



INVESTMENT VEHICLE
SOCIMI

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2. Incorporating and listing a SOCIMI.
3. SOCIMI's and the multilateral trading facility (MAB).
4. Executive team.



- ¿What are SOCIMI's?
 - SOCIMI's are Spanish Real Estate Investment Trusts or REITs, Known in Spanish as "Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario".
 - SOCIMI's are companies whose main activity is the direct or indirect investment in urban real estate property for rental purposes.

- ¿What is the aim of SOCIMI ?
 - Promote the rental market in Spain. This sector has a very low volume in comparison with the rest of Europe (15% in Spain compared with 50% in Germany).
 - Provide liquidity for real estate investments.
 - Offer investors stable returns.

- ¿How are they regulated ?
 - Law 11/2009 of 26 October (<http://www.boe.es/boe/dias/2009/10/27/pdfs/BOE-A-2009-17000.pdf>)
 - Amended by Law 16/2012 of 27 December (http://www.agenciatributaria.es/static_files/AEAT/Contenidos_Comunes/La_Agencia_Tributaria/Le_Interesa/Ley_16_2012.pdf)

- ¿Who are SOCIMI´s aimed at?
 - All individual or corporate owners that own or wish to develop real estate for rental whose aggregate value exceeds 5 million euros (a SOCIMI can comprise a single property).
 - Valuations of non-monetary contributions of property to incorporate a SOCIMI or increase its capital will require a valuation made by an independent expert.

- ¿What Requirements must I meet for my company to be considered a SOCIMI ?

PROPERTY CHARACTERISTICS	Law 2009	Law 2012
Properties required	3	1
Maximum relative weight:	40%	100%
Balance sheet/P property		
Minimum holding period for property	7 years	3years
FINANCIAL REQUIREMENTS		
Minimum share capital	15 million	5 million
Maximum leverage	70%	No limit
Classes of shares (*)		Nominative
Trading market(**)	Regulated Markets only	Regulated or multilateral trading systems
Minimum Free Float	25%	Minimum between 2.000.000 and 25% of share capital
MANDATORY DIVIDEND DISTRIBUTION		
% profits to dividends (rental income)	90%	80%
% profits to dividends (property sales)	50%	50%
% profits to dividends from dividends of other SOCIMI´s	100%	100%

(*) These must be freely transferable. Temporary two-year period to comply with the listing requirement.

(**) Listed SOCIMI´s that are 100% subsidiaries of other foreign REITs or SOCIMIs are exempt from mandatory listing.

▪ ¿Which assets are deemed to qualify to form part of a SOCIMI's assets?

For a company to be considered a SOCIMI, at least 80% of its assets must be considered as Qualifying Assets.

Qualifying Assets are as follows:

- **Urban real property** (buildings, commercial premises, hotels, offices, shopping centres, industrial warehouses, garages, etc.) acquired or developed to be leased.
- Land plots acquired for lease, provided development is started within three years as from their acquisition date.
- Holdings in other SOCIMIs, REITs, non-listed SOCIMIs and Real Estate Collective Investment funds and companies.

▪ ¿Which assets are excluded from forming part of a SOCIMI's assets?

- Pursuant to article 8 of the Revised Text of the Land and Property Register Law, approved by Royal Legislative Decree 1/2004, of 5 March, property of special characteristics ("bienes inmuebles de características especiales") are excluded from SOCIMIS.
- Specifically, the following are not qualifying assets for a SOCIMI:
 - Those whose purpose is the production of energy from electricity or gas or oil refining, and also nuclear power plants.
 - Dams, waterfalls and reservoirs, including their floor or channel, except those whose exclusive purpose is irrigation.
 - Motorways, roads and tunnels with tolls.
 - Airports and commercial ports.

- ¿What are the tax benefits of SOCIMI?
 - All those companies that meet the requirements to become a SOCIMI shall enjoy the following tax benefits:

TAX ADVANTAGES OF SOCIMIs	law 2009	law 2012
Bonus in ITP, AJD (Acquisition Residential)	95%	95%
Stamp Duty Exemption (Constitution, Contributions)	Yes	Yes
Corporate tax (IS)	19%	0%
Taxation Dividends		
Private Clients (PIT)		21%-27%
Corporations (IS)		30%

Regarding IS (corporate tax): In general the IS will be 0, but is subject to a special tax of 19% on the amount of dividends distributed to the shareholders whose share capital is at greater than or equal to 5%, provided that such dividends are exempt to the partner or taxed at a tax rate lower than 10%.

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2. Incorporating and listing a SOCIMI.

