

INFORMATIONAL DOCUMENT ON ADMISSION TO THE MERCADO ALTERNATIVO
BURSÁTIL, SEGMENT FOR SOCIMI (MAB-REIT), OF SHARES OF THE COMPANY

MILLENIUM HOTELS REAL ESTATE I SOCIMI, S.A.

JUNE 2019

This Informational Document on Admission to the *Mercado Alternativo Bursátil* (hereinafter, the “**Market**” or “**MAB**”), in the segment for Real Estate Investment Trusts (“REIT”) (hereinafter, “**MAB-REIT**”), of the company Millenium Hotels Real Estate I SOCIMI, S.A. (“**Millenium**”, “**MHRE**”, the “**Company**” or the “**Issuer**”), has been drawn up according to the standard form provided in the Appendix of MAB Circular 2/2018, of July 24, 2018 about requirements and procedure applicable to the admission and exclusion on the Alternative Equity Market of shares issued by Growth Companies and Real Estate Investment Trusts (hereinafter, “**MAB Circular 2/2018**”). Renta 4 Corporate, S.A. has been designated as the Registered Advisor, in compliance with the provisions of MAB Circular 2/2018 and MAB Circular 16/2016, of July 26, 2016 about Registered Advisorates in the MAB (hereinafter, “**MAB Circular 16/2016**”).

Investors in companies traded in the MAB-REIT segment should be aware that they assume a greater risk than that assumed when investing in larger companies with longer track record that trade on the Spanish Stock Market. Investing in companies traded on the MAB-REIT segment requires proper advice from an independent professional.

All investors are advised to read fully and carefully this Informational Document on Admission to the MAB (hereinafter, the “**Informational Document**”), before making any investment decision on securities.

Neither the Governing Body of the MAB nor the *Comisión Nacional del Mercado de Valores* (hereinafter, the “**CNMV**”) has approved or conducted any type of verification or check regarding the contents of this Informational Document.

Renta 4 Corporate, S.A., with registered address in Paseo de la Habana 74, Madrid, holding Fiscal Identification Number (N.I.F.) A-62585849, duly registered at the Commercial Registry of Madrid, Tome 21,918, Folio 11, Section B, Sheet M-390614, as a MAB Registered Advisor, acting as such on behalf of the Company, which has applied for the MAB listing of its shares, for the purposes foreseen in section five of MAB Circular 16/2016.

HEREBY DECLARES

One. That after carrying out the steps that has deemed appropriate, has ascertained that Millenium meets the necessary requirements in order for its shares to be listed on the Market.

Two. That has assisted and collaborated with the Company preparing and drafting this Informational Document, as required by MAB Circular 2/2018.

Three. That has reviewed the information that the Company has gathered and published, considering that complies with the regulation and all applicable requirements in terms of content, accuracy and clarity, has not omitted any relevant data and is not misleading for investors.

Four. That has advised the Company of any facts that could affect compliance with the obligations undertaken by the same due to its inclusion in the MAB-REIT segment, as well as the best way to handle such facts and avoid any potential breach of such obligations.

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1. SUMMARY

In this advertisement, it should be noted that the summary should be read as an introduction to the Informational Document and that all decision related to the investment in Millenium's securities must be based on the consideration by the investor of the Informational Document as a whole, as well as the public information of the Company available at any time. A Spanish summary will also be published together with the Informational Document.

1.1. Responsibility concerning the Document

Mr. Javier Illán Plaza the Chairman of the Board of Directors of the Company, for and on behalf of Millenium, in exercise of the power expressly granted by the shareholders on May, 10, 2019 and the board of directors on May 10, 2019, assume responsibility of the content of this Informational Document, drawn up according to Appendix of MAB Circular 2/2018.

The Chairman of the Board of Directors of Millenium, being responsible for this Informational Document, hereby declare that the information it contains, to the best of their understanding, conforms to reality and does not contain any relevant omission.

1.2. Information used to determine the benchmark share price

If within the six months prior to the application, there is a placement of shares or a financial transaction which are relevant for determining the first reference price for starting trading of the Company's shares of the equity, in accordance to MAB Circular 2/2018 the issuer will not have to provide a valuation prepared by an independent expert.

Before the incorporation of the Company in the MAB-REIT, the General Meeting of Shareholders celebrated on May 10, 2019, approve to increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of a maximum of 64,797,200 new shares (the "**New Shares**") of the same class and series as those currently in circulation, establishing their issue price at EUR 5.00 per New Share. Once this share capital increase finishes (currently is in process), the Company will inform about the result publishing an appendix to the Informational Document.

In compliance with the MAB Circular 2/2018, the Board of Directors of the Company, decided on May 14, 2019 to take as reference price for its incorporation into MAB, the aforementioned issue price of EUR 5.00 per share (face value of EUR 1.00 and a premium of EUR 4.00), as a result of carrying out the aforementioned share capital increase.

Therefore, prior to the share capital increase of the Company currently in process; the market cap of the Company would amount to EUR 76,014,000.

1.3. Key risk factors

Our business and activity are subject to various factors, both inherent in the Company itself and external, which could affect the progress of the business of the Company.

Before any decision is taken to invest in shares of Millenium, consideration should be taken, *inter alia*, of the risks listed below. These risks are not the only ones to which the Company is exposed, and the order given does not necessarily reflect a degree of importance or likelihood of occurrence of the same.

- (i) *Our indebtedness may materially and adversely affect our operating performance.*

At December 31, 2018, we had EUR 33.7 million of debt outstanding. We target a loan-to-value ratio, measured as our net debt as a percentage of the aggregate GAV of our hotel portfolio (“**LTV ratio**”) of up to 50%, which we believe is a reasonable and sustainable percentage. Our LTV ratio was approximately 45% as of December 31, 2018.

Because we anticipate that our operating cash will be adequate to repay only a portion of our debt at maturity, we expect that we will be required to repay debt through debt refinancing, offerings of our securities or a combination of the foregoing. The amount of our outstanding debt may adversely affect our ability to refinance our debt. If we are unable to refinance our debt on acceptable terms, or at all, we may be forced to dispose of one or more of our hotels on disadvantageous terms, which may result in losses to us and may adversely affect the cash available for distributions to our shareholders. In addition, if then prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, our interest expense would increase, which would adversely affect our future operating results and liquidity.

In addition, our investment strategy includes the use of leverage and the reliance on external funding, which may increase our risks associated with borrowing. As of the date of this Informational Document, we have incurred in debt under four different indebtedness agreements with different Spanish banking entities (see section 2.12 of the Informational Document).

The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. Principal and interest payments on indebtedness (including indebtedness having “balloon” payments) will have to be made regardless of the sufficiency of cash flow from our hotels. Our investments will be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of debt. Our debt service is covered by the Fixed Revenues and our leverage

ratio can be considerable reasonable by our cash flow generation from the assets and underlying value of the assets (prime locations).

We may incur or increase our indebtedness by obtaining loans secured by some or all of our properties at the moment of their acquisition and may borrow under financing secured by our properties after they are acquired. Depending on the level of leverage and decline in value, if debt payments are not made when due, one or more of our properties may be lost (and our investment therein rendered valueless) as a result of foreclosure by the lender(s). A foreclosure may also have substantial adverse tax consequences for us.

Our outstanding debt, and any additional debt borrowed in the future, may subject us to many risks, including the risks that:

- our cash flows from operations may be insufficient to make required payments of principal and interest;
- we may be required to use a substantial portion of our cash flows to pay principal and interest, which would reduce the cash available for distributions to our shareholders;
- we may be at a competitive disadvantage compared to our competitors that have less debt;
- we may be vulnerable to economic volatility, particularly if growth were to slow or stall and reduce our flexibility to respond to difficult economic conditions;
- the terms of any refinancing may not be in the same amount or on terms as favorable as the terms of the debt being refinanced; and
- the use of leverage could adversely affect our ability to borrow more money for operations or capital improvements, to finance future acquisitions or to make distributions to our shareholders and it could adversely affect the market price of our Ordinary Shares.

Furthermore, our continued ability to borrow under certain credit facilities we may enter in the future may be subject to compliance with certain financial and other covenants and undertakings, including covenants relating to debt service coverage ratios and leverage ratios, and our ability to meet these covenants may be adversely affected if lodging fundamentals deteriorate dramatically in Spain or Portugal, assuming we expand our business into Portugal in the future (see section 2.12 of the Informational Document). In addition, the indebtedness that we may enter into in the future will likely contain covenants such as those that limit our ability to enter into future indebtedness, whether secured by our properties or unsecured, or to discontinue insurance coverage, as well as financial covenants. Our failure to comply with covenants in our indebtedness, as well as our inability to make required principal and interest payments, could cause a default under the applicable indebtedness agreement, which could result in the acceleration of the debt and require us to repay such debt with capital obtained from other sources, which may not be available to us or may be available only on unattractive terms. Furthermore, if we defaulted on secured debt, lenders could take

possession of the asset(s) securing such debt. In addition, indebtedness agreements may contain specific cross-default provisions with respect to specified other indebtedness, giving the lenders the right to declare a default on its debt and to enforce remedies, including accelerating the maturity of such debt, upon the occurrence of a default under such other indebtedness.

If we default on several of our indebtedness agreements or any significant indebtedness agreement, we could be materially and adversely affected. For a description of certain terms and conditions of our main indebtedness agreements, see section 2.12.1 of the Informational Document.

(ii) *We are dependent on the performance of third-party hotel operators and we could be materially and adversely affected if such third parties do not manage our hotels in our best interests.*

We do not operate any of our hotels directly. Instead, we rely on third-party hotel operators to operate our hotels pursuant lease agreements. Additionally, we and the operators of our hotels select specialized operators for specific services at our hotels, such as food and beverage (hereinafter, “**F&B**”), spa, entertainment and sports.

Under our lease agreements for Hotel Vía Castellana and Hotel Eurostars Lucentum, we have no ability to participate in operational decisions affecting the hotels and we are not allowed to terminate such lease agreements as a result of poor operating performance. However, according to our lease strategy and under the terms of our lease agreement for Hotel Plaza de la Magdalena, Hotel Gran Vía Bilbao and Hotel Plaza San Francisco, we may terminate our lease agreements for poor performance under certain events measured periodically. We also have the right to perform compliance audits in connection with Hotel Vía Castellana, Hotel Plaza de la Magdalena, Hotel Gran Vía Bilbao and Hotel Plaza San Francisco to ensure the accuracy of the hotel operator’s calculation and settlement of the variable component. For additional information on the terms of the lease agreements for the hotels in our portfolio, see section 2.6.1 of the Informational Document.

We cannot assure you that the operators of our hotels will operate our hotels in a manner that is consistent with our business plan or with their respective obligations under the applicable lease agreement. We also cannot assure you that the operators of our hotels will not be negligent in their performance, will not engage in criminal or fraudulent activity or will not otherwise default on their respective obligations to us.

In addition, there is risk that the operators of our hotels operate other hotels in the same geographic area and in direct competition with our hotels. If the operators of our hotels also operate competing hotels, it could be more difficult for us to achieve the level of product differentiation we seek in accordance with our business plan, could lower demand in our hotels or could force our hotels to lower prices to remain competitive,

all of which could materially adversely affect our business, financial condition and results of operations.

From time to time, disputes may arise between us and the operators of our hotels regarding their performance or compliance with the terms of the lease agreements. We generally will attempt to resolve any such disputes through discussions and negotiations. However, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to terminate the relevant lease agreement, or litigate the dispute or submit the matter to alternative dispute resolution mechanisms, the outcome of which may be unfavourable to us.

In the event that any of our lease agreements is terminated as a result of any such dispute or otherwise, we can provide no assurances that we could find a replacement hotel operator, or that any replacement hotel operator will be successful in operating our hotels. In addition, finding a replacement hotel operator could be challenging and time consuming and could cause us to incur significant costs to obtain new lease agreements for the affected hotels, or the terms and conditions of the new lease agreements could be less favourable to us than those of the former lease agreements, any of which in turn could materially and adversely affect our business, financial condition and results of operations.

We face similar risks to those described above with respect to the specialized operators who are responsible for providing specific services at our hotels, especially the F&B operators in some of our hotels where F&B revenues are significant. If our relationship or the operators of our hotels' relationship with any such specialized operator were to deteriorate or terminate, this could materially and adversely affect our business, financial condition and results of operations.

(iii) There are certain inherent risks relating to property development, including unanticipated costs or delays by third parties, which may impact our ability to implement its strategy

Our invest in assets requires development and refurbishment in order to make them more attractive to tenants and consequently to increase the rent. Property development involves, among others, the following risks: (i) the resulting costs of a project may differ from those originally estimated, and may exceed the increase in rental income expected as a result of such project; (ii) the authorisations and licences required for any new uses of the assets may be delayed or not granted at all; (iii) costs could increase due to changes in regulation; (iv) delays by contractors in construction or refurbishment of such properties could trigger the payment of penalties to clients and incurrance of higher development costs; (v) it may be difficult or impossible to lease or sell the properties once the development project is completed and (vi) potential liabilities and obligations associated with the developments and/or ownership of assets under Spanish development laws (including claims due to defects relating to the development, construction and/or refurbishment of properties). The risks referred to above may cause

increases in costs and delays for, or the cancellation of, future projects. Furthermore, we may not receive the expected benefits of such development projects, which could in turn make us unable to meet its performance expectations and to achieve our target return. Any of the foregoing may in turn have a material adverse effect on our financial condition, business, prospects and results of operations.

- (iv) *There is no assurance that we will realize any targets, operating assumptions and other forward-looking statements set forth in this Informational Document.*

We have included certain targets, operating assumptions and other forward-looking statements in this Informational Document, including certain assumptions regarding our current hotel portfolio made by CBRE for purposes of the valuations contained in the CBRE Valuation Report (see section 2.6.5 of the Informational Document). Any targets, operating assumptions and other forward-looking statements included in this Informational Document rely on a number of assumptions regarding future economic, competitive and other conditions and our future operations and business decisions. Such assumptions, many of which are outside our control, relate to the following, among others:

- economic growth in our customers' countries of origin;
- demand and supply in the lodging industry;
- general economic and political conditions in Spain and Portugal;
- our ability to identify and acquire additional properties that fit our strategic plans at commercially reasonable prices;
- future costs of refurbishment and repositioning of our hotels;
- our ability to obtain the capital necessary to make required periodic capital expenditures, undertake future renovations of our hotels on a timely basis or acquire new hotels or "turnaround" or "greenfield" properties;
- future laws and regulations that apply to our business; and
- our ability to negotiate lease agreements with leading hotel operators on favorable terms.

While we believe the assumptions which underlie the targets, operating assumptions and other forward-looking statements included in this Informational Document are reasonable, they are inherently subject to significant business, operational, economic and other risks and uncertainties, including those described elsewhere in this Informational Document, many of which are outside our control. If such assumptions prove to be incorrect, we may not be able to achieve the targets, operating assumptions or other forward-looking statements included in this Informational Document. We can provide no assurance that we will be able to achieve the targets, operating assumptions or the results suggested by such other forward-looking statements included in this Informational Document at the estimated dates set forth herein, or at all. Actual results may vary significantly from these targets, operating assumptions and forward-looking

statements. Such targets, operating assumptions and forward-looking statements should not be regarded as a forecast, guarantee or representation by us or any other person that we will achieve these targets, operating assumptions and forward-looking statements at the estimated dates set forth herein, or at all.

- (v) *The market price of the Ordinary Shares may fluctuate in response to various factors, many of which are outside our control.*

Following the Offering, the price of the Ordinary Shares (including the Shares) may not always accurately reflect the underlying value of our business. The price and value of the Ordinary Shares may decrease as well as increase, and investors may realize less than the original sum invested. The value of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some specific to the Company and its operations and some, such as those which may affect homebuilding companies, which are outside the Company's control, including, among others:

- change in the financial performance of the Company, its peers or the industry;
- changes in law, rules and regulations applicable to the Company and its operations in Spain or Portugal, assuming we expand our business into Portugal in the future;
- the general economic, social and political environment in Spain or Portugal, assuming we expand our business into Portugal in the future; and
- fluctuations in the capital markets.

1.4. Brief description of the company, of the issuer's business activities, and its strategy

Millenium was incorporated on June 6, 2017 and since then, we seek to acquire high quality real estate properties with embedded hotel potential and real estate value located in prime locations in established tourist destinations, which we refer to as "strategic destinations".

As of the date of this Informational Document, our hotel portfolio is comprised of two fully operational hotels and three hotels under development, with approximately 640 rooms in total, with an aggregate GAV as of December 31, 2018 ⁽¹⁾ of approximately EUR 111.7 million and an aggregate GLA as of December 31, 2018 of approximately 45 thousand square meters. Our portfolio is comprised of the following hotels:

Property	Type	Category	N° Rooms	Location	GAV(1)
Hotel Vía Castellana	Fully operational	4*	228	Madrid	38,100,000
Hotel Eurostars Lucentum	Fully operational	4*	169	Alicante	23,900,000
Hotel Plaza de la Magdalena	Under development	5*	89	Seville	20,200,000
Hotel Gran Vía Bilbao	Under development	5*	123	Bilbao	23,500,000
Hotel Plaza San Francisco	Under development	5*	31	Seville	6,000,000
Total			640		111,700,000

(1) As of December 31, 2018, except the valuation of Hotel Plaza de la Magdalena that after the purchase of the second building was update as of March 2019 and Hotel Plaza San Francisco as of April 2019

Hotel Vía Castellana and Hotel Eurostars Lucentum are leased to and operated by companies of the Hotusa Hotels, S.A. group (hereinafter, the “**Hotusa Group**”), under separate lease agreements. Hotel Plaza de la Magdalena and Hotel Gran Vía Bilbao are leased to and will be operated by Radisson Hotels Aps Danmark, under its luxury brand, Radisson Collection (hereinafter, “**Radisson**”), under separate lease agreements. Hotel Plaza San Francisco is leased to and will be operated by Alma Gestión Hoteles, S.L.U. (hereinafter, “**Alma Gestión**”) under lease agreement.

Additionally, as of the date of this Informational Document, we have executed several capital increases since our incorporation. The summary table below outlines these main changes:

Date ¹	Corporate action	Par value (EUR)	Aggregated Share premium (EUR)	Number of issued/redeemed Ordinary Shares	Total amount (EUR)	Number of resulting Ordinary Shares	Resulting share capital (EUR)
June 6, 2017	Incorporation	1	N/A	60,000	60,000	60,000	60,000
March 12, 2018	Capital Increase	1	N/A	12,590,000	12,650,000	12,650,000	12,650,000
May 11, 2018	Capital Increase	1	N/A	8,350,000	21,000,000	21,000,000	21,000,000
May 11, 2018	Capital Increase	1	N/A	720,000	21,720,000	21,720,000	21,720,000
July 27, 2018	Capital Increase	1	N/A	25,397,000	47,117,000	47,117,000	47,117,000
December 28, 2018	Capital Increase	1	N/A	9,000,000	56,117,000	56,117,000	56,117,000
December 28, 2018	Capital Increase	1	N/A	2,897,000	59,014,000	59,014,000	59,014,000
March 15, 2019	Capital Increase	1	N/A	16,500,000	75,514,000	75,514,000	75,514,000
April 2, 2019	Capital Increase	1	N/A	500,000	76,014,000	76,014,000	76,014,000

1.5. Financial information, significant trends and, where applicable, forecasts or estimates, including key figures summarising the issuer's financial position

The only consolidated financial statements included in this Informational Document are the Consolidated Financial Statements 2018. Therefore, such information is not comparable with the information in the Individual Financial Statements 2017.

The financial statements were prepared in accordance with the Spanish generally accepted accounting principles. The financial statements were originally issued in Spanish.

To supplement its consolidated financial statements presented in accordance with Spanish GAAP, the Issuer uses certain ratios and measures included or referred to in this Informational Document (including, without limitation, the financial information that has been incorporated by reference into this Informational Document) that would be considered Alternative Performance Measures (hereinafter, "APMs") as defined in the European Securities and Markets Authority Guidelines. These measures are considered useful to investors to enhance their understanding of the Issuer's and the Group's financial performance. The APMs should not be considered in isolation from, or as a substitute for, financial information presented in compliance with Spanish GAAP. An explanation of each APM's components and calculation method can be found at pages 2 to 190 of this Informational Document.

Below is the balance sheet and profit/(loss) account as of December 31, 2018, as well as an explanation of the most relevant line items that comprise the balance sheet and profit/(loss) account (the financial statements as of December 31, 2017, it has not been included since it has no Consolidated Financial Statements because there was no Group):

a) **Balance sheet:**

Total assets:

Assets (EUR)	At December 31, 2018
Non-current assets	73,097,873
Investment properties	72,926,667
Long term financial assets	3,426
Deferred tax assets	167,780
Current assets	22,724,752
Inventories	34,896
Trade and other receivables	454,519
Short term financial assets	144,767
Other current assets	1,161,186
Credits with public administration	420,120
Short term accruals	13,854
Cash and cash equivalents	20,495,410
Total assets	95,822,625

Total liabilities:

Equity & Liabilities (EUR)	At December 31, 2018
Net equity	58,151,830
Shareholders' equity	58,151,830
Capital	59,014,000
Reserves	(23,635)
Results of previous exercises	(374,625)
Reserves in consolidated companies	(161,093)
Result of the exercises of the parent company	12,705
Adjustments due to changes in value	(315,522)
Non-current liabilities	35,234,019
Long-term debt	31,730,618
Deferred tax liabilities	3,503,401
Current liabilities	2,436,776
Short-term provisions	53,034
Short term liabilities	2,040,948
Trade and other payables	342,794
Total equity and liabilities	95,822,625

Profit & Loss Account

Profit & Loss Account (EUR)	At December 31, 2018
Net revenues	2,564,453
Other income	1,324,688
Personnel expenses	(344,271)
Other operating expenses	(2,119,855)
Amortization	(552,784)
Depreciation charge	(404,054)
Other results	180,927
Operating profit/(loss)	649,104
Finance income	314,899
Financial expenses	(719,765)
Net finance expense	(404,866)
Profit/(loss) before tax	244,238
Corporate income tax	(231,533)
Profit/(loss) for the period	12,705

In section 2.12 of the Informational Document, the Company's historical financial information has been explained.

