

Vitruvio

Investing in a Spanish REIT

October 2020



VITRUVIOSOCIMI
REAL ESTATE

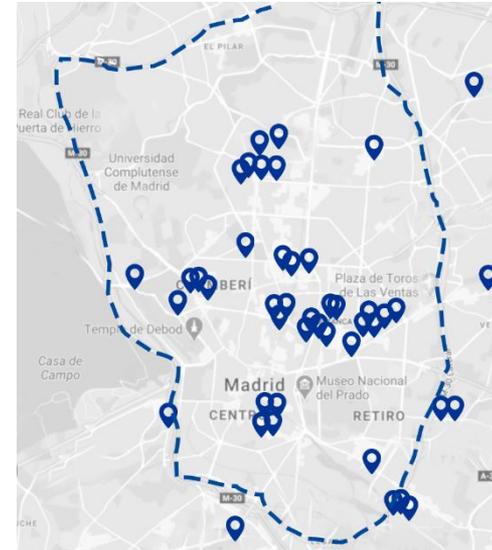
Resumen

Vitruvio is a **conventional real estate company** with **EUR 172M¹** in assets that takes a long-term, non-speculative and income-seeking approach. It has **427 shareholders** with no controlling interests.

Its portfolio of **leased** properties is highly **diversified** by property type - residential, high-street retail units and logistics - and by tenant (over 220). The properties are mainly located in **central areas** in Madrid.

[Quarterly Report](#)

Main locations



Madrid ²	91%
Vizcaya	4,5%
Barcelona	2,5%
Resto	2%

¹ Savills valuation at 30 June 2020 (EUR 169M), plus the carrying amount of the surface rights with the Madrid Social Housing Agency (EUR 3M).

² Madrid plus Corredor del Henares (Madrid's main logistic area) in neighbouring province of Guadalajara.

Growth

The **addition of private wealth** as a natural way out of properties held in an indeterminate share, where owners do not need liquidity (or not 100%), is a constant source of growth in high-value transactions for Vitruvio and for the contributors.

In addition, the Company is well positioned to continue leading the **consolidation of the SOCIMI segment** on the MAB and accumulating other investment companies lacking a clear exit.¹

Changes per year in the appraised value² in assets, in millions of €.



¹ Ejemplos: Única Real Estate SOCIMI en 2019 por € 45M o CPI, sociedad con 70 clientes de Banca March, en 2017 por € 37M.

²Valuation by Savills as per 30-6-2020 and the carrying amount at 30/06/20 of the surface rights with the
³Madrid Social Housing Agency

COVID effects

97% occupancy rate

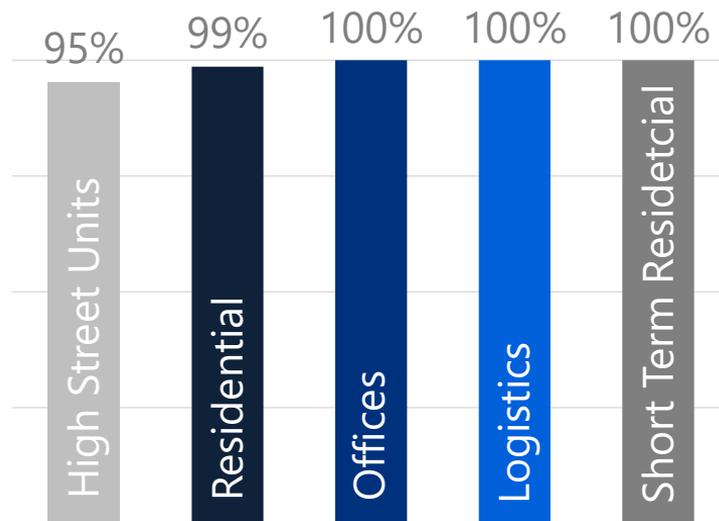
High **occupancy** at **97%**. Notably, the level of pre-crisis **rentals** has been maintained.

Capped at 33% by the bylaws, the **level of debt** is **29%**, with an average cost of **2%**.

Liquidity at 31 August covers **> 1 year** of current and financial expenses, even in a zero-revenue scenario.¹

Once the current situation has stabilised, estimated **dividends** should range from **30-45 cents** per share (dividend + premium).

