15 days prior to the Extraordinary General Shareholders Meeting a presentation with a detailed explanation of the calculation of the Success Fee and the functioning of the hurdle rate, full catch up and high water mark mechanism.

The management agreement amendment as per the Company's opinion entails a better alignment of interests between the Company, the Shareholders and the Management Company.

2. Approval of a corporate strategy which objective be the Company's growth and the generation of share liquidity. More specifically, it has been established as measurable objectives a net equity based on the consolidated financial statements according to IFRS as of December 31, 2021 of at least 100,000,000 euros and an average daily trading volume of at least 75,000 euros during the 2021 financial year. If any of these objectives is not met, the Company will proceed with the total liquidation of the Company's asset portfolio as from 1 January 2022.

This change in the Company's opinion will represent a significant change and we believe that it will be very well received by current and potential shareholders.

In addition, the Board of Director has unanimously committed today to make their best efforts for the admission of the Company's shares to the Spanish Stock Exchanges and their incorporation into the Stock Exchange Interconnection System (Continuous Market) with the intention of having them admitted to trading before 31 March 2020.

We remain at your disposal for any clarification that may be necessary.

Mr. Íñigo Sánchez del Campo Basagoiti  
Non-Board Secretary of the Board of Directors  
VBARE Iberian Properties SOCIMI, S.A.