Below is detailed the consolidated financial statement for the three-month period ended as of March 31, 2019, obtained from the accounting records of the Company, and that have not been subject to audit or limited review. The same period of the previous fiscal year has not been included since it has no activity because there was no Group and the hotels had not yet been acquired.

Profit & Loss Account (EUR)	At March 31, 2019
Net revenues	879,054
Other income	184,205
Supplies	(225)
Personnel expenses	(116,575)
Other operating expenses	(477,101)
Amortization	(206,869)
Operating profit/(loss)	262,489
Net finance expense	(189,594)
Profit/(loss) before tax	72,896
Corporate income tax	-
Profit/(loss) for the period	72,896

Assets (EUR)	At March 31, 2019
Non-current assets	96,613,267
Tangible fixed assets	4,800
Investment properties	96.404,002
Long term financial assets	3,426
Deferred tax assets	201,038
Current assets	27,048,860
Inventories	155,880
Trade and other receivables	2,136,282
Short term financial assets	420,244
Short term accruals	17,456
Cash and cash equivalents	24,318,997
Total assets	123.662.126

Equity & Liabilities (EUR)	At March 31, 2019
Net equity	74,533,653
Shareholders' equity	74,948,949
Capital	75,514,000
Reserves in consolidated companies	(476,853)
Result of the exercise of the parent company	72,896
Consolidated company reserves	(161,093)
Adjustments due to changes in value	(415,296)
Non-current liabilities	(47,132,351)
Long-term debt	43,628,950
Deferred tax liabilities	3,503,401
Current liabilities	1,996,122
Short-term provisions	53,034
Short term liabilities	1,576,101
Trade and other payables	366,987
Total equity and liabilities	123,662,126

Forecasts:

Pursuant to MAB Circular 2/2018, in a meeting held on May, 14, 2019, the Board of Directors unanimously approved these consolidated forecasts as information for possible investors, undertaking to inform the Market if the main variables of the

business plan warn of a probable deviation, either upwards or downwards, greater than or equal to 10%.

The main headings of the consolidated forecasts for the financial years ending as of December 31, 2019 and December 31, 2020 are presented below.

Total Investment (EUR thousand)	154,722	
Profit & Loss Account (EUR Thousand)	2019	2020
Fixed rent (FP)	3,271	4,626
<i>%crec.</i>	-	41%
<i>%o/TR</i>	87%	84%
Variable rent (VP)	508	869
<i>%crec.</i>	-	71%
<i>VP/FP</i>	0.15x	0.19x
<i>%o/TR</i>	13%	16%
Total rent (TR)	3,779	5,495
<i>% FP/total investment</i>	2.1%	3.0%
<i>% VP/total investment</i>	0.3%	0.6%
<i>% TR/total investment</i>	2.4%	3.5%
Operating expenses	(411)	(399)
Structure costs (personnel expenses)	(1,275)	(1,395)
Amortization	(827)	(1,369)
Operating profit/(loss)	1,266	2,332
<i>% o/total rent</i>	34%	42%
Net finance expense	(1,115)	(1,573)
Profit/(loss) before tax	151	759
<i>% o/total rent</i>	4%	14%
Corporate income tax	-	-
Profit/(loss) for the period	151	759
<i>% o/total rent</i>	4%	14%

The main hypotheses and assumptions envisaged in the preparation of the consolidated income statement forecasts have been detailed in section 2.16 of the Informational Document.

1.6. The issuer's directors and senior executives

As of the date of this Informational Document, the Board of Directors is composed of 5 directors (each, a "Director"). The following table sets forth the composition of the Board of Directors as of the date of this Informational Document:

Name	Title	Date of first appointment	Term Expires	Shareholder represented	Category/status
Mr. Javier Illán Plaza	Chairman and CEO	10 May 2019	10 May 2023	No	Executive
Mr. Remigio Iglesias Surribas	Vice-chairman	10 May 2019	10 May 2023	No	Executive
Mr. José María Castellano Ríos	Member	10 May 2019	10 May 2023	Yes	Proprietary
Ms. Isabel Dutilh Carvajal	Member	10 May 2019	10 May 2023	No	Independent
Mr. Jaime Montalvo Correa	Member	10 May 2019	10 May 2023	No	Independent

1.7. Shareholder structure

As of the date of this Informational Document, the Company's share capital is held by 44 investors. These shareholders will have the same voting rights as any other shareholder following the Offering and consequently each Ordinary Share will be entitled to one vote.

Shareholder	%	# of shares	Valuation of the shares (EUR)
Alazady, S.L. (controlled by José María Castellano)	13.16%	2,000,000	10.000.000
PREMAAT, M.P.S.	13.16%	2,000,000	10.000.000
Garganta Construcciones, S.L.U. (controlled by Antonio Vicente Giménez and María José Martínez)	9.21%	1,400,000	7.000.000
Siemprelara, S.L. (controlled by Leopoldo del Pino)	7.89%	1,200,000	6.000.000
Coblilac, S.L. (controlled by María del Mar and Miguel Ángel García Baquero)	6.58%	1,000,000	5.000.000
Mutual Médica, M.P.S.	6.58%	1,000,000	5.000.000
Liquid Investment, S.L. (controlled by Hector Fabián Gómez-Sainz)	5.26%	800,000	4.000.000
Rest of shareholders (37 minority shareholder's)	38.17%	5,802,800	29,014,000
Total	100.00%	15,202,800	76,014,000

The previous table sets forth details the beneficial ownership of the Ordinary Shares prior to the Offering. As of the date of this Informational Document, the Company's share capital is held by 44 investors. These shareholders will have the same voting rights as any other shareholder following the Offering and consequently each Ordinary Share will be entitled to one vote.

The following table sets forth the Directors and Management of the Company with a total (direct and indirect) equity stake equal or greater than 1% of the capital, as of the date of this Informational Document:

Shareholders	%	# of shares	Valuation of the shares (EUR)
José María Castellano	13.16%	2,000,000	10,000,000
Javier Illán Plaza	2.82%	429,000	2,147,000

1.8. Information concerning the shares

As at the date of this Informational Document, the share capital of Millenium has been fully subscribed and paid up. It totals EUR 76,014,000 represented by 15,202,800 shares with a face value of EUR 1.00 each and a premium of EUR 4.00, of the same class and series, with the same voting and economic rights, represented by registered book entries.

Additionally, on May 10, 2019 the General Meeting of Shareholders approved to increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of New Shares of the same class and series as those currently in circulation, establishing their issue price at EUR 5.00 per New Share. Once this share capital increase finishes (currently is in process), the Company will inform about the result publishing an appendix to the Informational Document.

The Company shares are represented by book entries and are recorded in the accounting registries kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (hereinafter, "**Iberclear**"), with address at Plaza Lealtad número 1, Madrid, and its authorised member entities (hereinafter, the "**Member Entities**").

The shares in the Company are nominative and denominated in EUR (EUR).

A detailed description of the information related to the Company shares has been included in section 3 of the Informational Document.

Highlight, that the Liquidity Provider is Renta 4 Banco, S.A., having placed the Company at its disposition EUR 300,000 euros and 60,000 shares equivalent to 300,000

euros, with the exclusive purpose of allowing the Liquidity Provider to meet the commitments acquired under of the Liquidity Contract.

2. GENERAL INFORMATION REGARDING THE COMPANY AND ITS BUSINESS

2.1. Person or persons, that shall have the status of director, responsible for information contained in the Document. Declaration by it that, according to its knowledge, this Document reflects reality and that it has not omitted any relevant information

Mr. Javier Illán Plaza the Chairman of the Board of Directors of the Company, for and on behalf of Millenium, in exercise of the power expressly granted by the shareholders on May, 10, 2019 and the board of directors on May 14, 2019, assume responsibility of the content of this Informational Document, drawn up according to Appendix of MAB Circular 2/2018.

The Chairman of the Board of Directors of Millenium, being responsible for this Informational Document, hereby declare that the information it contains, to the best of their understanding, conforms to reality and does not contain any relevant omission.

2.2. Auditor of the Company's accounts

The annual individual financial statements for the period from June 6, 2017 to December 31, 2017 (hereinafter, the “**Individual Financial Statements 2017**”), the annual individual financial statements for the period from January 1, 2018 to December 31, 2018 (hereinafter, the “**Individual Financial Statements 2018**”) and the annual consolidated financial statements for the period from January 1, 2018 to December 31, 2018 (hereinafter, the “**Consolidated Financial Statements 2018**”) have been audited by Ernst & Young, S.L. (hereinafter, “**EY**”), a company domiciled in Raimundo Fernández de Villaverde, 65, 28003, Madrid, registered at the Commercial Registry of Madrid in Volume 9364, Folio 68, Sheet 3º, Page N° 87690-1 and at the Official Registry of Chartered Accountants (*Registro Oficial de Auditores de Cuentas*) (ROAC) under S0530.

EY was appointed as the Company's auditor for the first time through the resolution adopted on December 29, 2017 by the Company's sole shareholder, for the audit of the Individual Financial Statements 2017, 2018 and 2019. This appointment is filed with the Mercantile Registry of Madrid on June 19, 2018 under Volume 36,150, Sheet 27, Section 8, Page M-649563, Entry 5.

EY was appointed as the Company's auditor through the resolution adopted on November 1, 2018 by the Company's sole shareholder, for the audit of the Consolidated Financial Statements 2018, 2019 and 2020. This appointment is filed with the Mercantile Registry of Madrid on February 1, 2019 under Volume 36,150, Sheet 27, Section 8, Page M-649563, Entry 9. On May 10, 2019, the General Meeting of Shareholders resolved for the audit of the Consolidated Financial Statements 2019,

2020 and 2021. This appointment is filed with the Mercantile Registry of Madrid on May 14, 2019 under Volume 39,025, Sheet 146, Section 8, Page M-649563, Entry 13.

The accounting principles used for the preparation of the Individual Interim Financial Statements of the Company are the Spanish Generally Accepted Accounting Policies approved by the Royal Decree 1514/2007, as amended by Royal Decree 1159/2010 and Royal Decree 602/2016 and the applicable adapted accounting policies for real estate companies (hereinafter, "**Spanish GAAP**"). A description of the basis of preparation of the mentioned financial statements has been included at section 2.12 of the Informational Document.

2.3. Complete identification of the Company (registration data, registered office, etc.) and corporate purpose

Millenium Hotels Real Estate I SOCIMI, S.A. is a public limited company, with tax ID code number A-87846028, and registered office at Paseo de la Castellana 102, Madrid (28046). It was incorporated for an indefinite period of time under the initial name of Millenium Hotels Real Estate I SOCIMI, S.A., by virtue of a public deed authorised by the Public Notary of Madrid Ms. Isabel Estapé Tous, on June 6, 2017, under number 2,919 of his official records; recorded at the Commercial Registry of Madrid on July 20, 2017 under Volume 36,150, Sheet 17, Section 8, Page M-649563, Entry 1.

On July 25, 2017, Mr. Javier Illán Plaza, as sole shareholder of the Company at that moment, approved by means of the relevant sole shareholder resolution the inclusion of the Company into the special SOCIMI regime.

Thus, the Company informed the Tax Authorities of its decision to apply the special tax regime for SOCIMIs (see Appendix I).

The Company's corporate purpose is described in Article Two of its company by-laws (hereinafter, the "**Company By-laws**"), which states as follows, at the date of this Informational Document, consistent with the SOCIMI Act:

"Article 2: Corporate Object

1. The Company's corporate purpose shall be:

- a) The acquisition and development of urban real estate for lease. This development will include the rehabilitation of buildings in the terms foreseen in Value Added Tax Act 37/1992, of December 28.*
- b) The holding of participations in the share capital of Real Estate Investment Trusts (Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario) ("SOCIMIs") or in that of other non-Spanish resident entities with the same*

corporate purpose as the former, subject to a similar regime as the one foreseen for SOCIMIs as regards any legal or by-law mandatory policy on the allocation of profit.

- c) *The holding of participations in the share capital of other entities, whether or not residing in Spain, whose main corporate purpose is the acquisition of urban real estate for lease, subject to the same regime as that established for SOCIMIs as regards any legal or by-law mandatory policy on the allocation of profit, which meet the investment requirements referred to in Article 3 of SOCIMIS Act.*
- d) *The holding of shares or participations in Real Estate Collective Investment Institutions (Entidades de Inversión Colectiva Inmobiliaria) regulated in Act 35/2003, of 4 November, on Collective Investment Institutions.*

2.4. Brief statement on the history of the company, including reference to the most relevant milestones

2.4.1. Legal and commercial name

The corporate name of the Company is Millenium Hotels Real Estate I SOCIMI, S.A., with the registration of the trademark Millenium Properties having been applied for from the Spanish Patent and Trademark Office on July 25, 2017.

2.4.2. Most important events in the history of the Company

(i) Corporate information

Millenium Hotels Real Estate I SOCIMI, S.A. is a public limited company, with tax ID code number A-87846028, and registered office at Paseo de la Castellana 102, Madrid (28046). It was incorporated for an indefinite period of time under the initial name of Millenium Hotels Real Estate I SOCIMI, S.A., by virtue of a public deed authorised by the Public Notary of Madrid Ms. Isabel Estapé Tous, on June 6, 2017, under number 2,919 of his official records; recorded at the Commercial Registry of Madrid on July 20, 2017 under Volume 36,150, Sheet 17, Section 8, Page M-649563, Entry 1.

The initial share capital amounted to EUR 60,000 represented by 60,000 shares of EUR 1 of face value each, fully subscribed (EUR 15,000 were paid) through monetary contributions by the sole shareholder Mr. Javier Illán Plaza at that moment.

As indicated in section 2.3 above of the Informational Document, on July 25, 2017, the sole shareholder at that moment approved, the inclusion of the Company into the special SOCIMI regime.

As a result, Millenium must comply with the requirements of the SOCIMI regime within the deadline established by the law. As explained in section 2.5 of the Informational Document, among other reasons, Millenium has decided to request its listing on the MAB-REIT in order to meet with the requirements binding real estate investment trusts pursuant to Article 4 of the SOCIMI Act.

(ii) Main milestones

On December 22, 2017, we acquired 50% of the shares of Varia Plaza Magdalena, S.L., the owner of Hotel Plaza de la Magdalena located in Seville (Spain), for total consideration of approximately EUR 2.5 million. In addition, on September 6, 2018 the Company acquired the remaining 50% of the shares of Varia Plaza Magdalena, S.L., for total consideration of approximately EUR 3 million. As a result, as of the date of this Informational Document, the Company is the sole shareholder of Varia Plaza Magdalena, S.L.

On February 16, 2018, we acquired Hotel Eurostars Lucentum, located in Alicante (Spain), for total consideration of EUR 22 million (excluding acquisition costs). To finance this acquisition, the Company entered into the mortgage loan agreement for EUR 13.4 million with Banco Sabadell (see section 2.12.1 of the Informational Document).

On March 12, 2018, Mr. Javier Illán Plaza, the Company's sole shareholder at that moment, paid the remaining EUR 45,000 outstanding since the incorporation of the Company and resolved to increase the Company's share capital by EUR 12,590,000 through the issuance of 12,590,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class. The newly issued ordinary shares were fully subscribed and paid up and new shareholders entered into the ownership structure of the Company. The capital increase was authorized by the Public Notary of Madrid Ms. Isabel Estapé Tous on March 12, 2018, under number 1,072 of her official records and recorded in the Commercial Registry of Madrid on April 11, 2018 under Volume 36,150, Sheet 26, Section 8, Page M-649563, Entry 3.

On May 11, 2018, the General Meeting of Shareholders resolved to increase the Company's share capital by capitalizing EUR 8,350,000 worth of debt, through the issuance of 8,350,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the preemptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. On the same date, the General Meeting of Shareholders resolved to increase of share capital through a cash contribution of EUR 720,000, through the issuance of 720,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the preemptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. Both capital increases were authorized by the Public Notary of

Madrid Ms. Isabel Estapé Tous on May 11, 2018, under number 1,910 of her official records and recorded in the Commercial Registry of Madrid on June 22, 2018 under Volume 36,150, Sheet 28, Section 8, Page M-649563, Entry 6.

As a result of the share capital increases of March 12 and May 11, 2018, the Company's equity imbalance situation (as a result of the Company's total shareholders' equity as of December 31, 2017 being below 50% of the Company's paid share capital as of such date) existing as of December 31, 2017 has been resolved as mandated by Spanish corporate law.

On July 27, 2018, the General Meeting of Shareholders resolved to increase the Company's share capital through a cash contribution of EUR 25,397,000 through the issuance of 25,397,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the pre-emptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. The capital increase was authorized by the Public Notary of Madrid Ms. Isabel Estapé Tous on July 27, 2018, under number 3,515 of her official records and recorded in the Commercial Registry of Madrid on August 29, 2018 under Volume 36,150, Sheet 29, Section 8, Page M-649563, Entry 7.

Between July and October, 2018, we acquired 100% of the shares of Millenium Hotels C220, S.L., the lessee under a capital lease of Hotel Vía Castellana located in Madrid (Spain), for total consideration of approximately EUR 19.4 million. On April 29, 2010, La Caixa d'Estalvis i Pensions de Barcelona ("Caixabank"), as lessor, and C220, as lessee, entered into a capital lease agreement (the "Capital Lease Agreement") to finance the acquisition Hotel Vía Castellana. Under the Capital Lease Agreement, Caixabank will be the legal owner of Hotel Vía Castellana for the duration of the lease, while C220 has operating control over the property. C220 will become the legal owner of Hotel Vía Castellana upon exercise of the bargain purchase option and payment of the residual value at maturity (see section 2.12.1 of the Informational Document).

On December 28, 2018, the General Meeting of Shareholders resolved to increase the Company's share capital through a total cash contribution of EUR 11,897,000 through the issuance of 11,897,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the pre-emptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. The capital increase was authorized by the Public Notary of Madrid Ms. Isabel Estapé Tous on December 28, 2018, under number 5,421 of her official records and recorded in the Commercial Registry of Madrid on January 21, 2019 under Volume 36,150, Sheet 30, Section 8, Page M-649563, Entry 8.

On March 15, 2019, the General Meeting of Shareholders resolved to increase the Company's share capital by EUR 16,500,000 through the issuance of 16,500,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the pre-emptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. The newly issued ordinary shares were fully subscribed and paid up and new shareholders entered into the ownership structure of the Company. The capital increase was authorized by the Public Notary of Madrid Ms. Isabel Estapé Tous on March 28, 2019, under number 1,141 of her official records and recorded in the Commercial Registry of Madrid on April 22, 2019 under Volume 36,150, Sheet 31, Section 8, Page M-649563, Entry 10.

On March 27, 2019, we acquired Hotel Gran Vía Bilbao, located in Bilbao (Spain), for total consideration of EUR 23.5 million (excluding acquisition costs). To finance this acquisition, the Company entered into the mortgage loan agreement for EUR 12 million with Banco Santander (annual interest fix rate under the mortgage loan agreement of 2.38%, with mature on March 26, 2026).

On April 2, 2019, the General Meeting of Shareholders resolved to increase the Company's share capital by EUR 500,000 through the issuance of 500,000 new ordinary shares with a par value of EUR 1.00 each, without share premium, all of the same class, excluding the pre-emptive subscription rights (*derechos de suscripción preferente*) of its existing shareholders. The newly issued ordinary shares were fully subscribed and paid up and new shareholders entered into the ownership structure of the Company. The capital increase was authorized by the Public Notary of Madrid Ms. Isabel Estapé Tous on April 4, 2019, under number 1,234 of her official records and recorded in the Commercial Registry of Madrid on April 24, 2019 under Volume 36,150, Sheet 32, Section 8, Page M-649563, Entry 11.

The summary table below outlines these main changes in our share capital since our incorporation:

Date¹	Corporate action	Par value (EUR)	Aggregated Share premium (EUR)	Number of issued/ redeemed Ordinary Shares	Total amount (EUR)	Number of resulting Ordinary Shares	Resulting share capital (EUR)
June 6, 2017	Incorporation	1	N/A	60,000	60,000	60,000	60,000
March 12, 2018	Capital Increase	1	N/A	12,590,000	12,650,000	12,650,000	12,650,000
May 11, 2018	Capital Increase	1	N/A	8,350,000	21,000,000	21,000,000	21,000,000
May 11, 2018	Capital Increase	1	N/A	720,000	21,720,000	21,720,000	21,720,000
July 27, 2018	Capital Increase	1	N/A	25,397,000	47,117,000	47,117,000	47,117,000
December 28, 2018	Capital Increase	1	N/A	9,000,000	56,117,000	56,117,000	56,117,000
December 28, 2018	Capital Increase	1	N/A	2,897,000	59,014,000	59,014,000	59,014,000
March 15, 2019	Capital Increase	1	N/A	16,500,000	75,514,000	75,514,000	75,514,000
April 2, 2019	Capital Increase	1	N/A	500,000	76,014,000	76,014,000	76,014,000

On April 4, 2019, we acquired the property La Rioja that it sits on the corner of Plaza Magdalena Square and Rioja Street in Seville (Spain), for total consideration of EUR 8.5 million (excluding acquisition costs). To finance this acquisition, the Company entered into the mortgage loan agreement for EUR 4.6 million with Banco Santander (annual interest fix rate under the mortgage loan agreement of 2.65%, with mature on June 5, 2025).

On April 27, 2019, we acquired Hotel Plaza San Francisco, located in Seville (Spain), for total consideration of EUR 5.7 million (excluding acquisition costs).