- At Solventis we have the necessary experience to accompany and advise you throughout the process to incorporate and then maintain a SOCIMI in the MAB. We have divided the process of setting up a SOCIMI into the following phases:

Phase 1 : Preliminary Analysis		Period of time:	30 days	Objective:	Given an opinión
Analyse the project to determine the suitability of incorporating a SOCIMI or transforming a company into a SOCIMI					
Tasks:	<ul style="list-style-type: none"> Asset Consultancy Tax Consultancy Legal Consultancy 				
Phase 2 : Preparation		Period of time:	60 days	Objective:	Prepare the SOCIMI
If a favourable opinion is given in Phase 1, as Registered Advisors we prepare the company to ensure it meets all the requirements to become a SOCIMI					
Tasks:	<ul style="list-style-type: none"> Advisor Coordination: asset experts, appraisers and tax experts (Due Diligence) Adapt the company to the requirements laid down by the Spanish multilateral trading system (MAB) Verify compliance of requirements to be a SOCIMI Collaborate in producing the Business Plan 				
Phase 3 : Incorporation		Period of time:	30 days	Objective:	List the SOCIMI
Officially incorporate or convert the company into a SOCIMI and list it on the MAB					
Tasks:	<ul style="list-style-type: none"> Produce the document to present the company to the MAB Contract the Placement Agent and Liquidity Provider (normally the Registered Advisor) Produce the information document for admission to the MAB (Listing/Private Placement) 				
Phase 4 : Maintenance		Period of time:	Indefinite	Objective:	Manage the SOCIMI
Maintain all requirements to continue benefitting from the tax breaks associated with the SOCIMI					
Tasks:	<ul style="list-style-type: none"> Meet the MAB's requirements. Disclosure of Relevant Facts. Verify compliance of SOCIMI properties and financial criteria Liquidity Provider Corporate Broking - Corporate Operations (capital increases, acquisitions, mergers) 				

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Phase I: Preliminary Analysis

- **Analysis of the legal form of shareholders and their nationality.**
- **Analysis of the company's share structure, articles of association and governance bodies.**
- **Analysis of the corporate information for the company or group and financial statements. Structure of the balance sheet and trading account. .**
- **Analysis of the accounting operations and related reporting systems.**
- **Analysis of the company's real property assets, be they:**

a) Already operating property holding companies.

b) Recently incorporated companies, intending to take advantage of the special tax regime for SOCIMIs

c) Plots of land to be included within SOCIMIs with the purpose of being developed and the properties subsequently leased within the period of time legally established by this special regime.

In the case of a) and b), check the composition of the property portfolio and analyse the potential returns from the properties, case by case.

In the case of c), provide a market study.

Phase II: Preparation

II-A) Analysis of the requirements to comply with the MAB (Circular 5/2010 of Bolsas y Mercados Españoles):

1. Any company admitted to the MAB must be a joint-stock company ("sociedad anónima"), of Spanish or foreign nationality.
2. Its share capital must be fully paid up.
3. There must not be any legal or statutory restriction preventing its shares from being traded or transferred.
4. These shares must be represented by book entries.
5. Its accounting and financial reporting regime must be according to accounting standards.
6. The company must obtain a significant proportion of its income from commercialising its products.
7. Companies which, at the time of applying for their shares to be admitted, have not been operating for two complete business years must present forecasts or estimates regarding the current and coming year which contain, at least, comprehensive economic and financial information.
8. If the company has been in operation for less than two years, core shareholders and senior directors must undertake not to sell shares or carry out any equivalent transactions.
9. The company's articles of association must include the following sections:
 - Disclosure of key holdings.
 - Publication of shareholder agreements.
 - Application to be excluded from trading on the MAB.
 - Change in company control.
10. Requirements for shares to be admitted.
11. Appoint a **Registered Advisor** from those on the register established specifically for this purpose.
12. Take out a **Liquidity Provider**.

3. SOCIMI’s and the multilateral trading facility (MAB).

Phase II: Preparation

II-B) Analysis of compliance with non-mandatory conditions:

1. Draw up a detailed Business Plan.
2. Management team and their remuneration.
3. Positive business trends
4. Compliance of the key principles of good governance:
 - *Production of rules of procedure for the General Shareholders' Meeting.*
 - *Production of rules of procedure for the Board of Directors.*
5. Regular reporting requirements
 - General information and information on the company and its business. Every six and twelve months.
 - Information on shares.
 - Other information of interest
 - Public Register and disclosure to the market



1. Introduction: History of the company, highlighting key events.
2. Presentation of the company's functional organisation chart; structure by department, specifying the total number of employees.
3. Presentation and details on the product/service provided by the company.
4. Explanation and details on the sales network used to sell the product.
5. SWOT analysis of the company.
6. Market analysis; characteristics and positioning of the company in the market; company's current market share and its main rivals; size of the potential market.
7. Expected market share according to growth projections.
8. Details of the company's expansion plan; steps likely be taken over the next 5 years, specifying the markets where the product is to be launched and why these have been chosen.
9. Projected income statement and balance sheet for the next 5 years and their comparison with the last complete 3 years. The more detailed the projections, the better the project's image.
10. Identify the investment required to carry out the expansion project at all levels (employees, material, offices, etc.).