Occupancy by property type in portfolio
(at end of Q2 2020)



Since 30 June there have been no significant changes in occupancy.

¹ The calculation is based on estimated current expenses of EUR 2.1M and estimated interest of EUR 1M (total of EUR 3.1M).

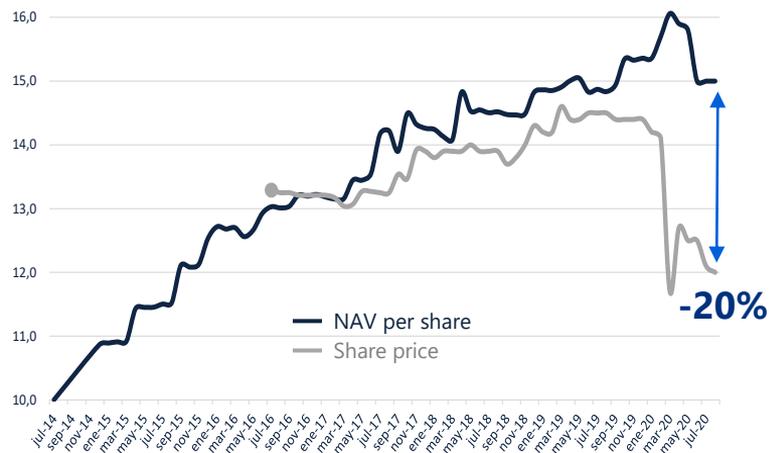
Investment Opportunity

-20% discount vs. NAV per share

With the **crisis**, the price is **EUR 12/share**, at a discount of **-20%** on the NAV/share, implicitly valuing and including unoccupied assets:

- The **residential** portfolio in the centre of Madrid at **EUR 2,795/m²** or net rental yield of 4.02% (NRI).
- The **offices** portfolio in the centre of Madrid with NRI yield of **6.75%** (EUR 3,165/m²).
- The **high-street retail** portfolio in the centre of Madrid with NRI yield of **6.87%** (EUR 2,907/m²).
- And the **logistics** portfolio with NRI yield of **9.38%**.

Share Price vs. NAV per share
(NAV calculado a 30 junio 2020 – 14,99)



[See real estate portfolio](#)

> Our portfolio Main assets

	Sagasta 24 Madrid	Fdz. de la Hoz 52 Madrid	Ayala 101 Madrid	Goya 5-7 Madrid	Duque de Rivas 4 Madrid
Property type	Residencial	Oficinas	Residencial	Comercial & Oficinas	Residencial c/p
Valuation (GAV)	21.321.000 €	12.776.000 €	11.321.000 €	9.746.000 €	9.600.000 €
Implicit valuation at € 12 per share	17.060.000 €	10.223.000 €	9.058.000 €	7.798.000 €	7.681.000 €
Implicit €/m² at € 12 per share	3.606 €/m²	3.775 €/m²	3.037 €/m²	4.266 €/m²	2.479 €/m²
GLA (m²)	4.731m ²	2.708 m ²	2.983 m ²	1.828 m ²	3.099 m ²



> Anexo

Glosario

NAV €: net asset value, i.e. Vitruvio's equity adjusted by the valuation of an independent party. The NAV is calculated and approved by the Board of Directors of Vitruvio using the methodology described

NAV per share: NAV divided by the number of shares outstanding (excluding treasury shares)

GAV €: gross asset value. Vitruvio obtains this information from the valuations made by the consulting firm Savills AN España.

GRI €: gross rental income, agreed rent plus expenses borne by the tenant.

NRI €: net rental income, contractually agreed rent, discounting the charging of expenses.

NOI €: net operating income, contractually agreed net rent, calculated as GRI less total community association charges, property tax, insurance and any direct expense relating to the assets.

Rental yield %: contractually agreed rent divided by valuation (NRI/GAV).

Vacancy %: calculated as the valuation of vacant assets to the total portfolio valuation (vacant GAV/GAV), excluding assets that are being renovated.

EBITDA: Earnings before interest, taxes, depreciation and amortisation.

Earnings per share (EPS): profit for the year divided by the number of shares outstanding (excluding treasury shares).

Dividend per share (DPS): dividend distributed in the year divided by the number of shares outstanding (excluding treasury shares).