On May 10, 2019, the General Meeting of Shareholders resolved to:

- i) Change the corporate name from “Millenium Hotels Real Estate I, S.A.” to “Millenium Hotels Real Estate I, SOCIMI, S.A.”.
- ii) Approve the request of the admission to trading on the MAB-REIT.
- iii) Decrease the Company’s share capital by EUR 60,811,200 by reducing the par value of EUR 1.00 to EUR 0.20 per share.
- iv) Increase the Company’s par value of EUR 0.20 to EUR 1.00 per share by grouping of shares for the exchange of existing shares for new shares in the ratio of 1 new share for 5 old shares. The total share capital amounts to 15,202,800.
- v) Resignation of the sole administrator and subsequent appointment of the new Board of Directors composed of 5 Directors with Mr. Javier Illán Plaza as Chairman and CEO (Chief Executive Officer), Mr. Remigio Iglesias as executive director, Mr. José María Castellano, as

proprietary Director, and Ms. Isabel Dutilh Carvajal and Mr. Jaime Montalvo Correa as independent Directors.

- vi) Increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of New Shares of the same class and series as those currently in circulation, establishing their issue price as EUR 5.00 per New Share recognising all preferential subscription rights corresponding to the existing shareholders of the Company and, once the preferential subscription period has ended, placing any remaining New Shares to other investors, and delegating to the Board of Directors the power to determine (a) the nominal amount of the capital increase and the number of New Shares to issue and (b) any other terms and conditions not defined under the resolution of the General Shareholders Meeting. The possibility of incomplete subscription has been expressly foreseen and approved.

These resolutions were raised to the status of public before the Public Notary of Madrid Ms. Isabel Estapé Tous on May 14, 2019, under number 1,795 of her official records and recorded in the Commercial Registry of Madrid on May 23, 2019 under Volume 36,150, Sheet 32, Section 8, Page M-649563, Entry 12.

Through the recent contributions and acquisitions, Millenium has built a customized hotel portfolio composed of attractive properties selected from some of the largest hotel portfolios in Spain. The selection of properties was conducted under criteria consistent with its investment strategy (see section 2.7. of the Informational Document).

2.5. Reasons it has decided to request admission to trading on the MAB-REIT

The rationale for Millenium applying for a listing on the MAB-REIT is as follows:

- (i) To comply with the requirements required of Real Estate Investment Trusts as per article 4 of the Spanish Law on SOCIMIs, which sets out that the shares of SOCIMIs must be accepted for trading on a regulated market or in a Spanish multilateral trading system or that of any other Member State of the European Union or the European Economic Area, or in a regulated market of any country or territory with which there is an effective exchange of tax information, uninterrupted throughout the tax period.
- (ii) To enable a financing mechanism to increase the Company's capacity to raise funds that could finance the future growth of the Company, if this is decided by its governing bodies.
- (iii) To provide liquidity mechanisms to the Company's shareholders.

- (iv) To increase the notoriety and transparency of the Company vis-à-vis third parties (customers, suppliers, credit institutions, etc.) as well as to reinforce the brand image.
- (v) To facilitate a new mechanism for objective assessment of the shares.

2.6. General description of the Issuer’s business, with particular reference to the activities it performs, the characteristics of its products or services and its position in the markets in which it operates.

2.6.1. Description of real estate assets, situation and state, depreciation period, concession or management period, together with a valuation report on them by an independent expert in accordance with internationally accepted criteria. Where applicable, detailed information shall be provided concerning the obtaining of building permits for consolidated urban land. Information shall also be provided on its development status (contract with building company, status of work and expected time of completion, etc.)

Sector overview

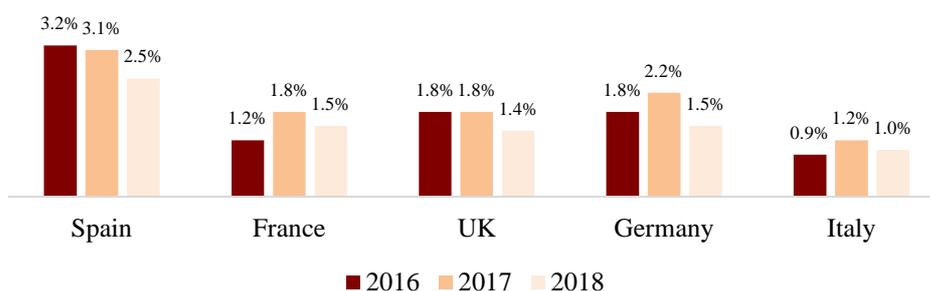
All of our properties are located in Spain and benefit from the positive growth momentum of the Spanish economy, favorable demographic and real estate trends.

Spain is one of the fastest growing OECD countries with solid employment recovery and increasing private consumption, showing the families and corporates deleverage levels. This successful and solid recovery, has been reinforced by, among others, the easing of financing markets and the change of perception of Spain as a source of “systemic risk”.

GDP grew around 3% in the last three years, surpassing most of the economies of the euro zone. The structural reforms undertaken, the vigorous growth of employment, the improvement of competitiveness and the favorable external and financial conditions have boosted economic activity.

In the last quarter, real GDP growth regained some momentum and expanded by a robust 0.7%, partly due to a rebound in net exports. Still, for the whole of last year, net exports detracted 0.4 pp from growth, while domestic demand kept growing robustly. As a result, real GDP in 2018 grew by 2.5% (Source INE).

2016-2018 Real GDP Growth Rates (% year-on-year)

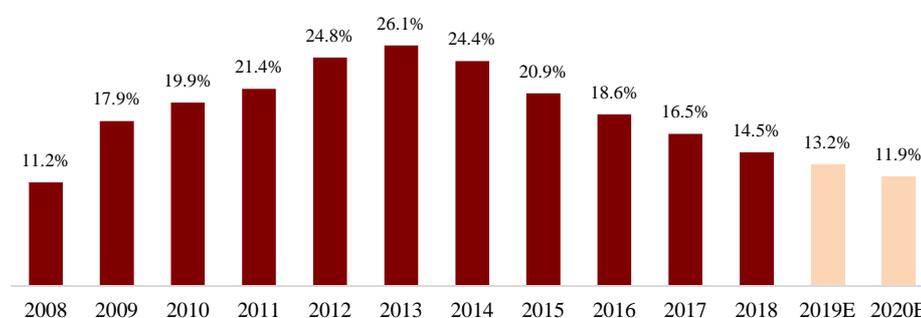


Source: Office National Statistics, European Commission

Domestic demand is the main driver of the economic recovery in Spain and both investment and private consumption levels have recovered over the past several years. As an example, private consumption (defined as final consumption expenditure of households and non-profit institutions serving households, which are separate legal entities such as trade unions, professional societies, political parties, churches, charities or sports clubs) grew by 2.5% and 2.4% year-over-year in 2017 and 2018, respectively (Sources: CBRE, Eurostat). Domestic demand has been driven largely by declining unemployment rates and the financial strengthening of Spanish households (Source: INE).

The recovery in Spain's economy has also translated into a recovery in the labor market. Historically, Spain has suffered from a higher unemployment rate than many of its European peers, with an average unemployment rate of c. 10% during the 2002-2008 period. During the downturn, Spain's unemployment rate increased substantially, peaking at 26.9% in the first quarter of 2013. However, since 2013 the unemployment rate has decreased, amounting to 14.5% as of the end of 2018 (Source: Eurostat). This is below 2009 levels and the lowest rate in seven years (Source: INE). As Spain's economy is expected to continue its upward trend over the next few years, the IMF expects this unemployment rate to keep falling up to 11.9% in 2020 as illustrated in the graph below.

Unemployment Rate for Spain



Source: Bank of Spain and Ministry of Public Work

Improvements in the overall economy have also supported household deleveraging since mid-2010 (with households' stock of loans decreasing from EUR 912 billion as of November 2008 to EUR 588 billion as of December 2018 (Source: Bank of Spain, INE) and have driven the consumer confidence index being close to 15-year highs (Source: Bank of Spain).

Demographic trends, which impact housing demand by influencing the type, style, location and size of the dwellings people prefer, are also supporting the recovery of the residential real estate market. Between 2006 and 2018, Spanish metropolitan areas, particularly Madrid and Barcelona, have experienced higher population growth than most other European metropolitan areas (Source: Eurostat). In addition, the Spanish average household size is in the process of converging with European averages (from 2.7 members per household in 2006 to 2.4 in 2018), narrowing the gap with other European economies such as Italy, United Kingdom, France and Germany (with 2.4, 2.3, 2.3 and 2.1 members per household in 2018, respectively) (Source: Eurostat and United Nations). As the Spanish average household size decreases, the number of households is expected to grow ahead of population growth (Source: INE). In particular, Spanish metropolitan areas, where the majority of our properties are located, are expected to drive such household growth in Spain in the coming years, with Madrid alone expected to account for 31% of the expected 2016-2031 Spanish household growth (Source: INE).

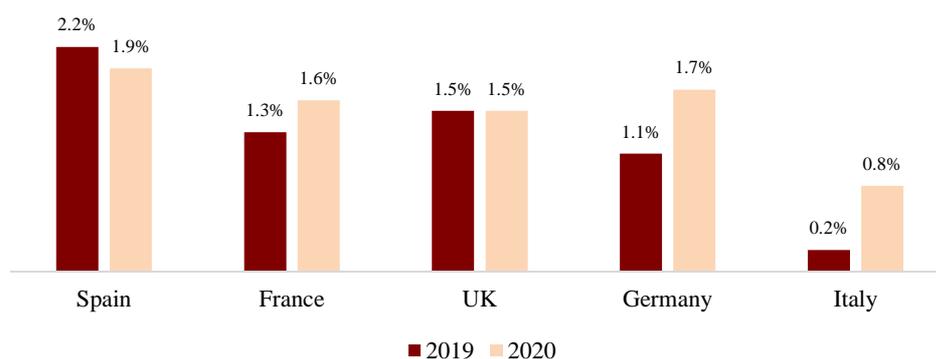
Projections of the Spanish economy's main macro magnitudes

	2017	2018	2019	2020	2021
GDP	3.1	2.5	2.2	1.9	1.7
Private consumption	2.5	2.4	1.9	1.5	1.3
Government consumption	1.9	2.1	1.6	1.2	1.2
Gross fixed capital formation	4.8	6.2	4.7	3.6	2.7
Investment in capital goods	5.7	7.8	5.9	3.9	3.0
Investment in construction	4.6	6.1	4.5	3.7	2.8
Exports of goods and services	5.2	1.8	3.4	4.0	3.8
Imports of goods and services	5.6	3.8	4.1	4.1	3.8
National demand (contribution to growth)	2.9	3.1	2.4	1.9	1.6
Net external demand (contribution to growth)	0.1	(0.6)	(0.2)	0.0	0.0

Source: Bank of Spain and European Commission

Growth is expected to reach 2.2% in 2019 and 1.9% in 2020, as the cycle matures, but this figures are expected to be higher than the European Union average, according to OCDE forecast of 1.9%.

2019-2020 GDP Growth Rates Forecast (% year-on-year)



Source: Office National Statistics, European Commission

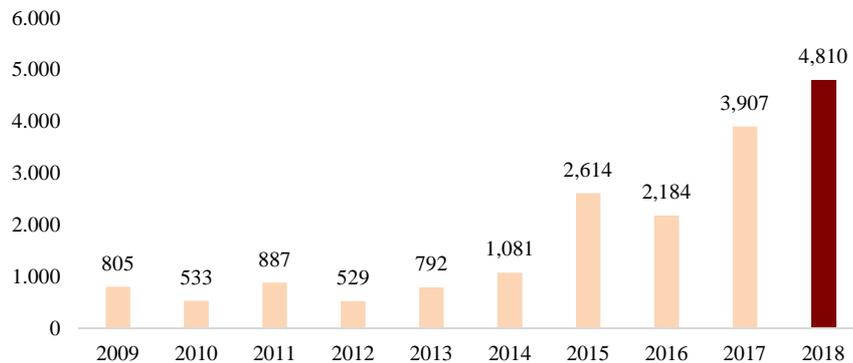
Overview of the Spanish Hotel Real Estate Market

Between 2013 and 2014, in the aftermath of Spain's financial crisis, the market began to see greater international interest compared to 2012. With Spain's GDP growing significantly ahead of other European economies, the hotel real estate market has experienced a strong growth rate between 2015 and 2018, achieving higher investment volumes in each of such years than those recorded in 2006, previously the most liquid year. Institutional investors have gained a considerable market share in the aforementioned period as hotel trading performance registered strong growth. International investment has also grown and domestic investment has remained robust, although many key players in the domestic market, such as Hispania and Merlin, are backed by international capital.

Spain saw out 2018 with the highest level of hotel investment in its history. Hotel investment in existing hotels, properties and land for developing new hotels totalled EUR 4,810 million. This placed Spain in the second hotel investment destination in Europe after UK.

This is a new record and up 23.1% on the figure of EUR 3,907 million posted in 2017 (previous all-time high). The 95.4% of total spend was on existing properties through 273 transactions (36,189 rooms) compared to 182 hotels (28,813 rooms) in 2017. The remaining EUR 219.8 million was spent on buying properties to convert into hotels (EUR 151.8 million) and land purchases (EUR 68 million).

Total hotel investment volume 2009 – 2018 in Spain (EUR million)



Source: Colliers International "Hotel investment 2018"

In 2018, Spain increases its representativeness in terms of hotel investment in Europe, exceeding by 4 percentage points figures recorded during the previous year, therefore reaching a 22% market share. The sharp increase in this ratio during the last year illustrates Spain's increased appeal as a destination for investment in Europe.



Source: CRBE

Seen with perspective, 2018 figures can only be understood taking into consideration that Spain, and specially the vacation hotel sector, has been given investment grade status by institutional investors and international funds not inclined to invest in vacation hotels in other circumstances they consider the vacation hotel business to be volatile, and therefore not offering as decent risk/benefit ratios as other hotel investment options in Europe.

Furthermore, it is worth noting the considerable importance of hotel investment in relation to the total investment in the Spanish tertiary sector. In 2018, hotel investment accounted for 35% of the total (vs. 28% in 2017) (Source: Colliers International).

It is also important to understand the market context in which the aforementioned levels of investment have been achieved. Spain closes 2018 with a slight increase

in the volume of international arrivals (+1.1%) (Source: INE) with respect to the previous year, which, in turn, implies a new record high.

Meanwhile, looking at tourism expenditure, a new all-time high was reached in 2018 after eight years in a row of records, with a cumulative annual growth rate of 9.2% (Source: Colliers International) over the last five years. This significant upward trend has been fueled by a number of factors including:

- Economic growth in the leading global economies.
- An extremely healthy global tourism industry (with growth rates that outstrip the rate of global economic growth year after year).
- Spain's increasing attractiveness as a tourist destination given the geopolitical instability affecting countries that are clear competitors of Spain in the Mediterranean Basin such as Tunisia, Turkey and Egypt, above all.
- Its natural resources and cultural heritage.

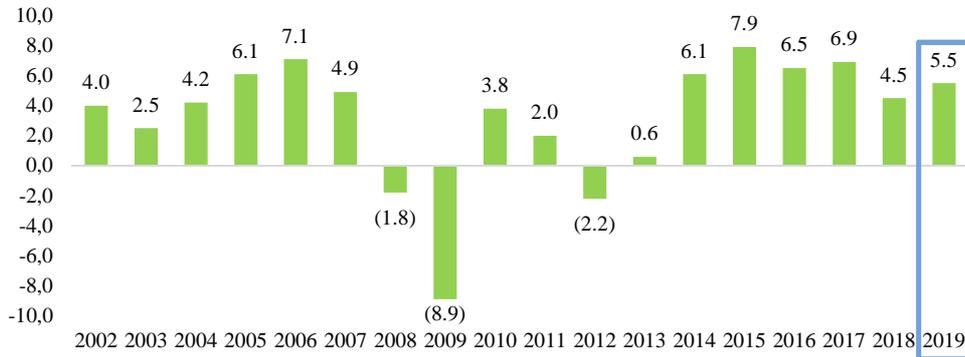
As tourist flows grow and grow worldwide, Spain is benefiting from circumstances and factors such as:

- The fact that, as a region, Europe is the biggest tourist destination in the world, receiving one of two tourists.
- Spain's unenviable geostrategic position, its configuration as a mainland with two archipelagos, and its pleasant climate.
- Its tourist and transport infrastructures.

Even though there seems to be uncertainty regarding the foreseen evolution of some of the previous magnitudes, in the eyes of institutional investors, the fundamentals of Spain's touristic sector are very solid and is therefore worthy of the "investment grade" qualification aforementioned.

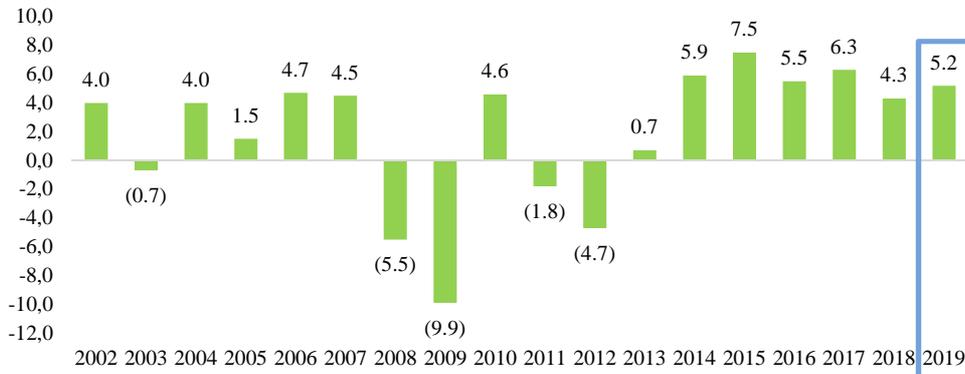
The results of the Exceltur Business Confidence Survey show that 81.7% of the Spanish tourism entrepreneurs discounted a new increase in their sales in 2019, which will be transferred in 80.9% of them in an improvement of their results, thanks to the expected recovery of prices in the 82.8% of Spanish tourism companies.

Business opinion about results. Total tourist sector
% decrease or increase in sales over the previous year



Source: Exceltur

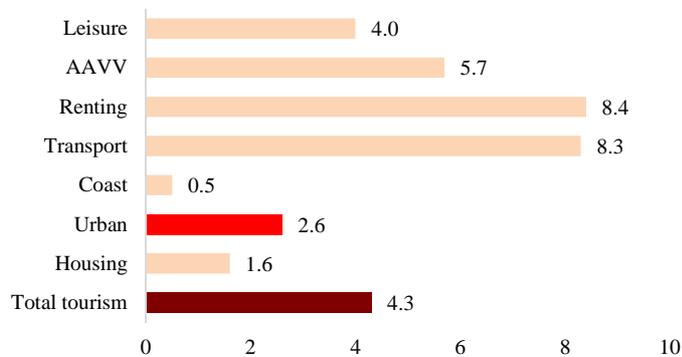
Business opinion about results. Total tourist sector
% decrease or increase in sales over the previous year



Source: Exceltur

According to the data of Exceltur, sales of urban hotels increased by 2.6% vs 2017 while the rest of the hotel segment increased only by 0.5% vs 2017.

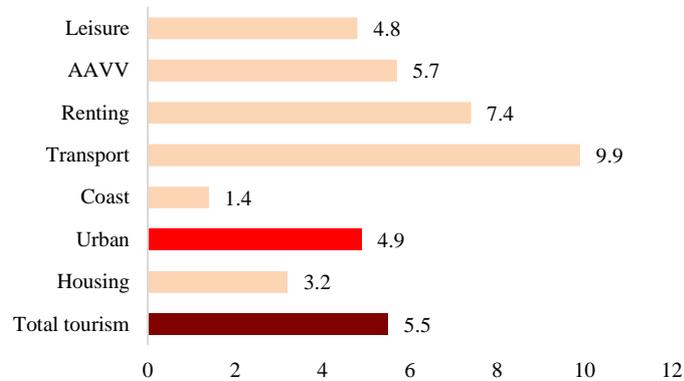
Evolution of the results of tourism enterprise in 2018 by subsectors (% var. 2018 vs. 2017)



Source: Exceltur

In 2019, urban hotels, where Millenium strategy is focus, plan to improve sales and results by 4.9% according g to Exceltur figures.

Evolution of the sales for 2019 by subsectors (% var. 2019 vs. 2018)



Source: Exceltur

The first quarter of 2019, continues to give clear signs of strength in terms of tourism, both tourist and spending, despite the effect Holy Week fell in March in 2018 and in April in 2019.

In relation to the number of international tourists, 14.22 million tourists have arrived in Spain, which represents an increase of 3.7% according to the data published by the INE. More than 70% of the tourist have chosen a hotel establishment as accommodation during their stay, which has led to an increase of 4.3% in overnight stays in hotels. In the case of 4 and 5 star hotels, the increase is approximately 3%. In terms of total expenditure, an increase of 4.1% was registered in 1Q19, with the corresponding increase in hotel expenses of 10.4%

All this shows that Spain continues to gain attractiveness for tourists and that hotels are the first and most important option as accommodation.

Investment profile by product type

The 66% of total investment was driven towards vacation hotels –lower than the 69% figure registered in 2017 (Source: Colliers International). These percentages are practically an exact reflection of the structure of hotel supply in Spain, where practically two-thirds of properties are in vacation destinations.

In 2018, 127 vacation hotels and 25,374 rooms were bought and sold last year, meaning 4.7% of the total vacation hotel supply in Spain changed hands.

Highlight that urban hotel investment increased by 4 p.p. from 32% to 36% of total investment. The most urban popular destination was Madrid which, with investment of EUR 601 million in 2018, enjoyed a +72.3% increase on the EUR

349 million registered in 2017. Its share of total investment has thus risen from 10.2% to 13.1%.