Phase III: Admission and maintenance of the SOCIMI in the MAB:

1. Officially incorporate or convert the company into a SOCIMI and list it on the MAB
 1. **Listing / Private Placement**
 2. **Via Public Offering / Initial Public Offering (IPO)**
2. Production of the document presenting the company to the MAB.
3. Appointing the Placement Agent and Liquidity Provider (Solventis).
4. Meeting the requirements to continue benefitting from the tax breaks associated with the SOCIMI.
5. Meet the MAB's requirements. Disclosure of relevant facts

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Chief Executive Officer

- Doctorate (PhD) in Economics and Bachelor of Economics from the Universidad de Barcelona (UB).
- Lecturer in Security Markets and Financial Instruments and Markets (Universidad de Barcelona).
- Academic Coordinator for the Equity Securities area at IEF (Institut d'Estudis Financers), Barcelona.
- Former member of the Board of Directors of Espíritu Santo Dealer, with responsibilities within the derivative products area (organized and OTC markets).
- Former Director of the Non-fixed Income Securities and Derivative Products area at Benito y Monjardín SV S.A., with responsibilities in the management area.
- Former Director of the Equity Securities and Derivative Products area at Ahorro Corporación Financiera, SV S.A. in Barcelona.
- Former Director of the Barcelona Stock Exchange Research Service.
- Former President of the Catalonia branch of the Spanish Institute of Financial Analysts (IEAF) and Vice-president of IEAF on a national level.

Carlos Masdevall Garçon

- Bachelor of Economics (Universidad de Barcelona)
- CEFA (Certified European Financial Analyst) and CEVE (Expert Company Evaluator Certificate).
- Lecturer in Financial and Securities Markets at the Universidad de Barcelona (UB).
- Fue responsable de la Mesa de Tesorería de Caixa Penedès.
- Former Management Director for Arcalia Patrimonios in Barcelona.
- Former Head of the Treasury Desk Front-Office, leading the departments of Fixed Income Securities and Equity Securities at Caixa Penedès, as well as managing its own treasury account.
- Former member of the management team for the Caixa Penedès Asset Manager (CEP S.G.I.I.C. SA).
- Member of the board at the Spanish Institute of Financial Analysts (IEAF).

Oscar Recoder Ferrer

- Bachelor of Business Administration (University of Barcelona).
- Master in Real Estate Advice and Consultancy (Univerisity of Barcelona).
- Development Program (PDD in company) protected by Antonio Nebrija University.
- He was Director of Real Estate Companies Cahispa group subsidiaries.
- He was director of the Real Estate department of Banca Civica
- He was director of Office and Business Manager Caixa Manresa.

Christian Torres Lang

- MBA from Stern School of Business of New YorkCAIA (Chartered Alternative Investment Analyst).
- GARP (Global Association of Risk Professionals), CAIA (Chartered Alternative Investment Analyst), FRM (Financial Risk Manager), CEVE (Corporate Valuation Expert Certified).
- Worked for Merrill Lynch International as part of their Corporate & Institutional Client Group EMEA, as equity derivatives trader.
- Responsible for single stocks equity volatility books: Spain, Portugal, Scandinavia, Germany and lastly the European TMT sector.
- Responsible for the Derivatives business at Ahorro Corporación Financiera in Madrid, performing multiple roles: sales, new product development, market-making, risk arbitrage, volatility trading.
- Member of the Risk Management Group at Bankers Trust International Plc in London.
- Former member of MEFF (Spanish Derivatives Exchange) New Product Committee.
- Trading Licenses: Meff Full Type III, Eurex, OMLX, Series 7 and SFA.
- Regular academic work at Barcelona University (UB Master of Financial Markets) and at Institut d'Estudis Financers (IEF).

Guillermo Alfaro Bau

- Bachelor of Economics (Universidad de Barcelona).
- CEFA (Certified European Financial Analyst).
- Formerly responsible for managing OTCs and structured products at Benito y Monjardín SV SA.
- A former member of the MEFF (Mercado Español de Futuros Financieros [Spanish Financial Futures Market]) supervisory team.
- Academic work at the Institut d'Estudis Financers (IEF) in the derivative products and structuring division.
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L. Miguel Barros Feteira

- Bachelor of Economic and Business Sciences (Universidad de Santiago de Compostela).
- European Financial Advisor granted by the Instituto de Estudios Bursátiles.
- Head of the G.V.C. S.V Front-office in Vigo.
- Director of Link Securities S.V. in Galicia.
- Private Banker for BNP aribas in Galicia.
- Member of the Spanish Institute of Financial Analysts (IEAF).

Pablo Moro Suárez

- Bachelor of Business Management and Administration (Universidad de Barcelona).
- Bachelor of Arts (Honours) in Combined Studies (University of Wolverhampton, UK).
- MBA in personal banking and asset management by IEF (Institute of financial Studies),Barcelona.
- Former Director of Benito y Monjardín SV SA in Galicia.
- He worked as a net worth manager for Deutsche Bank Private Banking and for Sabadell Private Banking.
- Former Teacher of Financial Planning and Commercial Planning on the Master's degree course in Financial Consulting and Asset Management (MAFP) at the Caixanova Business School.
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