Dividend yield %: DPS/NAV/share

Leverage %: the Company's bank borrowings less cash, divided by the valuation (net debt/GAV)

FFO/share: profit for the year + amortisations and depreciations - capital gains/losses from disposal, divided by the number of shares outstanding.

DSCR: debt service coverage ratio (EBITDA/(finance costs + principal repayment).

Relevant information



All data in this document come from the quarterly close at 30 June, except for the share price, which is updated at the date of preparation of this presentation.

Following RICS methodology, Savills Aguirre Newman prepares an independent valuation of the property portfolio on an annual basis, with a half-yearly review in June. In summary, the value of the properties presented is the present value of the discounted future rental income (contracted or estimated when there are vacancies, although the vacancy rate for Vitruvio is only 5% at the end of June). Were rental income to decrease, it is foreseeable that the portfolio's valuation would also decrease, even though there was already a 4.4% fall in the portfolio at 30 June compared to December (with December including the valuation of the properties of Fidelgés, S.L., which was in the process of being absorbed; the deal was closed in April this year).

The valuation of the property portfolio presented herein is the sum of the Savills independent valuation at 30 June (EUR 169,146,000) and the surface right with the Madrid Social Housing Agency (at its carrying amount of EUR 2,916,292). The portfolio valuation totalled EUR 172,062,292.64 at the end of June 2020.

A different issue for the valuation of the properties is the portfolio's net asset value (NAV). The NAV is calculated by adding current assets (EUR 2,884,833), financial assets (EUR 5,789,270) and the Savills valuation (EUR 169,146,000). Non-current payables (EUR 48,731,970) and current liabilities (EUR 6,613,960) are then subtracted. The NAV at the end of June was therefore EUR 122,474,000. Dividing by the 8,166,880 shares outstanding at the end of June (excluding 33,413 treasury shares) yields a NAV per share of EUR 14.997. At the date of preparation of this presentation, Vitruvio's most recent trading price on stock exchanges and markets is EUR 12 per share, representing a 19.98% discount.

The implied value of the properties shown in the presentation is calculated by applying the 20% discount (19.98%) at the price of EUR 12 per share from the most recently published NAV per share (14,99).

As regards the income taken into account to calculate the net rental income for each real estate use, it should be noted that the calculation consists of dividing the income from the assets of a certain use by the sum value of the assets of the same type. In other words, the denominator contains the sum of all the unoccupied and vacant assets and the numerator contains the net rental income (NRI). Were the vacant assets to be leased in the future and the same valuation maintained, the net rental income would be higher since the numerator of the ratio would increase.

It should be noted that this report is provisional and may contain errors, outdated information or information that could ultimately be determined in respect of the year end with the preparation of the audited financial statements. Also, in general, developments relating to the health crisis and measures to combat the virus may cause the data in the report to change rapidly in line with the current general climate of uncertainty.

In this connection, the world is suffering from a pandemic that has caused a high number of deaths and all manner of victims. This health crisis has in turn led to a severe economic crisis, which affects people, their behaviour, their businesses and the companies they work for. Housing, retail and offices are the main uses at Vitruvio, and leasing these spaces provides the Company's income. Accordingly, future rental income could be subject to downward trends. Similarly, if the pandemic ends in the future and the situation returns to normal, rental income could trend upward. In both cases, the gross asset value and net asset value will foreseeably vary in one direction or the other.



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Although Vitruvio Real Estate Socimi, S.A. has taken all necessary measures to ensure that the information provided is as accurate and truthful as possible at the time of the presentation, the various data, estimates and projections contained herein may be modified at any time, since such information is preliminary.

In particular, the starting information used to calculate NAV is derived from unaudited annual accounts and, therefore, could be altered. In such an event, the change would be made public through the publication of the related Relevant Fact communication.

Vitruvio reports that the data and projections have been estimated under regular conditions and that they are subject to changes and exposed to various factors and risks. This information is published in Vitruvio's web page, www.vitruviosocimi.com.

Potential investors should carefully consider whether an investment is suitable for them in light of their circumstances, knowledge and financial resources and, accordingly, should consult their own professional and independent advisors regarding various legal, tax and financial considerations to evaluate and assess the suitability, legality and risks prior to making an investment in the Company.



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