The Spanish average sales price per room increase 6.6% year-on-year (EUR 126,800/key vs EUR 119,000/key), primarily due to the significant buy-side pressure affecting market prices. Highlight that during 2018, there were a number of large single transactions, such as: the acquisition by the listed group RLH Properties of the Villa Magna Hotel (5*GL) in Madrid from Dogus for EUR 210 million (EUR 1.4 million per room); the acquisition of the Edition Hotel (5*) in Barcelona by Oriente Medio also for an estimated EUR 80 million (EUR 0.8 million per room). There was also a number of stand-out transactions of less than EUR 75 million. Blackstone was by far the biggest mover in 2018, accounting alone for the 45% of the total investment.

This contributed to the fact that the 71% of total investment was made by international investors including, along with Blackstone, investors groups such as CBRE Global Investors, the Asian Group GAW Capital and the Mexican Group, RLH Properties.

Aside from mutual funds and institutional investors, foreign capital flowed in through hotel chains (Minor Hotel group, Ikos Resorts, B&B, A&O and Thomas Cook), which have jointly invested EUR 512 million across 16 hotels.

In 2018, the remainder of total hotel investment was distributed across 38 provinces vs. 28 in 2017, illustrating that strong competition in prime destinations and recovery of more secondary destinations is driving investment in the latter.

With regards to urban markets, the cities that have the highest concentration of investor interest are Madrid and Barcelona, followed by Malaga, Valencia, Alicante and Seville (Source: Christie and Co.). Many of these cities are selected in our “Business Plan”.

Growth and Value Consolidation in Hotel Properties Supported by Strong Tourism Sector

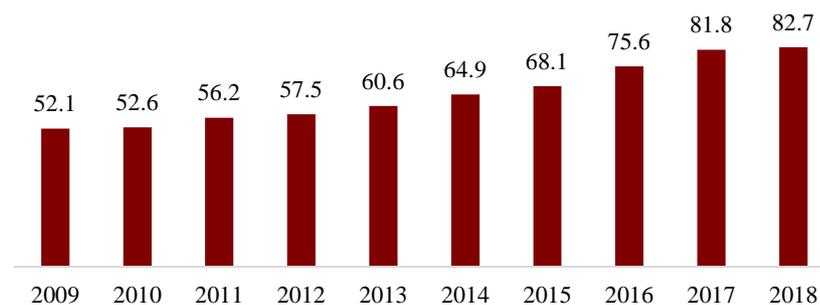
Traditionally Spain has been a leading country in terms of tourists, but especially since 2013, year when it became in the second most popular destination of the world. Since 2013 to 2017 Spain grew at a compound growth rate (CAGR) of 6.4% in terms of international visitors (Source: INE).

During the year 2018, the number of international visitors to Spain broke yet another record. There were 82.7 million tourists visited Spain, an increase of 1.1% (Source: INE) as compared to the previous year. Despite the emergence of competing destinations and some adverse weather, there were a surge in arrivals

in the last quarter of the year, particularly in December (+9.7% vs December 2017) (Source: INE), which allow us to be positive in 2019.

Catalonia, Balears Islands and Canary Island were the main regions of destination, followed by Andalucía, Madrid and Valencia, where our properties are located.

International visitors (millions)



Source: INE

The main reason for tourists in their trips to Spain during 2018 was Leisure, recreation and holidays. For that reason, 72.1 million arrived, with an annual increase of 1.4%. A total of 5.0 million tourists arrived for Business and professional purposes (+6.6% vs 2017 according to INE figures).

International tourist arrivals by type of visitors

	2018		2017	
	Absolute value	Annual change	Absolute value	Annual change
Total	124,060,336	1.9	121,717,286	5.3
Same day visitor	41,287,180	3.6	39,848,764	(1.0)
Tourists	82,773,156	1.1	81,868,522	8.7

Source: INE

Once again, in 2018 International visitor arrivals by length of stay increased by 1.9%. The main length of stay among tourists in 2018 was four to seven nights, with 38.8 million tourists and an annual increase of 1.9%.

International visitor arrivals by length of stay

	2018		2017	
	Absolute value	Annual change	Absolute value	Annual change
Total	124,060,336	1.9	121,717,286	5.3
no night	41,287,180	3.6	39,848,764	(1.0)
1 night	4,413,428	8.2	4,078,375	15.7
2 -3 night	14,595,727	2.5	14,235,659	16.2
4 - 7 night	38,785,045	1.9	38,057,347	8.8
8 - 15 night	19,460,562	(1.2)	19,697,307	2.5
More than 15 nights	5,518,394	(4.9)	5,799,834	8.2

Source: INE

63% of them according to INE figures were hosted in a Hotel, that means an increase of 2.6% vs 2017.

International tourist expenditure by main type of accommodation

	2018		2017	
	Absolute value	Annual change	Absolute value	Annual change
Total (*)	82,773,156	1.1	81,868,522	8.7
Total market accommodation	66,620,308	2.3	65,145,901	9.2
Hotel accommodation	52,742,000	2.6	51,396,818	6.7
Rental housing	9,740,016	0.2	9,720,123	20.3
Rest accommodation	4,138,291	2.7	4,028,960	17.9
Non-market accommodation	16,152,848	(3.4)	16,722,620	6.9
Housing property	4,797,290	(2.3)	4,910,634	0.6
Housing families and friends	9,928,421	(3.5)	10,293,403	11.2
Non-market rest accommodation	1,427,163	(6.0)	1,518,584	0.7

(*): It is distinguished two main groups, depending on whether was a monetary transaction or not, rented accommodation (payment accommodation; hotels, renting accommodation, camping site, rural accommodation and other rented accommodation) or non-rented accommodation (owned, dwelling, family or friends dwellings and other non-rented accommodation)

Source: INE

This good evolution of tourism has not translated in its entirety the increase in the number of hotel establishments in Spain, especially in the category of 5 stars, in which Millenium focuses its strategy.

Number of Hotels

	2014	2015	2016	2017	2018	CAGR
4 stars	1,720	1,772	1,809	1,833	1,869	2%
5 stars	224	236	244	253	273	5%
Total	12,442	12,307	12,449	12,417	12,477	0.1%

Source: INE

And the projects currently on development in Spain are scarce (15 projects on development) (Source: El País and CBRE).



This growth is based not only in the traditional sun and beach-focused tourism that started in the 1970s, but also because Spain now offers a wide variety of possibilities that complement the already strong existing offer, which results in constant average hotel occupancy rates throughout the year. These new tourism activities which keep the demand from being seasonal and now attract a big percentage of inbound tourists include:

- Culinary and wine tourism: as an international culinary leader, Spain has a large number of Michelin-starred restaurants, renowned wineries, and countless destinations where visitors can enjoy the famed Spanish culture and way of life.
- Cultural tourism: Museums such as the Prado, Thyssen, Picasso and Guggenheim complement the extensive cultural offering, combined with the historical heritage of cities such as Seville, Granada, Barcelona, San Sebastián and Toledo.
- Rural tourism: Spain's impressive biodiversity and the proximity of destinations allow tourists to combine city stays with outdoor activities such as hiking, skiing, hunting and adventure sports.

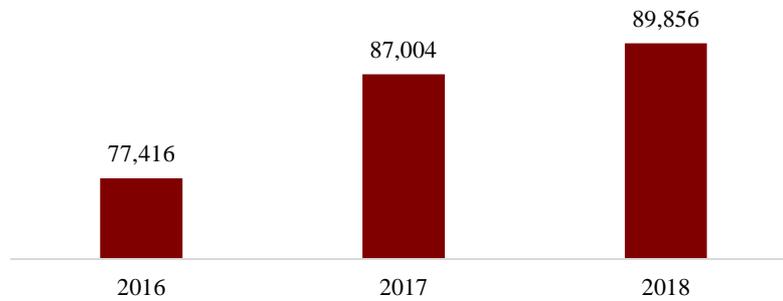
There are alternative destinations in Europe and the Mediterranean area that compete in attracting international tourism. However, Spain not only has favorable geographic conditions, but also competitive advantages that help ensure its leadership in the tourism sector.

Total expenditure by international tourist visiting Spain

The total expenditure incurred by non-resident tourists in Spain during 2018 was EUR 89,856 million, an increase of 3.3% compared to 2017 reaching a new historical record. Total expenditure made by international tourists visiting Spain

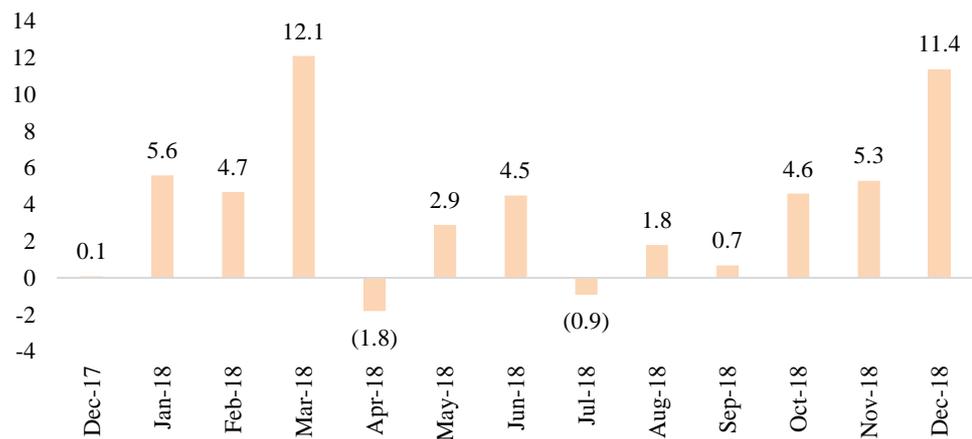
in December 2018 reached EUR 5,045 million, representing an increase of 11.4% as compared to the same month of 2017 (Source: INE).

Total tourists expenditure (EUR million)



Source: INE

Annual variation rate of total international tourist expenditure (%)



Source: INE

The average expenditure per tourist stood at EUR 1.555 in December, with an annual increase of 1.5%. For 2018 as a whole, this figure reached EUR 1.086, which an annual increase of 2.2%. (Source: INE).

The expenditure on accommodation increased by 6.1% vs 2017 according to INE figures, more than twice the global growth (+3.3%).

International tourist expenditure by expenditure categories

	Year 2018		
	Total (EUR million)	Percentage	Annual variation
Total	89,856	100	3.3
Expenditure on tourist package	18,896	21.0	4.2
Expenditure excluded on tourist package	70,961	79.0	3.0
Expenditure on international transport	18,215	20.3	2.6
Expenditure on accommodation	13,199	14.7	6.1
Expenditure on food and drinks	13,670	15.2	0.3
Expenditure on activities	16,671	18.6	7.4
Other expenditure	9,206	10.2	(3.4)

Source: INE

The 63.2% of total tourist expenditure in 2018 was made by tourists staying at hotels, with an annual rise of 5.5%. On the other hand, expenditure in rest rented accommodation increased by 0.5%. In terms of daily average expenditure by tourist this figure reached EUR 197 (+6.6% vs 2017, again twice the global growth of 3.3%). (Source: INE).

International tourist expenditure by main type of accommodation, type of organization and main purpose

	December 2018					
	Total expenditure (EUR million)	Annual variation	Average expenditure by tourist (EUR)	Annual variation	Daily average expenditure (EUR)	Annual variation
Total (*)	5,045	11.4	1,155	1.5	137	7.9
Rented accommodation	4,011	11.3	1,216	1.5	164	4.4
Hotel accommodation	2,848	11.3	1,075	0.1	216	8.0
Rest rented accommodation	1,163	11.5	1,792	0.1	103	0.2
Non rented accommodation	1,034	11.5	967	6.0	83	14.9
Total	5,045	11.4	1,155	1.5	137	7.9
Without tourist package	3,879	19.1	1,15	2.9	129	9.5
With tourist package	1,166	(8.4)	1,173	(1.7)	167	8.1
Total	5,045	11.4	1,155	1.5	137	7.9
Leisure	3,969	10.5	1,108	(0.7)	147	11.5
Work	414	7.5	1,285	14.5	146	(8.1)
Other motives	662	19.3	1,426	8.4	93	3.1

(*): It is distinguished two main groups, depending on whether was a monetary transaction or not, rented accommodation (payment accommodation; hotels, renting accommodation, camping site, rural accommodation and other rented accommodation) or non-rented accommodation (owned, dwelling, family or friends dwellings and other non-rented accommodation)

Source: INE

Year 2018

	Total expenditure (EUR million)	Annual variation	Average expenditure by tourist (EUR)	Annual variation	Daily average expenditure (EUR)	Annual variation
Total (*)	89,856	3.3	1,086	2.2	146	6.4
Rented accommodation	74,676	4.2	1,121	1.9	173	7.2
<i>Hotel accommodation</i>	<i>56,759</i>	<i>5.5</i>	<i>1,076</i>	<i>2.8</i>	<i>197</i>	<i>6.6</i>
Rest rented accommodation	17,917	0.5	1,291	(0.4)	125	6.9
Non rented accommodation	15,18	(1.2)	940	2.3	83	2.4
Total	89,856	3.3	1,086	2.2	146	6.4
Without tourist package	62,138	2.9	1,063	1.7	139	6.3
With tourist package	27,718	4.2	1,141	3.1	167	6.5
Total	89,856	3.3	1,086	2.2	146	6.4
Leisure	78,106	4.3	1,083	2.9	147	6.3
Work	5,492	0.7	1,091	(5.5)	146	8.0
Other motives	6,258	(6.4)	1,11	0.7	93	4.6

(*) It is distinguished two main groups, depending on whether was a monetary transaction or not, rented accommodation (payment accommodation; hotels, renting accommodation, camping site, rural accommodation and other rented accommodation) or non-rented accommodation (owned, dwelling, family or friends dwellings and other non-rented accommodation)

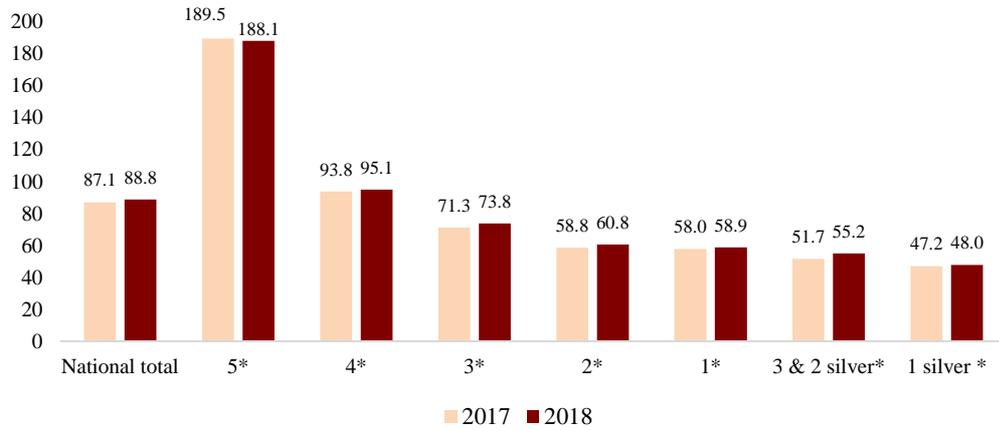
Source: INE

The figures above demonstrate once again the strength of international tourism in Spain, not only from the numerical point of view but also from the point of view of spending, especially in hotel establishments.

Profitability of the hotel sector

In 2018, the average daily turnover of the hotels for each occupied room (ADR) amounted EUR 88.8. On the other hand, the average daily income per available room (RevPAR) was EUR 59.4.

Average daily rate by hotel category (EUR)



Source: INE

In the case of 5 star hotels, where Millenium's strategy is focused, the average daily rate is almost double the national average. The average daily income per available room (RevPAR) for the 5 stars hotels in Spain is also more than twice the national average.

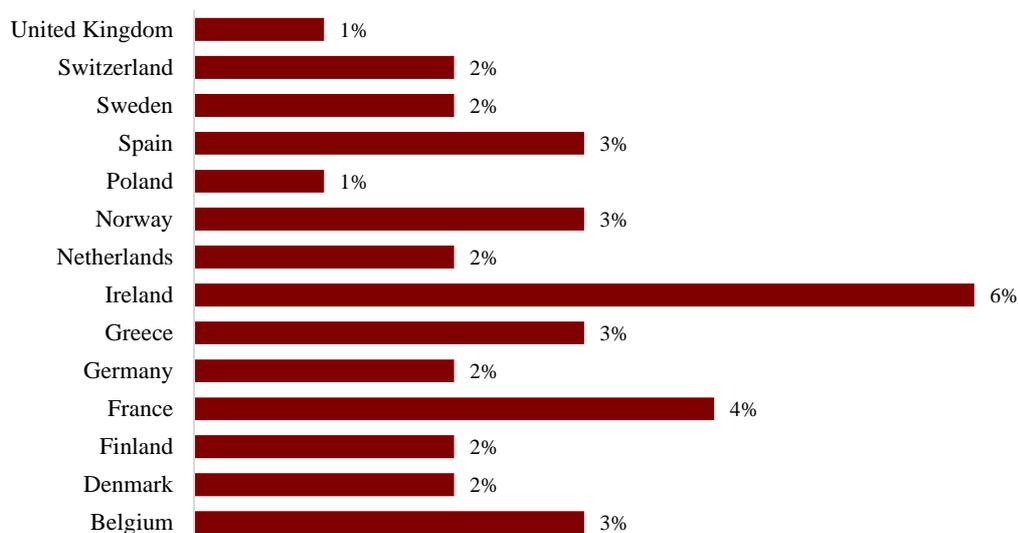
Revenue per available room by hotel category (EUR)



Source: INE

According to American Express report "Hotel Monitor 2019" Spain hotel rates are expected to growth at a rate of 3% in 2019, above of European Average of 2.14%.

Europe 2019 national hotel rate forecasts



Source: Global Business Travel Forecast 2019 from American Express Global Business Travel (GBT)

Our Hotels

As of the date of this Informational Document, our hotel portfolio is comprised of two fully operational hotels and three hotels under development, with approximately 640 rooms in total, with an aggregate GAV⁽¹⁾ as of December 31, 2018 of approximately EUR 111.7 million and an aggregate GLA as of December 31, 2018 of approximately 45 thousand square meters. Our portfolio is comprised of the following hotels:

Property	Type	Category	Nº Rooms	Location	GAV ⁽¹⁾
Hotel Vía Castellana	Fully operational	4*	228	Madrid	38,100,000
Hotel Eurostars Lucentum	Fully operational	4*	169	Alicante	23,900,000
Hotel Plaza de la Magdalena	Under development	5*	89	Seville	20,200,000
Hotel Gran Vía Bilbao	Under development	5*	123	Bilbao	23,500,000
Hotel Plaza San Francisco	Under development	5*	31	Seville	6,000,000
Total			640		111,700,000

(1) As of December 31, 2018, except the valuation of Hotel Plaza de la Magdalena that after the purchase of the second building was updated as of March 2019 and Hotel Plaza San Francisco as of April 2019

Hotel Vía Castellana and Hotel Eurostars Lucentum are leased to and operated by companies of the Hotusa Hotels, S.A. group (hereinafter, the “**Hotusa Group**”), under separate lease agreements. Hotel Plaza de la Magdalena and Hotel Gran Vía Bilbao are leased to and will be operated by Radisson Hotels Aps Danmark, under its luxury brand, Radisson Collection (hereinafter,

“**Radisson**”), under separate lease agreement. Our hotels are described in more detail below. Hotel Plaza San Francisco is leased to and will be operated by Alma Gestión, S.L.U. (hereinafter “**Alma Gestión**”) under a lease agreement.

Hotel Vía Castellana (fully operational)

Property Overview

Hotel Vía Castellana is located at Paseo de la Castellana, 220, Madrid, Spain’s capital city and one of the main urban tourist destinations in the country, as well as its main corporate hub. The hotel is located in Plaza Castilla and is flanked by the KIO Towers. Emblematic locations such as Santiago Bernabéu Stadium, the Cuatro Torres Business Area complex and Chamartín train station are within a radius of 1.5 km. The hotel is located in the main business and financial area of Madrid, with easy access from the ring roads (M-30 and M-40) and with convenient access to the IFEMA convention center and the airport.

Hotel Vía Castellana consists of two adjacent buildings, both featuring 10 floors above the ground. The first building is located at Paseo de la Castellana, 220 and has 174 rooms and the hotel common areas. The second building is located at Paseo de la Castellana, 218, has 54 rooms and was incorporated into the first building in 2002. The first building also has four basement floors, of which only the first floor is operated by the hotel, and 47 parking spaces and part of the technical facilities. Additionally, we own 22 parking spaces located in the second basement floor, which are separate from Hotel Vía Castellana’s operations and we currently lease to third parties.

All the rooms located in the first building are exterior and are divided into three main categories: standard rooms, executive rooms and junior suites. The 54 rooms located in the second building are smaller in size and feature different interior design.

PROPERTY DETAILS

GENERAL:		LEASE TYPE:	
Destination	Madrid, Spain	Type of contract	Fixed and variable rent lease agreement
Location.....	Urban	Operator	Hotusa Group
Current category	4-star	Brand.....	Hotel Vía Castellana
Hotel type	Bleisure	CAPEX:	
Customer profile.....	Adults	Strategy	“Yielding”
Number of rooms.....	228	Status.....	Open and to be refurbished
Built area	15,451 sqm		
Building floors.....	10 floors		
Year of construction ...	1994		

Room type:	Number:	Average room size (sqm):	F&B outlets:	
Standard.....	218	15 -20	1 Restaurants / bars (approximate covers) .	25 guests
Executive	8	25-30		
Junior	2	40	Meeting space:	
Presidential Suite	0	0	9 Meeting rooms (approximate capacity).....	340 guests
Royal Suite	0	0		
Total Rooms	228			

GUEST AMENITIES:

Leisure..... Swimming pool, wellness center with gym and SPA.
 Car parking..... The hotel has 47 indoor parking spaces.

Below are selected photographs of Hotel Vía Castellana:



Operating Structure

Hotel Vía Castellana is leased under a lease agreement signed on February 25, 2014 between Millenium Hotels C220, S.L. (hereinafter, “C220”), a subsidiary of the Company, as lessor, and Opalo Hotels, S.L.U. that subsequently changed to Argon Hoteles, S.L.U., a subsidiary of the Hotusa Group, as tenant. The lease is for a term of 10 years, expiring on February 26, 2024. The rent under the lease agreement has both fixed rent and a variable component tied to the hotel’s annual net operating revenue.

This lease agreement was entered into by C220 before we acquired such company and its terms and conditions are in certain cases inconsistent with the terms and conditions of our lease agreement strategy. For example, the variable rent component in Hotel Vía Castellana’s lease is tied to the hotel’s net operating revenue as opposed to gross operating profit. At the time of termination of this lease agreement, we intend to propose the extension of the lease under revised terms and conditions that are more closely aligned with our lease agreement strategy (see section 2.7. of the Informational Document).

Lease Contract

The main terms of the lease agreement are described below:

- *Term.* The lease is for a term of 10 years, expiring on February 26, 2024. The lessee may freely terminate the lease at any time after the first five years of the lease (i.e., from February 25, 2019 onwards), by providing nine months’ notice.
- *Rent.* The rent under the lease agreement is comprised of both fixed rent and a variable component.
 - *Fixed rent.* The fixed annual rent will be EUR 1.705 million on 2019 (i.e., EUR 142.4 per month on 2019). The fixed rent will be increased every year in line with CPI. Beginning on the third year of the lease (i.e., from February 25, 2017 onwards), the fixed rent will be increased every year in line with CPI plus 1%.
 - *Variable component.* In addition to the fixed rent, the lessee will pay variable rent equal to 35% of net operating revenue generated by the hotel during the year. Fixed rent payments will be deducted from any amounts payable under the variable component. The definitive variable rent will be determined at the end of the year. From the 35% of net operating revenue payable as variable rent, the lessee will pay 32% directly to us and will deposit the remaining 3% in a reserve for extraordinary expenses. We have the right to perform compliance audits to ensure the

accuracy of the hotel operator's calculation and settlement of the variable component.

The figures above do not include VAT.

- *Maintenance, building alterations, improvements and renewals.* The lessee is required to keep the property in good condition, to undertake any required maintenance works and to return the property in the condition it was at the time the lease was signed.
- *Sale of the hotel.* We are limited in our ability to sell our hotel, lease or otherwise transfer the hotel by the requirement that the transferee assume the hotel lease agreement. The lessee has a right of first offer, but it does not have a right of first refusal with respect to the sale of the hotel.
- *Termination.* The non-breaching party may terminate the lease as a result of a material breach by the breaching party.
- *Personnel.* We are not responsible for hiring and employing the staff in the hotel.

Capital Lease Agreement

On April 29, 2010 Caixabank, as lessor, and C220, as lessee, entered into a capital lease agreement to finance the acquisition Hotel Vía Castellana. Under the Capital Lease Agreement, Caixabank will be the legal owner of Hotel Vía Castellana for the duration of the lease, while C220 has operating control over the property. C220 will become the legal owner of Hotel Vía Castellana upon exercise of the bargain purchase option and payment of the residual value at maturity (see section 2.12.1 of the Informational Document).

Hotel Eurostars Lucentum (fully operational)

Property Overview

Hotel Eurostars Lucentum is located in a prime location in the city center, at Avda. Alfonso X El Sabio 11, Alicante, on the south-east coast of Spain. The hotel is located close to the Mercado Central, to the port and the old quarter, in a good location for visiting the city on foot. It is also well-connected with other points of interest in the city, with a stop on the new metropolitan tramline across the street.

Hotel Eurostars Lucentum consists of a 16-story building, with 13 floors above ground and three basements. The basement floors feature several technical

facilities as well as 21 parking spaces which are currently used as a “back of the house” area since these floors do not meet the required height for parking use.

The hotel has a total of 169 rooms distributed between the first and tenth floors, all of which are exterior with an en-suite bathroom and are fully equipped, heated and air conditioned. Rooms are divided into three categories: standard rooms, executive rooms and junior suites. The size of the rooms ranges from between 15 and 50 square meters. The hotel also has comprehensive facilities, including 6 rooms for events.

PROPERTY DETAILS

GENERAL:		LEASE TYPE:	
Destination	Alicante, Spain	Type of contract	Fixed rent lease agreement
Location.....	Coastline	Operator	Hotusa Group
Current category	4-star	Brand.....	Hotel Eurostars
Hotel type	Leisure	CAPEX:	
Customer profile	Adults and families	Strategy	“Yielding”
Number of rooms.....	169	Status.....	Open and to be refurbished
Built area	9,791 sqm		
Building floors.....	16 floors (3 below ground)		
Year of construction ...	2006		
Room type:	Number:	Average room size (sqm):	F&B outlets:
Standard.....	141	-	Restaurants / bars (approximate covers) . - guests
Executive room.....	18	-	
Junior suites	9	-	Meeting space: 5 Meeting rooms (approximate capacity)..... 110 guests
Presidential Suite	1	-	
Royal Suite	-	-	
Total Rooms	169		
GUEST AMENITIES:			
Leisure	Swimming pool, wellness center with a spa and gym, a playground.		
Car parking.....	The hotel has 21 indoor parking spaces currently in use.		

Below are selected photographs of Hotel Eurostars Lucentum:



Operating Structure

Hotel Eurostars Lucentum is leased under a lease agreement signed on September 26, 2013 between Tiempo Futuro, S.A.U. (former owner of the hotel), as lessor, and Galena Hotels, S.L.U., a subsidiary of the Hotusa Group, as tenant. The lease agreement was initially set to expire on August 31, 2015 but on January 18, 2016, the original parties thereto executed an addendum extending the original term and amending other terms and conditions of the lease. Tiempo Futuro, S.A.U. assigned its position as lessor under the lease agreement to the Company on February, 2018. The rent under the lease agreement is comprised of fixed rent only.

This lease agreement was entered into by the prior owners of Hotel Eurostars Lucentum before we acquired it and its terms and conditions are in certain cases inconsistent with the terms and conditions of our lease agreement strategy. For example, the lease provides only for fixed rent payments, as opposed to our strategy based on lease payments with both fixed rent and a variable component tied to the hotel's gross operating profit. At the time of termination of this lease agreement, we intend to propose the extension of the lease under revised terms and conditions that are more closely aligned with our lease agreement strategy (see section 2.7. of the Informational Document).

Lease Contract

The main terms of the lease agreement, as amended on January 18, 2016, are described below:

- *Term.* The lease is initially set to expire on August 31, 2020, with one renewal term (for five additional years, until August 31, 2025) at the request of the lessee with at least six months' notice prior to the expiration of the initial term.

- *Rent.* The rent under the lease agreement is comprised of fixed rent only, as set forth below:

Period	Annual Rent	Monthly Rent
	(EUR million)	(EUR thousand)
September 26, 2013 to August 31, 2015	1.20	100.0
September 1, 2015 to August 31, 2016	1.40	116.7
September 1, 2016 to August 31, 2017	1.45	120.8
September 1, 2017 to August 31, 2018	1.50	125.0
September 1, 2018 to August 31, 2019	1.55	129.2
September 1, 2019 to August 31, 2020	1.60	133.4

For the periods between September 1, 2018 and August 31, 2019 and between September 1, 2019 and August 31, 2020, the lessee may choose between paying the rent in the table above (chosen option) or the previous year's rent increased by the accumulated variation of the Spanish Consumer Price Index ("CPI") since September 2015. If the lessee extends the lease until August 31, 2025, the rent for each of such years will be equal to the previous year's rent increased in line with CPI.

The figures above do not include VAT.

- *Maintenance, building alterations, improvements and renewals.* The lessee is required to keep the property in good condition, to undertake any required maintenance works and to return the property in the condition it was at the time the lease was signed (subject to normal tear and wear).
- *Sale of the hotel.* We are limited in our ability to sell our hotel, lease or otherwise transfer the hotel by the requirement that the transferee assume the hotel lease agreement. The lessee has waived its right of first refusal with respect to the sale of the hotel.
- *Personnel.* We are not responsible for hiring and employing the staff in the hotel.

Mortgage loan agreement

To finance the hotel acquisition, on February 16, 2018, we entered into a mortgage loan agreement for EUR 13.4 million with Banco Sabadell (see section 2.12.1 of the Informational Document).

Hotel Plaza de la Magdalena (under development)

Property Overview

Hotel Plaza de la Magdalena is currently under construction within two buildings separated by a small street, one of them facing Plaza de la Magdalena and the other facing la Rioja street. For the purpose of clarity, the following sections refer to said buildings as (“**Magdalena Building**”) and (“**Rioja Building**”), which together form the hotel. Hotel Plaza de la Magdalena is scheduled to open during the third quarter of 2020. The hotel will be located in a prime tourist location in Seville’s city center, in Plaza de la Magdalena square, benefiting from high visibility and access to the main tourist attractions. Seville is Andalucía’s capital city and is one of the main tourist destinations in Spain.

As of the date of this Informational Document, the Company has obtained building permits and the conversion projects are in a preconstruction stage. The building will be fully converted to meet the standards of a modern 5-star rated urban hotel. This conversion will include the construction of a new façade. The first, second and third floors of the building will feature an identical layout, with a total of 89 rooms. The common facilities will include the reception, a gym, and a restaurant with a breakfast area and a retail unit. The top floor will include additional rooms, a small outdoor swimming pool with a wellness area and a rooftop bar with a lounge area.

Additionally, the building will have a retail unit adjacent to the hotel with direct access from the street, which will be separate from Hotel Plaza de la Magdalena’s hotel operations and we plan to lease to a third party.

PROPERTY DETAILS

GENERAL:		LEASE TYPE:	
Destination	Seville, Spain	Type of contract.....	Fixed and variable rent lease agreement
Location.....	Urban	Operator.....	Radisson
Current category	5-star	Brand	Hotel Plaza Magdalena
Hotel type	Leisure		
Customer profile.....	Adults and families		
Magdalena Building number of rooms	62		
La Rioja Building number of rooms	27		
Magdalena Building: Built area	4,177 sqm		
La Rioja Building: Built area	2,561 sqm		
Magdalena Building: Building floors.....	4 floors		
La Rioja Building: Building floors	5 floors		
Year of construction ..	2020		

Room type:	Number:	Average room size (sqm):	F&B outlets:
Magdalena Building: Double room.....	56	26-34	2 Restaurants / 3 bars - guests (approximate covers) .
La Rioja Building: Double room	12	27-35	
Magdalena Building: Junior Suite	4	43-45	
La Rioja Building: Junior Suite	12	32-40	
Magdalena Building: Presidential Suite	5	75	
Royal Suite	-	-	
Total Rooms	89		

GUEST AMENITIES:
 Leisure..... Swimming pool, wellness center with a spa and gym, a playground.

Below is a rendering of the construction project for Hotel Plaza de la Magdalena:



Current status

Render

Operating Structure

As of the date of this Informational Document, Hotel Plaza de la Magdalena is under construction as part of our “turnaround” construction strategy. The hotel is scheduled to open during the third quarter of 2020. On April 26, 2018, Varia Plaza Magdalena (hereinafter, “VPM”) and Radisson entered into an agreement governing the terms and conditions of the construction works and the future lease of Hotel Plaza de la Magdalena. The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Radisson. The lease will have an initial term of five years, with up to three renewal terms (for five additional years each) at the request of the lessee, subject to the satisfaction of the performance tests at the end of the initial term and every renewal term. The rent under the lease agreement is comprised of both fixed rent and a variable component tied to the hotel’s gross operating profit.

Lease Contract

The main terms of such agreement are described below:

- *Construction works.* We have agreed to undertake a “turnaround” construction plan, which has been prepared with the collaboration and approval of Radisson, to convert the property into a 5-star hotel with 89 rooms. We or Radisson may terminate the agreement if, as a result of such amendments the total number of rooms decreases by more than 10% or the hotel fails to qualify for a 5-star rating. If we fail to hand over the hotel to Radisson on a timely basis, Radisson may be entitled to indemnification or to request specific performance or terminate the agreement depending on the nature of the delay.
- *Licenses and permits.* We will be responsible for obtaining any required building licenses and permits for performing the construction works in accordance with the construction plan as well as any required opening

licenses and permits for operating the hotel business. We or Radisson may terminate the agreement if we fail to obtain such licenses and permits on a timely basis, as long as there is not any intention or negligence on our side.

- Term of the lease. The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Radisson. The lease will have an initial term of five years, with up to four renewal terms (for five additional years each) at the request of the lessee, subject to the satisfaction of the performance tests at the end of the initial term and every renewal term.
- Rent. The rent under the lease agreement is comprised of both fixed rent and a variable component.
 - *Fixed rent.* The fixed rent will be payable quarterly on the basis of the number of hotel rooms that are eventually constructed and handed over to the lessee, as set forth in the table below:

Period	Annual Rent (EUR thousand)
First year of the initial term	14.27 per room
Second year of the initial term	14.59 per room
Third year of the initial term	14.91 per room
Fourth year of the initial term	15.09 per room
Fifth year of the initial term and any subsequent extensions	Previous year's fixed rent, increased by 75% of the year-on-year CPI increase.

- *Variable component.* Consistent with our lease strategy, in addition to the fixed rent, the lessee will pay variable rent measured as a percentage of the hotel's gross operating profit (see section 2.7 of the Informational Document). We have the right to perform compliance audits to ensure the accuracy of the hotel operator's calculation and settlement of the variable component.

Subletting of F&B areas. The contract stipulates that the main F&B outlets of the two buildings will be presumably leased to a third party. These areas include the restaurant and bar together with the outdoor terrace in Plaza Magdalena building and the restaurant, bar and terrace as well as the rooftop in the Rioja building (these revenues are not included to calculate the variable rent).

The figures above do not include VAT.

- *Maintenance, building alterations, improvements and renewals.* The lessee will be required to keep the property in good condition, to undertake any

required maintenance works and to return the property in good condition (subject to normal tear and wear). *Termination.* The non-breaching party may terminate the lease as a result of a breach by the other party of any of its obligations under the lease agreement. The breaching party is entitled to a curing period of 15 days, after which the non-breaching party may demand specific performance from the breaching party or terminate the agreement by providing 30 days' notice.

- *Personnel.* We are not responsible for hiring and employing the staff in the hotel.

Loan term financing agreements

On June 5, 2018, we entered into a loan term financing loan agreement for EUR 5.0 million with Banco Santander (see section 2.12.1 of the Informational Document).

Additionally, on April 4, 2019, to finance the acquisition of the property La Rioja that it sits on the corner of Plaza Magdalena Square and Rioja Street in Seville (Spain), we entered into a mortgage loan agreement for EUR 4.6 million with Banco Santander (see section 2.4.2 of the Informational Document).

Hotel Gran Vía Bilbao (under development)

Property Overview

Hotel Gran Vía Bilbao is located in a prime location in the city center, at Gran Vía de Don Diego López de Haro 4, Bilbao, in the north-central part of Spain. The hotel is located in the main commercial and business avenues, just in front of the city's train station and within a 10 minute and 15 minute walk from the old quarter and the famous Guggenheim Museum respectively.

PROPERTY DETAILS

GENERAL:		LEASE TYPE:	
Destination	Bilbao, Spain	Type of contract.....	Fixed and variable rent lease agreement
Location.....	Urban	Operator.....	Radisson
Current category	5-star	Brand	Hotel Gan Vía Bilbao
Hotel type	Leisure		
Customer profile.....	Adults and families		
Number of rooms.....	137		
Built area	11,326 sqm		
Building floors.....	9 floors		
Year of construction ..	2020		

Room type:	Number:	Average room size (sqm):	F&B outlets:
Individual.....	14	14	1 Restaurants / 2 bars - guests (approximate covers).
Double	65	22	
Double with sitting are	28	32	
Suite.....	30	34	
Royal Suite	-	-	
Total Rooms	137		

GUEST AMENITIES:
 Leisure..... Swimming pool, wellness center with a spa and gym, a playground.

Below is a rendering of the construction project for Hotel Gran Vía Bilbao:



Operating Structure

As of the date of this Informational Document, Hotel Gran Vía Bilbao is under construction as part of our “turnaround” construction strategy. The hotel is scheduled to open during the fourth quarter of 2020. On March 20, 2019, Millenium and Radisson entered into an agreement governing the terms and conditions of the construction works and the future lease of Hotel Gran Vía

Bilbao. The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Radisson. The lease will have an initial term of five years, with up to three renewal terms (for five years additional each) at the request of the lessee, subject to the satisfaction of the performance tests at the end of the initial term and every renewal term. The rent under the lease agreement is comprised of both fixed rent and a variable component tied to the hotel's gross operating profit.

Lease Contract

The main terms of such agreement are described below:

- *Construction works.* We have agreed to undertake a “turnaround” construction plan, which has been prepared with the collaboration and approval of Radisson, to convert the property into a 5-star hotel with 137 rooms. We or Radisson may terminate the agreement if, as a result of such amendments the total number of rooms decreases by more than 10% or the hotel fails to qualify for a 5-star rating. If we fail to hand over the hotel to Radisson on a timely basis, Radisson may be entitled to indemnification or to request specific performance or terminate the agreement depending on the nature of the delay.
- *Licenses and permits.* We will be responsible for obtaining any required building licenses and permits for performing the construction works in accordance with the construction plan as well as any required opening licenses and permits for operating the hotel business. We or Radisson may terminate the agreement if we fail to obtain such licenses and permits on a timely basis, as long as there is not any intention or negligence on our side.
- *Term of the lease.* The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Radisson. The lease will have an initial term of four renewal terms (for five years additional each) at the request of the lessee, subject to the satisfaction of the performance tests.
- *Rent.* The rent under the lease agreement is comprised of both fixed rent and a variable component.
 - *Fixed rent.* The fixed rent will be payable quarterly on the basis of the number of hotel rooms that are eventually constructed and handed over to the lessee, as set forth in the table below:

Period	Annual Rent (EUR thousand)
First year of the initial term	15.69 per room
Second year of the initial term and any subsequent extensions	Previous year's fixed rent, increased by 75% of the year-on-year CPI increase.

- *Variable component.* Consistent with our lease strategy, in addition to the fixed rent, the lessee will pay variable rent measured as a percentage of the hotel's gross operating profit (see section 2.7 of the Informational Document). We have the right to perform compliance audits to ensure the accuracy of the hotel operator's calculation and settlement of the variable component.

The figures above do not include VAT.

- *Maintenance, building alterations, improvements and renewals.* The lessee will be required to keep the property in good condition, to undertake any required maintenance works and to return the property in good condition (subject to normal tear and wear).
- *Termination.* The non-breaching party may terminate the lease as a result of a breach by the other party of any of its obligations under the lease agreement. The breaching party is entitled to a curing period of 15 days, after which the non-breaching party may demand specific performance from the breaching party or terminate the agreement by providing 30 days' notice.
- *Personnel.* We are not responsible for hiring and employing the staff in the hotel.

Mortgage loan agreement

To finance the hotel acquisition, on March 27, 2019, we entered into a mortgage loan agreement for EUR 12 million with Banco Santander (see section 2.4.2 of the Informational Document).

Hotel Plaza San Francisco (under development)

Property Overview

Hotel Plaza San Francisco is located in a prime location in the city center, at Plaza San Francisco 11 and 12, Seville, in the south part of Spain. For the purpose of clarity, the following sections refer to said buildings as (“**Building 1**”) and (“**Building 2**”), which together form the hotel. Hotel Plaza San Francisco is scheduled to open during the fourth quarter of 2020. The hotel will be located in a prime tourist location in Seville’s city center, in Plaza San Francisco square, benefiting from high visibility and access to the main tourist attractions. Seville is Andalucía’s capital city and is one of the main tourist destinations in Spain.

Operating Structure

As of the date of this Informational Document, Hotel Plaza San Francisco is on hold to receive the construction permission as part of our “turnaround” construction strategy. The hotel is scheduled to open during the fourth quarter of 2020. On May 14, 2019, Millenium and Alma Gestión, S.L.U. (hereinafter, “**Alma Gestión**”) entered into an agreement governing the terms and conditions of the construction works and the future lease of Hotel Plaza San Francisco. The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Alma Gestión. The lease will have an initial term of five years, with up to three renewal terms (for five years additional each) at the request of the lessee, subject to the satisfaction of the performance tests at the end of the initial term and every renewal term. The rent under the lease agreement is comprised of both fixed rent and a variable component tied to the hotel’s gross operating profit.

PROPERTY DETAILS

GENERAL:		LEASE TYPE:	
Destination	Seville, Spain	Type of contract.....	Fixed and variable rent lease agreement
Location.....	Urban	Operator.....	Alma Gestión de Hoteles
Current category	5-star	Brand	Hotel Plaza San Francisco
Hotel type	Leisure		
Customer profile.....	Adults and families		
Number of rooms.....	31		
Building 1			
Built area	1,692 sqm		
Building floors.....	3 floors		
Year of construction ..	2020		
Building 2			
Built area	730 sqm		
Building floors.....	3 floors		
Year of construction ..	2020		

Room type:	Number:	Average room size (sqm):	F&B outlets:
Building 1			
Double	19	23-36	1 Restaurants / 1 bars - guests (approximate covers).
Junior Suite.....	3	35-40	
Building 2			
Double	3	23-36	
Suite.....	3	66-92	
Total Rooms	<u>28^(*)</u>		

N.B: 6 double rooms have been designed to be covered into 3 suites, with 56 sqm each

GUEST AMENITIES:

Leisure.....	Swimming pool, wellness center with a spa and gym, a playground.
Car Parking.....	Total 16 spaces

()Room count will be effectively 31 units as the 3 Suites can be divided into two Double Rooms each*

Below is a rendering of the construction project for Hotel Plaza San Francisco:



Lease Contract

The main terms of such agreement are described below:

- *Construction works.* We have agreed to undertake a “turnaround” construction plan, which has been prepared with the collaboration and approval of Alma Gestión, to convert the property into a 5-star hotel with 31 rooms. Alma We or Alma Gestión may terminate the agreement if, as a result of such amendments the total number of rooms decreases by more than 10% or the hotel fails to qualify for a 5-star rating. If we fail to hand over the hotel to Alma Gestión on a timely basis, Alma Gestión may be entitled to indemnification or to request specific performance or terminate the agreement depending on the nature of the delay.
- *Licenses and permits.* We will be responsible for obtaining any required building licenses and permits for performing the construction works in accordance with the construction plan as well as any required opening licenses and permits for operating the hotel business. We or Alma Gestión may terminate the agreement if we fail to obtain such licenses and permits on a timely basis, as long as there is not any intention or negligence on our side.
- *Term of the lease.* The lease will be for a term of up to 20 years, from the date the construction works are finished and the hotel is handed over to Alma Gestión. The lease will have an initial term of four renewal terms (for five years additional each) at the request of the lessee, subject to the satisfaction of the performance tests.
- *Rent.* The rent under the lease agreement is comprised of both fixed rent and a variable component.
 - *Fixed rent.* The fixed rent will be payable quarterly on the basis of the number of hotel rooms that are eventually constructed and handed over to the lessee, as set forth in the table below:

Period	Annual Rent (EUR thousand)
First year of the initial term	16.13 per room
First year of the initial term and any subsequent extensions	Previous year's fixed rent, increased by the year-on-year CPI increase.

- *Variable component.* Consistent with our lease strategy, in addition to the fixed rent, the lessee will pay variable rent measured as a percentage of the hotel's gross operating profit. The lessee will pay variable rent on a quarterly basis on account of the total annual variable amount. The definitive variable rent will be determined at the end of the year and any due or outstanding amounts will be settled at that time (see section 2.7 of the Informational Document). We have the right to perform compliance audits to ensure the accuracy of the hotel operator's calculation and settlement of the variable component.

The figures above do not include VAT.

- *Maintenance, building alterations, improvements and renewals.* The lessee will be required to keep the property in good condition, to undertake any required maintenance works and to return the property in good condition (subject to normal tear and wear).
- *Personnel.* We are not responsible for hiring and employing the staff in the hotel.

Potential compensation in relation to the under development hotels

We have agreed work periods established in the lease contracts of the buildings located in Bilbao and Seville (under development hotels). In case of not making available to the lessee in time the developed hotel, for causes attributable to the Company, the lessee may demand the agreed delivery or terminate the contract with a compensation quantified for the first two years loss of profits, according to annexed projections of the contract.

In case of lack of reception of the property by the lessee (operator) without just cause, we may demand completion of the contract or the resolution with a compensation quantified for the first two years loss of profits, according to annexed projections of the contract. The penalty to be received by Millenium is 3.1x greater than the penalty to be received by the corresponding operator.

Insurance

We maintain comprehensive insurance on each of the hotels in our portfolio and we intend to maintain comprehensive insurance on any properties that we operate in the future, including liability, fire and damage coverage. Depending on the terms of the lease agreement and the type of insurance coverage, we or our hotel operators will be responsible for maintaining sufficient insurance and/or paying the insurance premiums periodically. In addition, we have entered into construction insurance and related insurance policies in connection with the construction works for Hotel Plaza de la Magdalena. All previous mentioned insurance contracts, have been signed with Zurich and Willis Iberia for one year period, renewable annually.

Additionally, the Company has purchased the following insurance policies: (i) liability insurance; and (ii) directors and officers (D&O) insurance.

Under our insurance policies, the Company may be required to comply with certain obligations, including information undertakings and other customary obligations. Our insurance policies are subject to exclusions and limitations of liability. Accordingly, the Company could incur damages that are not covered by our insurance policies, or that exceed the coverage limits of our insurance policies.

Amortization

The depreciation charge property is calculated using the straight-line method based on the years of estimated useful life of the assets which is estimated to be 30-50 years.

Asset Management agreement

On December 2, 2018 Millenium Hotels Real Estate I SOCIMI, S.A., Varía Plaza Magdalena, S.L. and Millenium Hotels C220, S.L. (hereinafter, “**Millenium Group**”) signed a contract with Gestión de Inversiones Millenium, S.L. (company represented by Javier Illán, our CEO) whose object comprises Asset Management task and operational.

A description of the services provided by the Asset Management is included below:

- Financial and administrative management
- Other accounting and administrative aspects
- Provision of all types of taxes
- Management of charges and payments
- Control and maintenance of the treasury

- Management and communication with financial entities

The annual remuneration of the Asset Management of Millenium Group amounts to EUR 48 thousand.

The fees earned by Gestión de Inversiones Millenium, S.L. as of December 31, 2018 have been EUR 38 thousand. The agreement between Millenium Group and Gestión de Inversiones Millenium, S.L. took effect on December 2, 2018. However, this agreement was resolved as of May 27, 2019 (the fees earned in 2019 amounted to EUR 16 thousand), as the Company already has an administrative staff. The management of the Company is carried out internally (see section 2.18 of the Informational Document).

2.6.2. Potential cost of commissioning due to a change of lessee

As of the date of this Informational Document, Millenium would be responsible for the appropriate adaptation work required, where appropriate, until the corresponding real estate properties can be made available to a new tenant. Said costs will fluctuate, mainly, depending on the conditions of the real estate assets at the time of termination of the lease, as well as the terms and conditions that may be agreed with the new tenant (who, if necessary, could do those works of adaptation).

The type of property in which MHRE invests is a high quality and versatile property in the sense that it complies with a large part of the requirements that the operators of the 4 and 5 star segment demand, so the cost of the change of leasing should not be very high.

2.6.3. Tax information

Spanish SOCIMI Regime

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current Spanish law in respect of the current SOCIMI Regime. The SOCIMI Act was enacted originally in October 2009 and was amended at the end of 2012. The amendments introduced in 2012 improved the regime and facilitated the incorporation of the first SOCIMI during the second half of 2013. This summary is based on the key aspects of the Spanish SOCIMI Regime as they apply to the Company. Investors should seek their own advice in relation to taxation matters.

Overview

The SOCIMI Regime is intended to facilitate attracting new sources of capital to the Spanish real estate rental market. It follows similar legislation adopted in

the UK and other European countries, as well as a long-established real estate investment trusts regime in the United States. Some of the primary aims of these types of regimes are to minimize tax inefficiency of holding real estate through corporate ownership by removing corporate taxation at the level of the SOCIMI, as well as to promote rental activities and professional management of these types of businesses.

Provided certain conditions and tests are satisfied (see “Qualification as Spanish SOCIMI”), a SOCIMI generally does not pay Spanish Corporate Income Tax on the profits deriving from its activities (technically, it is subject to a 0% Corporate Income Tax rate). Instead, profits must be distributed and such income could then be subject to taxation.

Under the SOCIMI Act, a SOCIMI will be required to adopt resolutions for the distribution of dividends, after fulfilling any relevant Spanish Companies Act requirements, to shareholders annually within the six months following the closing of the fiscal year of: (i) at least 50% of the profits derived from the transfer of real estate properties and shares in Qualifying Subsidiaries and real estate collective investment funds; provided that the remaining profits must be reinvested in other real estate properties or participations within a maximum period of three years from the date of the transfer or, if not, 100% of the profits must be distributed as dividends once such period has elapsed; (ii) 100% of the profits derived from dividends paid by Qualifying Subsidiaries and real estate collective investment funds; and (iii) at least 80% of all other profits obtained (i.e., profits derived from rental and ancillary activities). If the relevant dividend distribution resolution were not adopted in a timely manner, the SOCIMI would lose its SOCIMI status in respect of the year to which the dividends relate.

Qualification as Spanish SOCIMI

In order to qualify for the Spanish SOCIMI Regime, a SOCIMI must satisfy certain conditions. A summary of the material conditions is set out below.

Trading Requirement

SOCIMIs must be listed on a regulated market or multilateral trading facility in Spain (including the MAB), in other EU or EEA member state or on a regulated market of any other country which has signed a tax information exchange agreement with Spain within two years from the date the Company elected to become a SOCIMI.

Purpose of the SOCIMI / Minimum Share Capital

SOCIMIs must take the form of a listed joint stock corporation, such as a *Sociedad Anónima*, with a minimum share capital of EUR 5 million.

Furthermore, a SOCIMI's shares must be in registered form, nominative and only one single class of shares is permitted. Since the Shares are represented in nominative book entry form, this requirement is met.

A SOCIMI must have as its main corporate purpose:

- the acquisition, development and refurbishment of urban real estate for rental purposes;
- the holding of shares of other (a) SOCIMIs, (b) foreign entities that have the same corporate purpose of a SOCIMI and that shall be subject to a similar dividend distribution regime ("foreign REITs"), and (c) Spanish and foreign entities whose main corporate purpose is investing in real estate for developing rental activities and that shall be subject to equal dividend distribution regime and investment and income requirements as set out in the SOCIMI Act and which share capital is fully owned by SOCIMIs or foreign REITs and that do not hold participations in other companies ("Qualifying Subsidiaries"); or
- the holding of shares in real estate collective investment funds.

Qualifying Subsidiaries that are non-resident entities must be resident in countries with which Spain has a treaty or agreement providing for an exchange of tax information, in force.

SOCIMIs are allowed to carry out other ancillary activities that do not fall under the scope of their main corporate purpose. However, such ancillary activities must not exceed 20% of the assets or 20% of the revenues of the SOCIMI in each tax year, in accordance with the minimum qualifying assets and qualifying income tests described below.

Restrictions on investments

At least 80% of the SOCIMI's assets must be invested in:

- urban real property to be leased;
- land plots acquired for the development of urban real property to be leased afterwards, provided that the development of such property starts within three years as from the acquisition date;
- participations in Qualifying Subsidiaries (see "Purpose of the SOCIMI / Minimum Share Capital" above); or
- participations in real estate collective investment funds.

The Spanish General Directorate of Taxes (the "DGT") has confirmed that the assets should be measured on a gross basis, disregarding depreciation or impairments, in accordance with Royal Decree of November 16, 2007,

approving the Spanish General Accounting Plan (Plan General de Contabilidad), which sets forth the Spanish GAAP.

In the event that a SOCIMI has subsidiaries that are deemed to be a part of the same group of companies for Spanish corporate law purposes, the calculation of this 80% threshold will be made on a consolidated basis according to Spanish GAAP. For these purposes, the group of companies would be integrated exclusively by SOCIMIs and other Qualifying Subsidiaries described under “Purpose of the SOCIMI / Minimum Share Capital” above.

There are no asset diversification requirements.

Restrictions on Income

At least 80% of a SOCIMI’s net annual income must derive from the lease of qualifying assets (as described under “Restrictions on Investments” above), or from dividends distributed by Qualifying Subsidiaries and real estate collective investment funds and companies.

The DGT considers that the annual income should be measured on a net basis, taking into consideration direct income expenses and a pro rata portion of general expenses. These concepts should be calculated in accordance with Spanish GAAP.

Intra-group lease agreements would not be deemed a qualifying activity and therefore, the rent deriving from such agreements cannot exceed 20% of a SOCIMI’s income.

Capital gains derived from the sale of qualifying assets are in principle excluded from the 80%/20% net income test. However, if a qualifying asset is sold before the minimum three-year holding period (as described below) is achieved, then (i) such capital gain would compute as non-qualifying revenue; and (ii) such gain would be taxed at the standard Corporate Income Tax rate (25%); furthermore, the entire income, including rental income, derived from such asset also would be subject to the standard Corporate Income Tax rate.

Minimum Holding Period

Qualifying assets must be held by a SOCIMI for a three-year period from (i) the acquisition of the asset by the SOCIMI, or (ii) the first day of the financial year when the company became a SOCIMI if the asset was held by the Company before becoming a SOCIMI. In case of urban real estate, the holding period requires that these assets are actually rented for at least three years; the period of time during which the asset is on the market for rent (even if vacant) is taken into account up to one year.

Mandatory Dividend Distribution

Under the SOCIMI Act, a SOCIMI is required to adopt resolutions for the distribution of dividends, after fulfilling any relevant Spanish Companies Act requirement, to shareholders annually within the six months following the closing of the fiscal year of: (i) at least 50% of the profits derived from the transfer of real estate properties and shares in Qualifying Subsidiaries and real estate collective investment funds; provided that the remaining profits must be reinvested in other real estate properties or participations within a maximum period of three years from the date of the transfer or, if not, 100% of the profits must be distributed as dividends once such period has elapsed; (ii) 100% of the profits derived from dividends paid by Qualifying Subsidiaries and real estate collective investment funds; and (iii) at least 80% of all other profits obtained (e.g., profits derived from rental and ancillary activities). If the relevant dividend distribution resolution was not adopted in a timely manner, a SOCIMI would lose its SOCIMI status in respect of the year to which the dividends relate.

The SOCIMIs must agree the dividend distributions of a given fiscal year within the six months following the closing of the fiscal year; those dividends must be effectively distributed within the month following the distribution agreement.

Leverage

A SOCIMI is not subject to a specific limitation on indebtedness.

General tax limitations (such as tax deduction of financial expenses and annual depreciation, carrying-forward of tax losses, and tax credits) should have no practical impact provided that the SOCIMI is taxed at a 0% Corporate Income Tax rate if all the SOCIMI Regime requirements are met.

Sanctions

The loss of SOCIMI status would trigger adverse consequences for the Company. Causes for such loss of status are:

- Delisting.
- Substantial failure to comply with its information and reporting obligations, unless such failure is remedied by preparing fully compliant annual accounts which contain certain required information in the following year.
- Failure to adopt a dividend distribution resolution or to effectively satisfy the dividends within the deadlines described under “Mandatory Dividend Distribution” above. In this case, the loss of SOCIMI status would have effects in the tax year in which the profits not distributed were obtained.

- Waiver of the SOCIMI Regime by the Company.
- Failure to meet the requirements established in the SOCIMI Act unless such failure is remedied within the following fiscal year. However, the failure to observe the minimum holding period of qualifying assets would not give rise to the loss of SOCIMI status, but (i) the assets would be deemed non-qualifying assets; and (ii) income derived from such assets would be taxed at the standard Corporate Income Tax rate (currently 25%).

Should the Company lose its SOCIMI status, it would not be eligible to regain it for three years. In such case, the Company would have to pay Corporate Income Tax at the standard Corporate Income Tax rate (currently 25%), as from the year on which any of the abovementioned circumstances applies (except in the case of failure to adopt dividend distribution resolution or to effectively satisfy the dividends within the mandatory deadlines, with respect to which the Company must pay Corporate Income Tax at the standard rate as from the year to which the dividends relate), and would not be able to elect for the SOCIMI Regime for the following three fiscal years. The shareholders in a company that loses its SOCIMI status are expected to be subject to taxes as if the SOCIMI Regime had not been applicable to the Company.

Furthermore, in the event of non-compliance with information obligations, penalties between EUR 1,500 and EUR 30,000 are established depending on the kind of information not provided.

Spanish Tax Considerations

The following summary is a general description of certain tax considerations relating to the acquisition, ownership and disposition of the Shares.

It does not constitute tax advice and does not purport to be a complete analysis of all tax considerations relating to the Company or the Shares, as applicable, whether in Spain or elsewhere, and does not deal with the tax consequences applicable to all categories of investors (such as look-through entities), some of which might be subject to special rules. Furthermore, this summary does not take into account the regional special tax regimes in force in the Basque Country and Navarre, or the regulations adopted by the Spanish Autonomous Regions.

Prospective investors should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of Shares.

This summary is based upon the law as in effect on the date of this Offering Memorandum and is subject to any change in law that may take effect after such

date. As a result, this description is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retroactive effect.

As used in this particular section “Spanish Tax Considerations”, the term “Spanish Shareholder” means a beneficial owner of Shares: (i) who is an individual or corporation resident for tax purposes in Spain; or (ii) who is an individual or corporation not resident for tax purposes in Spain but whose ownership of shares is effectively connected with a permanent establishment in Spain of such holder; and (iii) that does not hold 5% or more of the Shares.

As used in this particular section “Spanish Tax Considerations”, the term “Non-Spanish Shareholder” means a beneficial owner of the Shares: (i) who is an individual or corporation resident for tax purposes in any country other than Spain; and (ii) whose ownership of shares is not effectively connected with a permanent establishment in Spain of such holder; and (iii) that does not hold 5% or more of the Shares.

Also potential investors should note that the appointment by an investor in the Shares, or any person through which an investor holds the Shares, of a custodian, collection agent or similar person in relation to such Shares in any jurisdiction may have tax implications. Prospective shareholders should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

Taxation of Entities Qualifying for the SOCIMI Regime

SOCIMIs and Spanish-resident Qualifying Subsidiaries may elect to apply the SOCIMI Regime. The election to apply the SOCIMI Regime must be adopted by the entity’s shareholders, and the Spanish tax authorities must be notified of such election prior to the last quarter of the financial year when the SOCIMI Regime is expected to apply. Such election will remain applicable until the Company waives its applicability. The Company applied for the SOCIMI Regime pursuant to the General Meeting of Shareholders resolution of July 25, 2017, through proper notification to the Spanish tax authorities of such election.

An entity eligible for the SOCIMI Regime may apply for the special tax regime even if when the election is made such entity does not meet some of the eligibility requirements, provided that it meets such requirements within two years (as from the date the corresponding election is approved by the General Meeting of Shareholders). However, in accordance with the criteria of the Spanish tax authorities, there are some requirements that must be met at the time of opting for the application of the Spanish SOCIMI Regime, in particular those relating to the mandatory dividend distribution, the main corporate purpose and

the nominative nature of the shares. In addition, such entity will have a one-year grace period to cure any non-compliance with certain eligibility requirements.

Corporate Income Tax

Generally, all income received by a SOCIMI is taxed under the Spanish corporate income tax (“Corporate Income Tax” or “CIT”) at a 0% rate. Nevertheless, rental income and capital gains stemming from qualifying assets being sold prior to the end of the minimum holding period (three years) would be subject to the standard CIT rate (currently 25%).

Furthermore, a special levy regime applies to dividends paid by the SOCIMI to domestic or foreign Substantial Shareholders. The SOCIMI must assess and pay a 19% Corporate Income Tax in respect of gross dividends distributed if the beneficiary of the dividends: (i) holds at least 5% of the shares of the SOCIMI, and is either exempt from any tax on the dividends or subject to tax on the dividend received at a rate lower than 10% (a Substantial Shareholder) or (ii) if the Substantial Shareholder does not timely provide the SOCIMI with the information necessary to verify whether the relevant shareholder is subject to tax on the dividend received at a rate equal to or higher than 10% taxation on dividends distributed by the SOCIMI (the “10% Test”) (see “Description of Share Capital - Company’s Indemnity from Substantial Shareholder’s CIT Liability and Shareholders’ Reporting Obligation”). The DGT issued two binding rulings (CV3308-14 and CV0323-15) indicating that the 10% Test to be carried out in order to identify Substantial Shareholders shall be focused on the tax liability arising from the dividend income considered individually, taking into account (a) exemptions and tax credits affecting the dividends received by the shareholder, and (b) those expenses incurred by the shareholder which are directly linked to the dividend income (e.g., fees paid in relation to the management of the shareholding in the relevant SOCIMI distributing the dividends, or financial expenses (interest) deriving from the financing obtained to fund the acquisition of the shares of the relevant SOCIMI). According to these rulings, the tax treatment applicable to other items of income that may be obtained by the shareholder should not be taken into account. In addition, the DGT has confirmed that the withholding tax levied on a dividend payment (including any NRIT liability) should also be taken into consideration by the shareholder for assessing this 10% threshold.

The above-mentioned special levy will be considered an expense for the Company thus reducing the profits distributable to shareholders. The Bylaws contain information and indemnity obligations applicable to Substantial Shareholders designed to minimize the possibility that dividends may become payable to Substantial Shareholders. If a dividend payment is made to a Substantial Shareholder, the Company will be entitled to deduct an amount equivalent to the tax expenses incurred by the Company on such dividend

payment from the amount to be paid to such Substantial Shareholder (the Board of Directors will maintain certain discretion in deciding whether to exercise this right if making such deduction would put the Company in a worse position).

Spanish Resident Individuals

Taxation on Dividends

According to the Spanish Personal Income Tax Law (*Ley 35/2006, de 28 de noviembre, del Impuesto sobre la Renta de las Personas Físicas y de modificación parcial de las leyes de los Impuestos sobre Sociedades, sobre la Renta de no Residentes y sobre el Patrimonio*) (“PIT Law”), income received by a Spanish Shareholder in the form of dividends, shares in profits, consideration paid for attendance at general meetings of shareholders, income from the creation or assignment of rights of use or enjoyment of the shares and any other income received in his or her capacity as shareholder is subject to tax as capital income.

Gross capital income is reduced by any administration and custody expenses (but not by those incurred in individualized portfolio management); the net amount is included in the relevant Spanish Shareholder’s savings taxable base and taxed at 19% for taxable income up to EUR 6,000; 21% for taxable income between EUR 6,000.01 and EUR 50,000 and 23% for taxable income in excess of EUR 50,000. No exemptions are allowed.

The payment to Spanish Shareholders of dividends or any other distribution made by a SOCIMI is subject to a withholding tax at the then applicable withholding tax rate (currently 19%). Such withholding tax is creditable from the PIT payable (*cuota líquida*); if the amount of tax withheld is greater than the amount of the net PIT payable, the taxpayer is entitled to a refund of the excess withheld in accordance with the PIT Law.

Taxation on Capital Gains

Gains or losses recorded by a Spanish Shareholder as a result of the transfer of shares in the SOCIMI qualify for the purposes of the PIT Law as capital gains or losses and are subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses is equal to the difference between the shares’ acquisition value (plus any fees or taxes incurred) and the transfer value, which is the listed value of the share as of the transfer date or, if higher, the agreed transfer price, less any fees or taxes incurred.

Capital gains or losses arising from the transfer of shares held by a Spanish Shareholder are included in such Spanish Shareholder’s capital income corresponding to the period when the transfer takes place; any gain resulting

from such compensation is taxed at 19% for taxable income up to EUR 6,000; 21% for taxable income between EUR 6,000.01 and EUR 50,000 and 23% for taxable income in excess of EUR 50,000.

Capital gains arising from the transfer of shares are not subject to withholding tax on account of PIT. No tax credits for avoidance of double taxation are allowed.

Spanish Wealth Tax

Individual Spanish Shareholders are subject to Spanish Wealth Tax on all their assets (such as the Shares) for financial year 2019. Spanish Wealth Tax is imposed on the net wealth of each individual taxpayer, ranging from 0% to 3.75% depending on the region of residence (e.g., Madrid establishes a 100% tax relief), the kind of assets owned (certain assets are exempt from taxation) and the net wealth of the taxpayer (this tax is progressive).

From 2020 onwards, a general 100% tax relief should apply, and individual taxpayers will be released from formal and filing obligations, unless the application of this tax relief is postponed or eliminated.

Spanish Inheritance and Gift Tax

Individuals resident in Spain for tax purposes who acquire Ordinary Shares by inheritance or gift will be subject to the Spanish Inheritance and Gift Tax (“IGT”) in accordance with the IGT Law (*Ley 29/1987, de 18 de diciembre, del Impuesto sobre Sucesiones y Donaciones*) (“IGT Law”), without prejudice to the specific legislation applicable in each autonomous region. The effective tax rate, after applying all relevant factors, ranges from 0% to 81.6% depending on the region, the amount of the gift or inheritance, the net wealth of the heir or donee, and the kinship with the deceased or the donor.

Spanish indirect taxes

Subscription, acquisition and transfers of Ordinary Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such subscription, acquisition and transfers.

Spanish Corporate Resident Shareholders

Taxation on Dividends

Dividends from a SOCIMI or a share of the Company’s profits received by corporate Spanish Shareholders (or by NRIT taxpayers who operate, with respect

to their participation in the Company, through a permanent establishment in Spain), less any expenses inherent to holding the Ordinary Shares, are included in their CIT (or NRIT) taxable base. The standard CIT (or NRIT) tax rate is currently 25%. No tax credits or participation exemption for the avoidance of double taxation may apply, due to the application of the SOCIMI regime by the Company.

Finally, CIT taxpayers (and NRIT taxpayers who operate, with respect to their participation in the Company, through a permanent establishment in Spain) are subject to withholding tax on dividends at a 19% rate. Such withholding tax will be deductible from the net CIT (or NRIT) payable, and if the amount of tax withheld is greater than the amount of the net CIT payable, the taxpayer will be entitled to a refund of the excess withheld in accordance with the CIT Law.

Taxation on Capital Gains

The gain or loss arising on transfer of the Ordinary Shares or from any other change in net worth relating to the Ordinary Shares are included in the tax base of CIT taxpayers, or of NRIT taxpayers who operate through a permanent establishment in Spain, in accordance with the CIT or NRIT Laws; such gain is taxed generally at a rate of 25%.

No tax credits or participation exemption for the avoidance of double taxation may apply, due to the application of the SOCIMI Regime by the Company.

Capital gains deriving from the disposal of the Ordinary Shares are not subject to withholding tax.

Spanish Wealth Tax

Not applicable.

Spanish Inheritance and Gift Tax

In the event of acquisition of the Shares free of charge by a CIT taxpayer, the income generated for the latter will be taxed according to the CIT rules, the IGT not being applicable.

Spanish indirect taxes

Subscription, acquisition and transfers of Ordinary Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such subscription, acquisition and transfers.

Non-Spanish Shareholders

Taxation on Dividends

Dividends distributed to Non-Spanish Shareholders not acting through a permanent establishment in Spain are subject to Spanish Non-Resident Income Tax (“NRIT”), at the then applicable withholding tax rate (currently 19%).

This standard rate can be reduced or eliminated as per the application of the Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (“EU Parent-Subsidiary Directive”) as the SOCIMI may qualify for its application according to the DGT criterion. The application of the EU Parent-Subsidiary withholding tax exemption requires the fulfilment of certain requirements. In addition, such exemption includes an anti-abuse provision by virtue of which the withholding tax exemption will not be applicable where the majority of the voting rights of the parent company are held directly or indirectly by individuals or entities who are not resident in a EU member state or in a EEA member state with which Spain has ratified an effective exchange of tax information in the terms set forth in Law 36/2006 of 29 November. This anti-abuse provision should not apply where the EU or EEA parent company proves that its incorporation and its operative respond to valid economic reasons and to substantive economic activities.

Shareholders resident in certain countries may be entitled to the benefits of a convention for the avoidance of double taxation (“DTC”), in effect between Spain and their country of tax residence. Such shareholders may benefit from a reduced tax rate under an applicable DTC with Spain, subject to the satisfaction of any conditions specified in the relevant DTC, including providing evidence of the tax residence of the shareholder by means of a certificate of tax residence duly issued by the tax authorities of the country of tax residence of the shareholder or, as the case may be, the equivalent document specified in the Spanish Order which further supplements the applicable DTC. In general, the U.S.-Spain DTC provides for a tax rate of 15% on dividends.

According to the Order of the Ministry of Economy and Competitiveness of 13 April 2000, upon distribution of a dividend, the Company or its paying agent will withhold an amount equal to the tax amount required to be withheld according to the general rules set forth above, transferring the resulting net amount to the depositary. For this purpose, the depositary is the financial institution with which the relevant shareholder has entered into a contract of deposit or management with respect to the Ordinary Shares held by such shareholders. If the shareholder provides timely evidence (a certificate of tax residence issued by the relevant tax authorities of the shareholder’s country of residence stating that, for the records of such authorities, the shareholder is a

resident of such country within the meaning of the relevant DTC, or as the case may be, the equivalent document regulated in the Spanish Order which further develops the applicable DTC) of the shareholder's right to obtain the DTC reduced rate or an exemption, it will immediately receive the excess amount withheld, which will be credited to the shareholder. In the case of U.S. persons, IRS Form 6166 will satisfy this certificate requirement. For these purposes, the relevant certificate of residence must be provided before the tenth day following the end of the month in which the dividends were paid. The tax certificate is generally valid only for a period of one year from the date of issuance.

If this certificate of tax residence, or as the case may be, the equivalent document referred to above, is not provided within this time period, the shareholder may subsequently obtain a refund of the amount withheld in excess from the Spanish tax authorities, following the standard refund procedure.

Spanish Quick Refund Procedure

According to the Order dated April 13, 2000 of the Ministry of Economy and Finance, upon distribution of a dividend, the Company, directly or through its paying agent, will withhold from the dividend an amount equal to the tax required to be withheld according to the general rules set forth in relation to NRIT (i.e., applying the current general withholding tax rate, 19%) and will transfer the net dividend to the custodian entities.

The custodian entities are the financial institutions with which the shareholders have entered into a custodian or management agreement with respect to the Shares. If the custodian is resident, domiciled or represented in Spain and it timely provides the Company with evidence of the shareholder's right to obtain the DTC reduced rate or exemption, the Company will immediately transfer, directly or through its paying agent, to the custodian entity the surplus amount withheld in respect of such shareholder. For these purposes, the relevant certificate of tax residence must be provided before the tenth day following the end of the month in which the dividends were paid. To satisfy this requirement, shareholders must provide a certificate of tax residence issued by the relevant tax authorities of the shareholder's country of residence stating that, to the best knowledge of such authorities, the shareholder is, for tax purposes, a resident of such country within the meaning of the relevant DTC or, if applicable, an equivalent document provided for in the Order applicable to such DTC. This tax certificate is, as a general rule, valid only for a period of one year from the date of issue. Immediately after, the custodian entity should pay the shareholder the amount withheld in excess of the applicable rate under the relevant DTC received from the Company.

If this certificate of tax residence or, if applicable, the equivalent document referred to above, is not provided within this time period or if the depositary of

the shareholder is not resident, domiciled or represented in Spain, the shareholder may subsequently obtain a refund of the excess amount withheld from the Spanish tax authorities, following the Standard Refund Procedure established by Royal Decree 1776/2004, dated 30 July 2004, and an Order dated 17 December 2010, as described below.

Spanish Standard Refund Procedure

If the certificate of tax residence or, if applicable, the equivalent document referred to above, is not provided within this time period or if the custodian entity of the shareholder is not resident, domiciled or represented in Spain, the shareholder may subsequently obtain a refund from the Spanish tax authorities of the excess amount withheld, following the standard refund procedure established by Royal Decree 1776/2004, of 30 July 2004, and an Order dated 17 December 2010.

- For this purpose, the shareholder should file:
- the applicable Spanish tax form (i.e., currently Form 210);
- the certificate of tax residence or equivalent document referred to above;
- documentary evidence of the Spanish tax withheld by the Company; and
- documentary evidence of the bank account in which the excess amount withheld should be paid.

For the purposes of this standard refund procedure, a shareholder would need to file a Form 210 (together with the corresponding documentation) from the 1st February following the year in which the NRIT was withheld, and up to the four-year period after the end of the corresponding filing period in which the Company reported and paid such withholding taxes. The Spanish tax authorities must make the refund within the six-month period after the filing of the refund claim. If such period elapses without the shareholder receiving the corresponding refund, the shareholder would be entitled to receive interest for late payment on the amount of the refund claimed.

For further details, prospective shareholders should consult their tax advisors.

Taxation on Capital Gains

Capital gains derived from the transfer or sale of the Ordinary Shares are deemed income arising in Spain, and, therefore, are taxable in Spain at a general tax rate of 19%. The current U.S.-Spain DTC does not prohibit Spain from taxing capital gains on U.S. persons.

Capital gains and losses will be calculated separately for each transaction. It is not possible to offset losses against capital gains. No tax credits for avoidance of double taxation are allowed.

Nevertheless, capital gains derived from the Shares obtained by Non-Spanish Shareholders holding a percentage lower than 5% in the Company will be exempt from taxation in Spain providing the shareholder is tax resident in a country which has entered into a DTC with Spain which provides for exchange clause information (such as the U.S.-Spain DTC). This exemption is not applicable to capital gains obtained by a Non-Spanish Shareholder acting through a country or territory that is defined as a tax haven by Spanish regulations.

Spanish Wealth Tax

For the financial year 2019, unless an applicable DTC provides otherwise, individuals not resident in Spain are subject to Spanish Wealth Tax (under Spanish Law 19/1991) on property and rights in excess of certain amounts located in Spain, or which can be exercised within the Spanish territory (such as the Shares).

From 2020 onwards, a general 100% tax relief should apply, and individual taxpayers should be released from formal and filing obligations, unless the application of this tax relief is postponed or eliminated.

Spanish Inheritance and Gift Tax

Unless otherwise provided under an applicable DTC, transfers of shares upon death and by gift to individuals not resident in Spain for tax purposes are subject to Spanish Inheritance and Gift Tax (Spanish Law 29/1987). The effective tax rate, after applying all relevant factors, ranges between 0% and 81.6% for individuals, depending on the tax residence, the amount of the gift or inheritance, the net wealth of the heir or donee and the kinship with the deceased or the donor.

Spanish Transfer Tax

Subscription, acquisition and transfers of Ordinary Shares will be exempt from Transfer Tax (*Impuesto sobre Transmisiones Patrimoniales*) and Value Added Tax. Additionally, no Stamp Duty is levied on such subscription, acquisition and transfers.

2.6.4. Description of the investment policy and replacement of assets. Description of activities other than real estate

Investment Policy

We seek to acquire high quality real estate properties with embedded hotel potential and real estate value located in prime locations in established tourist destinations, which we refer to as “strategic destinations”.

We target properties with strong repositioning or refurbishment potential or which offer potential for commercial or operational improvement, where we believe we can provide added value. We also seek that these hotels have the potential of being in the four-star superior to five-star category, following the implementation of our plan for each such hotel. We target an annual shareholder return of 9% and a loan-to-value ratio, measured as our net debt as a percentage of the aggregate GAV of our hotel portfolio (“LTV ratio”) of up to 50%, which we believe is a reasonable and sustainable percentage.

Our investment policy is based on the following key features:

- Type of properties. Our asset investment policy is focused exclusively on underinvested and undermanaged hotel properties with operational deficiencies and strong refurbishment potential (what we call “yielding” properties), high quality real estate properties with lodging potential (what we call “turnaround” properties) and selective “greenfield” projects in core and established locations with the potential to offer attractive returns.
- Hotel category. We seek that our hotels have the potential of being in the luxury to upper upscale category, following the implementation of our plan for each such hotel. We also consider investment opportunities in other upper upscale accommodation establishments such as serviced apartments and boutique-hotel concepts in central locations with high real estate value and attractive returns.
- Location and diversification. We primarily target real estate properties in top established destinations in Spain, including urban properties located in Spain’s main cities with a strong leisure component (such as Madrid, Barcelona, Seville, Bilbao, Valencia, Cordoba, Granada, San Sebastian and Malaga) as well as properties in coastline cities combining leisure and “bleisure” (such as Costa del Sol, Costa de la Luz, Alicante and Balearic Islands) and, to a lesser extent, certain areas in Portugal, such as Lisbon and Porto.

Our goal is to leverage the market intelligence acquired throughout the years by our Management Team to originate off-market deals that offer high upside potential. We have a leading business development team with strong sourcing capabilities due to its extensive network built over many years of experience. Our business development team closely monitors potential opportunities that fit our target profile, leveraging its unique network of industry players, including financial institutions, international and national hotel operators, independent owners (typically small, family hotel owners), sponsors and distressed sellers and insolvency administrators. Our business development team has extensive experience in the execution of highly complex transactions resulting from structure, type of asset and/or the complexity of the seller. These transactions typically have higher barriers to entry.

Our pool of potential properties generally comes from four main sources:

- *Non-core individual hotel owners.* Our Management Team's extensive network and track record provides access to opportunities that are off-market, especially in connection with hotels owned by local owners, families and non-professional real estate investors. We may also seek to acquire hotels from owners whose core business and expertise is not in the hotel and hospitality industry, such as individual owners, family offices or large companies operating in other sectors. This includes single-hotel owners.
- *Operators.* Our Management Team has a regular dialogue with national and international hotel operators. In some cases, operators contact us to identify the owner of a specific asset of their interest and to confirm if such owner would be interested in a potential transaction. These chains are increasingly following an asset-light strategy pursuant to which they divest real estate properties and simultaneously enter into hotel management or lease agreements under which they continue operating their previously owned hotels. As a result, these chains are increasingly seeking buyers who are willing to enter into lease agreements with them, which is consistent with our business model. We have access to these opportunities through our current partnerships with large chains (mainly Radisson and Hotusa).
- *Company's own research.* In some cases, the Company identifies interesting real estate properties serving other uses, such as offices, residential or retail, and undertakes an investigation process (through market research and/or the public property registry) to identify the owner of a specific asset and begin conversations regarding a potential acquisition transaction.

- *Brokers.* Both large firms and freelance individuals often approach us with opportunities for our analysis and consideration.

Acquisition Process

We follow a disciplined approach to completing an acquisition of a selected target. The acquisition process typically comprises the following stages, which are explained in greater detail below:

- *Origination.* We proactively scrutinize the market to identify potential targets through our extensive network. We typically identify opportunities through one or a combination of the sources indicated under “Investment Policy” above. We analyse a wide range of projects and typically favour those with a particular complexity in which we see an opportunity to create value for our investors. We also apply certain geographical criteria in analyzing investment opportunities.
- *Negotiation and financial analysis.* If, based on the preliminary contacts referred to above, we see the potential for entering into an agreement, a negotiation phase normally begins and we submit a letter of intent to the potential seller, which gives us the right to access information about the hotel and its financial performance. Based on this information we carry out a preliminary analysis of expected investment returns. Our initial analysis is calculated based on various preliminary technical assumptions, combined with our internal know-how of the hospitality sector. We also consider input from our conversations with national and international hotel operators that might be interested in operating the hotel. If the results of this initial analysis are positive, we begin the due diligence process, which typically takes between 45 and 60 business days, in which the key aspects of the investment opportunity are analyzed and assessed.
- *Full due diligence.* At this stage, we undertake a due diligence exercise with respect to the relevant asset. Our diligence process is typically conducted with the support of external advisors (including legal, tax, technical and financial advisors) under the close supervision and involvement of Uría Menéndez Abogados, S.L.P. as our external legal team and our business development team. As part of this process, we interact with various third-parties as further described below:
 - *Financing availability.* We interact with banks to assess their financing interest and the leverage capabilities of the project.

- Operator survey. We identify the best potential operators for the project, which in turn submit a detailed business plan and a term sheet with the preliminary terms and conditions of their role as operators and the main terms and conditions of the lease.
- Technical feasibility. Our projects team, together with external professionals from different areas (architects, interior designers, technical experts from different fields, etc.) prepares a detailed cost plan, which includes the estimated capital expenditures to be deployed in the short and medium-term on the basis of comparable executed projects. Our business development team is closely involved in both the technical due diligence and the preparation of this cost plan. As part of the negotiation, we also typically carry out a comprehensive business plan analysis on the hotel.
- Construction budgets. We contact reputed contractors who are selected based on a competitive process, considering not only price, but a combination of price, solvency, track record, and reputation to obtain construction budgets and related construction proposals. The relevance of this sub-process varies depending on the nature of the project (“yielding”, “turnaround” or “greenfield”). We typically require that construction companies undertake to provide a cash guarantee to cover for delays or deviations in the budget and agree to penalties to ensure the fulfilment of established partial milestones and completion dates.
- Market analysis. We usually engage external experts in hospitality and tourism-related statistics and market analysis to perform a market study based on the particularities of the project.
- Closing. The final step of the process is to finalize the negotiations over financing terms, to execute the relevant purchase agreement (typically conditioned upon successful completion of confirmatory due diligence and no material adverse changes by a certain date) or option agreement and to finalize the lease agreement negotiations. We are typically able to complete a transaction, from the moment an opportunity is identified to the closing of the transaction, in 8 to 16 weeks. Our Management Team and the Board of Directors make a final decision whether to complete the acquisition on the basis of a final report drafted by our Management Team containing the main terms of the transaction, the hotel lease agreement and the financing as well as the cost plan and the expected capital expenditures.

The Company does not perform activities other than real estate.

2.6.5. Valuation report made by an independent expert in accordance with the internationally accepted criteria unless, within the six months prior to the request, a placement of shares or a financial transaction took place that was relevant in determining a first reference price for the start of trading of the Company shares.

If within the six months prior to the application, there is a placement of shares or a financial transaction which are relevant for determining the first reference price for starting trading of the Company's shares, in accordance to MAB Circular 2/2018 the issuer will not have to provide a valuation prepared by an independent expert. Before the incorporation of the Company in the MAB-REIT, the General Meeting of Shareholders celebrated on May 10, 2019, approve to increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of a maximum of 64,797,200 new shares (the "New Shares") of the same class and series as those currently in circulation, establishing their issue price at EUR 5.00 per New Share. Once this share capital increase finishes (currently is in process), the Company will inform about the result publishing an appendix to the Informational Document.

In compliance with the MAB Circular 2/2018, the Board of Directors of the Company, decided on May 14, 2019 to take as reference price for its incorporation into MAB, the aforementioned issue price of EUR 5.00 per share (face value of EUR 1.00 and a premium of EUR 4.00), as a result of carrying out the aforementioned share capital increases and reductions.

Therefore, prior to the share capital increase of the Company currently in process; the market cap of the Company would amount to EUR 76,014,000.

Valuation of the assets:

CBRE Valuation Advisory, S.A. has issued an independent valuation report to appraise the assets of the Company as of December 31, 2018. A summary of such valuation report as of May 29, 2019 is attached hereto as Appendix V of this Informational Document.

The valuations in the Valuation Report are based on CBRE's estimates of market prices that could be obtained for the relevant properties in our hotel portfolio as at December 31, 2018 (see annex V of the Informational Document). However, the valuation of real estate properties is inherently subjective due to all real estate valuations being made on the basis of assumptions which may not prove to be accurate, the individual nature of each real estate property and the features of the lodging real estate market, among other factors. The Valuation Report was prepared by CBRE on the basis, among other things, of certain information provided by us which was not independently verified.

The Valuation Report defines “market value” as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The valuation of each real estate property in our hotel portfolio was facilitated by the experience and knowledge of CBRE. We believe that CBRE has sufficient current local and national knowledge of the particular real estate market involved, and has the skills and understanding to undertake the valuation competently.

In order to determine the market value of the properties in our hotel portfolio, CBRE valued each asset individually and did not take into account any possible effect (discount or premium) of marketing part or the entire hotel portfolio simultaneously, by lots or in full. Accordingly, the Valuation Report shows the estimated value of our hotel portfolio on the basis of the aggregates of the individual asset values. CBRE used the discounted cash flow method and comparison with market evidence from transactions of similar assets. CBRE made no adjustments or allowances for any expenses of acquisition or realization or for taxation which might arise in the event of a disposal and the properties have been considered free and clear of all mortgages or other charges.

The Valuation Report was prepared by CBRE acting in its capacity as an external valuer as defined by the RICS Valuation Professional Standards (January 2014) or Valuation Global Standards 2017 (as relevant). For information on the independence of CBRE, see “Independence” and “Disclosure” in the Valuation Report.

CBRE has prepared valuations of the properties in our hotel portfolio on the basis of market value, assuming a fully-equipped operational entity and considering the trading potential of each of the properties in our hotel portfolio. CBRE has applied the methodology of a long-term investment horizon, forecasting a rent payable contemplating a fixed and variable rent (if applicable) for a 10-year period, deducting the relevant property expenses (mainly property tax which, in the case of the Vía Castellana Hotel is borne by the tenant, insurance and other fixed charges) as per the contracts in place. CBRE has assumed that lease agreements expiring on or before 10 years following their execution will be automatically renewed with the same terms upon termination thereof. Capital expenditure has been considered if required. After the 10-year period cash flow, CBRE has estimated an exit value derived through a rent payable yield. Those projected net earnings have been discounted back to present day values using an appropriate discount rate (DCF method). Additionally, CBRE has cross-checked implied capital values with market references.

In determining an appropriate yield to apply to the properties in our hotel portfolio, a number of sales have been considered, each providing varying

degrees of comparability. Additionally, capitalization rates applied to the valuation have been set taking into consideration recent single asset and portfolio transactions, investor sentiment and demand for properties similar those in our hotel portfolio.

The following table represents the key assumptions underlying CBRE's valuations:

Key valuation assumptions	Hotel Vía Castellana	Hotel Eurostars Lucentum	Hotel Plaza de la Magdalena	Hotel Gran Vía Bilbao	Hotel Plaza San Francisco
Fixed rent: discount rate	• 7.25%	• 7.75%	• 7.0%	• 7.25%	• 6.75%
Fixed rent: exit yield	• 5.5%	• 6.0%	• 5.25%	• 5.5%	• 5.00%
Variable rent: discount rate	• 7.75%	• n.a.	• 8.0%	• 8.0%	• 8.0%
Variable rent: exit yield	• 6.0%	• n.a.	• 6.25%	• 6.25%	• 6.25%
Capital deduction (Capex)	• EUR 0	• EUR 0	• EUR 0	• EUR 0	• EUR 0
Net market value	• EUR 38,100,000	• EUR 23,900,000	• EUR 20,200,000	• EUR 23,500,000	• EUR 6,000,000

The aggregate market value of the properties included in the Valuation Report is EUR 111.7 million.

2.7. Strategy and competitive advantages of the Issuer

Business Operations

Our business model is designed to allow us to identify attractive investment opportunities and execute value added and tailored strategies to unlock value. We seek to acquire underinvested and undermanaged hotel properties with operational deficiencies and strong refurbishment potential (what we call “yielding” properties), high quality real estate properties with lodging potential (what we call “turnaround” properties) and selective “greenfield” projects in core and established locations with the potential to offer attractive returns.

We focus on creating and maintaining a high quality hotel portfolio with embedded hotel potential and intrinsic value located in prime locations in established tourist destinations, which we refer to as “strategic destinations”. We build our hotel portfolio following a meticulous selection process, considering both the location and future value-accretion of the property.

Our business model combines hotel ownership with close monitorization of our hotels, which are operated by national and international hotel operators under lease agreements. Our lease agreement strategy going forward will be based on entering into leases that have both fixed rent and a variable component tied to the hotel's gross operating profit, thereby allowing us to capture revenue and profit growth while maintaining a degree of downside protection. Our business model also positions us to benefit from the increasing trend among hotel operators to pursue an asset-light business model, divesting hotel properties while simultaneously entering into lease or other agreements under which they continue operating the same hotels.

We believe that our proactive property management is a key differentiator with respect our competitors. We seek to increase our operating profit through innovative, proactive property management that results in higher revenue while constraining operating expenses. The Company targets an annual shareholder return of 9%.

Our portfolio will consist exclusively of hotels and accessory or complementary assets to hotels.

Once the period of acquisition of the portfolio is completed, which the Company aims to achieve in a period of between 12 and 18 months after the admission on the MAB (the “**Initial Execution Period**”), the total Gross Asset Value (“**GAV**”) will be distributed as follows:

- More than the 80% of GAV will be invested in hotels.
- Up to a maximum of 20% of the total GAV, may be invested in other real estate assets.

Types of hotels:

- a. **Core Hotels:** existing hotels in operation, strategically located and in need or not of updating works in terms of design and interior design, without this intervention making necessary its closure. Core Hotels has several key advantages:
 - Revenues generation from the moment of its acquisition.
 - The acquisitions price and the returns will be in market conditions.
 - Value creation through the improvement of the revenues through restiling and/or yield compression.
- b. **Value Added Hotels:** existing hotels our buildings that could be transformed into hotels, which require an important investment in their repositioning or conversion, which will be executed in a new

conceptualization and project for an estimated period between 12 and 18 months. Value Added Hotels has several key advantages:

- Revenues generation once the repositioning or conversion period has ended.
- The acquisition price is estimates to be reasonably less than the market price of comparable Core Hotels.
- Higher yields, with a significant increase in value, both for variable rents and fundamentally for the yield compression due to the repositioning and transformation of the Hotel into Core Hotel once the implementation of the project has ended.

c. Promotion Hotels: solar or plots for the construction of hotels, and existing hotels in need of a strong investment in CAPEX to face the construction of new plant or deep remodelling, which will require an estimated period between 24 and 30 months to the execution of the project. Promotion Hotels has several key advantages:

- Revenues generation once the project is executed.
- The acquisition price is estimates to be reasonably less than the market price of comparable Value Added and Core Hotels.
- Estimated capacity to generate a significant increase in value derived from the conceptualization of the asset, the uniqueness of the project and from operational and cost efficiency, which will result in greater capacity for revenues generation for the Company.

d. Other complementary real estate assets: leisure or sports facilities (beach club, parks, golf club, etc.) auxiliary to hotels, properties attached to the hotels or that are part of the same building or group of buildings in which the hotel is integrated (retail, offices, leisure and residential units), real estate developments attached to hotels, resorts and any type of facilities linked to the operation and/or complement the services and improvements of the hotels.

We may implement alternative investments structures, including joint ventures, co-investment, direct or indirect acquisition (constituting wholly-owned subsidiaries) of hotels and control or minority interests in companies. In order to obtain a diversified portfolio, no more than 20% of the Company's own funds may have been invested in a single asset, unless expressly authorized by the General Meeting at proposal of the Board of Directors.

We will subscribe bank or third party financing, subject to the following principles:

- Once the Initial Execution Period has ended and the portfolio is stabilized, the total indebtedness of the Company will be limited to a maximum of 50% of the most recent total GAV of the company's assets, except in the update of the business plan approved by the Board of Directors, something else is established.
- The financing for the acquisitions will be evaluated individually for each operation, and/or in a global corporate manner, depending on the options and the market environment and the needs of the Company.
- The indebtedness for the Promotion Hotels should be isolated (“**ring-fenced**”), to avoid linking other assets of the Company.

In the event that the MAB does not provide sufficient liquidity to the shareholders, the Board of Directors will propose to the General Meeting of Shareholders the approval of liquidity mechanisms that it deems appropriate, which will imply the implementation of a specific liquidity program from the expiration of the third year of the admission to the MAB, and of five years of duration, consisting of the repurchase of up to 20% of the shares issued and in circulation at any time. In the case that the General Meeting of Shareholders of the Company will not approve the request for admission to the MAB within the legal term foreseen for it, the liquidity program will be implemented in the same periods previously established or as soon as possible after the adoption of that decision.

The Company may finance the share repurchase program with different instruments, among which could be the rotation and partial or total sale of assets in the portfolio, and will in any case be adjusted to the regulations that apply to it at any time, depending on whether the shares are listed on the MAB or listed on any of the official secondary securities markets or not.

In the event that the shares of the company begin to trade on the Stock Exchanges, this share repurchase program may be rendered ineffective.

Below is a brief overview of our key operational strategy measures.

Average Daily Rate and Brand Value-added Strategy

The Spanish and Portuguese hospitality market has historically been based on volume-oriented brands and operators, which compete in the low pricing segment and base their strategy on obtaining high occupancy. Although we believe Spain and, to a lesser extent, Portugal, have the ingredients to become international reference markets in the upper upscale and luxury hospitality segment, historically the focus has been on large, volume-oriented hotels owned and/or operated by local operators. Traditionally, international operators have not been able to enter the Spanish hospitality market due to the dominance of Spanish operators since the boom of tourism in Spain in the late 1960's. Only in

recent years, international operators are actively capturing opportunities in the Spanish market, especially in Barcelona (we expect that it happens at the end of this year in Madrid) and, to a lesser extent, in Mallorca.

Additionally, operators are shifting from their traditional focus on occupancy towards a greater emphasis on Average Daily Rate (hereinafter, “ADR”) optimization. While increases in occupancy are accompanied by increases in most categories of variable operating expenses, increases in ADR typically only result in increases in certain categories of operating costs and expenses, such as hotel management fees, travel agency commissions and credit card processing fee expenses, all of which are based on hotel revenues. Therefore, changes in the ADR generally have a more significant impact on operating profit than changes in occupancy.

Our value-added strategy focuses on undermanaged and underinvested hotels with operational deficiencies and strong refurbishment potential, high-quality real estate properties with lodging turnaround potential and repositioning prospects and selective “greenfield” projects in core and established locations with attractive potential returns to develop and conceptualize new hotels. As a result of our value-added strategy, our hotels provide a favourable platform for ADR optimization, resulting in higher hotel operating profit. Increases in ADR have a positive impact on the variable component of our rental income, as our hotel lease agreement strategy going forward will be based on entering into leases that, in addition to fixed rent, have a variable component tied to the hotel’s gross operating profit (see section 2.6.1 of the Informational Document).

We seek to lease our hotels to trusted and established national and international operators with a proven track record. Thanks to their extensive commercial network and client base, the national and international operators with which we interact have a deep understanding of revenue management and ADRs optimization. Although two of our five hotels are currently leased to the Hotusa Group, we aim to operate with a broad base of operators, minimizing dependence and other risks associated with single-operator portfolios (see section 2.23 of the Informational Document).

Our strategy requires very solid know-how and experience to be successfully implemented. Our strategy is supported by the track-record and experience of our Management Team, which has implemented similar strategies with success over the past 20 years, delivering strong results.

Property Location Scope

We seek to ensure that our hotels are attractive to national and international hotel operators by acquiring hotel properties located in prime locations in established tourist destinations, which we refer to as “strategic destinations”.

- **Prime Location.** We target hotels that are located in prime locations. Our definition of a prime location varies depending on various factors, including the intended focus of our hotels, the particulars of the destination and guest demands. For instance, for hotels with a stronger focus on leisure, we typically define “prime” as upper upscale areas within walking distance of the main tourist attractions in the destination, whereas hotels with a focus on “bleisure” will be ideally located between the major transport hubs and the central business district of the destination. For coastline destinations, we primarily seek first line waterfront locations as well as proximity to F&B services, shopping areas and other leisure attractions, and only in vocational regions where there is a substantial presence of international high-quality tourism.

- **Strategic Destination.** We mainly focus on the following destinations:
 - a. Main cities with a strong leisure component (e.g., Madrid, Barcelona, Seville, Bilbao, Valencia, Cordoba, Granada, San Sebastian and Malaga);
 - b. Coastline Spanish cities combining leisure and “bleisure” (e.g., Costa del Sol, Costa de la Luz, Alicante and Balearic Islands); and
 - c. To a lesser extent, certain areas in Portugal, such as Lisbon and Porto.

We believe that with a portfolio of hotels located in prime locations in strategic destinations we will have a strong negotiating position vis-a-vis national and international hotel operators, thereby potentially enabling us to negotiate more favourable terms and conditions in our lease agreements. Additionally, properties in prime locations tend to have strong reconversion potential and, despite the illiquid nature of real estate investments, in a downside scenario in which the hospitality industry is affected such properties may still be sold or reconverted to other uses, such as offices, residential or retail, with less impact on their intrinsic value compared to properties in secondary locations (see section 2.23 of the Informational Document).

Hotel Lease Strategy

As part of our business strategy, we lease our hotels to hotel operators under lease agreements. Our hotel lease agreement strategy going forward will be based on entering into leases that have both fixed rent and a variable component tied to the hotel’s gross operating profit, thereby allowing us to capture revenue and profit growth while maintaining a degree of downside protection. We also seek long-term arrangements and seek to ensure the operators’ incentives are aligned with our interests throughout the whole term by entering into 20-year leases with “revision” clauses that allow for early termination every five years

during the initial term based on the performance of the hotel measured against agreed projections and market benchmarks.

As a result, our lease strategy has several key advantages:

- *Minimum contracted profitability.* In order to maintain a degree of downside protection, we will aim to enter into lease agreements with minimum fixed annual rent ranging from between 4.0% and 4.5% of the total investment incurred to begin operating such hotel (including purchase price, transaction costs, construction or refurbishment costs, licenses, etc.), depending on the location and nature of the hotel.
- *Capturing part of the upside.* In order to capture part of the hotel's profitability, our strategy will be to enter into lease agreements where the variable component of the annual rent ranges from between 70 and 75% of the hotel's gross operating profit, measured as the difference between total revenues (composed of room revenues, F&B revenues and revenue from other services) minus operating expenses and undistributed operating expenses (which typically comprise administrative and general expenses, sales and marketing expenses, utilities costs, property operation and maintenance costs). Fixed rent payments will be subtracted from any amounts payable under the variable component. Additionally, between 70% and 75% of fixed charges (which typically include real estate taxes, insurance, FF&E and OS&E expenses) will be subtracted from any amounts payable under the variable component, while the remaining 25% to 30% of fixed charges will be borne directly by the operators of our hotels. We expect annual FF&E and OS&E expenses of our hotels to range from between 1% and 4.4% of the total operating revenue generated by the hotel, depending on the characteristics of the hotel and the hotel operator. Highlight that the hotels Vía Castellana and Lucentum were acquired with established contracts and that do not conform to the Company's strategy.

Once Hotel Plaza de la Magdalena (scheduled to open during the third quarter of 2020), Hotel Gran Vía Bilbao (scheduled to open during the fourth quarter of 2020) and Hotel Plaza San Francisco (scheduled to open during the fourth quarter of 2020) open, the Company expects to receive a percentage within the above range of the hotel's gross operating profit as variable rent under the terms of the lease agreement with Radisson.

The lease agreements in connection with Hotel Vía Castellana and Hotel Eurostars Lucentum are in certain cases different with the terms and conditions of our lease agreement strategy, as they were entered into by

the previous owners before we acquired them. In particular, the variable rent component in Hotel Vía Castellana's lease is measured differently and is tied to the hotel's net operating revenue as opposed to gross operating profit. The lease for Hotel Eurostars Lucentum provides only for fixed rent payments.

- *Possibility to replace the operator.* Every five years a performance test will be undertaken to confirm compliance with the operator's projections and other market benchmarks which will have been previously agreed between the Company and the operator. Additionally, the operator will update the projections at the end of every five years factoring in the trends in the upper upscale and luxury hospitality market in the hotel destination and performance of direct competitors of the hotel. As a result, the operator is incentivized to focus on business profitability if it wishes to remain operating the hotel throughout the term of the lease. As our hotel properties are located in prime locations in established tourist destinations, which we refer to as "strategic destinations", this should facilitate operator eviction and rotation in case of underperformance.
- *Risk mitigation.* Our lease structure releases us from bearing labour liabilities and other hotel-related responsibilities.

Although we expect to have a limited ability to participate in operational decisions affecting our hotels, we will be allowed to terminate our lease agreements as a result of poor performance under certain circumstances. Additionally, the operators of our hotels will be responsible for hiring and employing all the staff in our hotels, as well as for the cost of maintenance and repairs of non-structural items, while we will be generally responsible for the cost of structural changes and repairs to the hotel.

We expect lease agreements we enter into in the future to largely match the terms of our lease strategy, although specific terms of such leases may vary depending on the asset, the operator and the negotiation process. As described above, the terms and conditions of lease agreements entered into by the prior owners of Hotel Vía Castellana and Hotel Eurostars Lucentum before we acquired them are in certain cases they differ with the terms and conditions of our lease agreement strategy. At the time of termination of any such inherited lease agreements, we intend to propose the extension of the relevant lease under revised terms and conditions that are more closely aligned with our lease agreement strategy.

Below is detailed an example of the calculation terms of our income as owners of a hotel, for illustrative purposes only:

EUR **year 1**

Number of Rooms	100
Days of Operation	365
Occupancy %	70.0%
Total number of rentable rooms	36,500
Total number of sold rooms	25,550
Average Daily Rate (ADR)	180
Total revenue room/night	212
Room RevPAR	126
Total RevPar	148

Rooms	4,599,000	85.0%
Food & Beverage	541,059	10.0%
Other	270,529	5.0%
Total Revenue	5,410,588	100.0%

Rooms (incl. Reservation Fee)	(1,379,700)	30.0%
Food & Beverage	(459,900)	85.0%
Other	(135,265)	50.0%
Total department Expenses	(1,974,865)	36.50%

Admin & General	(324,635)	6.0%
Sales & Marketing	(270,529)	5.0%
Utilities	(216,424)	4.0%
Property Operations & Maintenance	(216,424)	4.0%
Total Undistributed Operating Expenses	(1,028,012)	19.0%

Gross Operating Profit (GOP)	2,407,712	44.5%
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<i>Fixed rent (14K/room)</i>	1,400,000
<i>Variable rent before fixed charges</i>	405,784
Total rent before fixed charges (75% GOP)	1,805,784

Property Tax & Insurances	(50,000)
FF&E Reserve Fund (3% of total revenue)	(162,318)
Total Fixed Charges	(212,318)

Fixed Charges payable by Millenium (75%)	159,238
Fixed Charges payable by Tenant (25%)	53,079

Adjusted GOP (AGOP) - EBITDAR	2,195,394	40,6%
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<i>Fixed Rent</i>	1,400,000
<i>Variable Rent after fixed charges</i>	246,546
Total Rent on AGOP (75% EBITDAR)	1,646,546

Income to Owner	1,646,546	75%
Income to Tenant	548,849	25%
Total Income	2,195,394	

Strategic Positioning: Selection of Operator and Branding Criteria

When acquiring a new property, as part of our product differentiation strategy, our business development team evaluates the property's strategic market positioning and its potential value. We perform an exhaustive assessment of the

value levers of the property in order to evaluate its potential to unlock value and deliver long-term sustainable returns for our shareholders. To do so, we thoroughly assess the kind of customer experience it should aim to provide, which may require its rebranding or the adoption of other repositioning strategies. We seek to offer differentiated experiences to our customers and identify the best operator for each of our hotels and work closely with the operators of our hotels to identify the best specialized operator for each offered service of our hotels (including F&B, entertainment activities and spa).

As part of our brand value-added strategy, we seek brands and partners that strengthen the profile, market position and operations of each individual hotel. This requires us to maintain a broad network of national and international hotel companies with which we can cooperate. As of the date of this Informational Document, such network includes local and international well-recognized hotel brand names such as Radisson, Eurostars and Alma Hoteles. Certain chains are increasingly following an asset-light strategy pursuant to which they divest real estate properties and simultaneously enter into hotel management or lease agreements under which they continue operating their previously owned hotels. As a result, these chains are more and more seeking buyers, such as us, who are willing to enter into hotel lease agreements with them.

Our branding strategy with respect to each hotel depends on various factors, including the type of property, the prevalent product distribution patterns in the relevant market (including tour operator penetration), location, destination and the hotel's facilities. We also evaluate the experience of the relevant hotel operator in the relevant region or with respect to comparable hotel propositions.

As of the date of this Informational Document, Hotel Vía Castellana and Hotel Eurostars Lucentum are operated by companies of the Hotusa Group, we have entered into a lease agreement with Radisson to operate Hotel Plaza de la Magdalena and Hotel Gran Vía Bilbao and we have entered into a lease agreement with Alma Gestión to operate Hotel Plaza San Francisco, which still under construction. In addition, in order to offer compelling value propositions to our hotel customers, we work closely with the operators of our hotels to identify the best partners for specific services at our hotels, such as F&B, spa, entertainment, sports and golf. The selection of these specialized operators depends on various factors, including the hotel type category, its location and the regional expertise of the relevant operator.

2.8. Brief description of the Issuer's group of companies. Description of the characteristics and activities of the subsidiaries with a significant effect on the Issuer's valuation or position



2.9. Where applicable, dependence with respect to patents, licences or the like

The Company does not depend on any trademark, patent or intellectual property right affecting its business.

Regarding the habitability certificates and/or occupancy licences of the assets, a risk has been included in section 2.23 of the Informational Document due to the fact that the Company does not have the correspondent habitability certificates and/or occupancy licences for 57 dwellings.

2.10. Level of diversification (relevant contracts with providers or clients, information on possible concentration on specific products, etc.)

Diversification level of clients:

As of the date of this Informational Document, our hotel portfolio corresponds to two fully operational hotels and three hotels under development.

The Group generates revenue essentially as a consequence of the rent obtained from the two leases agreements signed in Madrid and Alicante and, in the future it will obtain revenue with the sale and purchase transactions (on the date of this Informational Document, no revenue has been generated derived from the sale of properties).

On December 31, 2018, the Group presented a portfolio of 1 single tenant as the 2 fully operational hotels are leased to Hotusa Group. The lease agreements have been signed for an average period of 11.6 years (from the signature date), periodically renewable, although some of them have early termination clauses.

Geographic area	%
Alicante	53%
Madrid	47%
Total net revenues	100%

Diversification level of suppliers:

In relation to the degree of concentration of suppliers, it should be highlighted that they correspond to services contracted with third parties mainly corresponding to lawyers, auditors and acquisitions advisers or to electricity, security, maintenance and cleaning suppliers. The five main suppliers at 31 December 2018 were:

Suppliers 2018	%
Uría Menendez Abogados, S.L.P. (legal advisor)	14%
Vertical Asesoría (placement commission)	12%
Davis Polk & Wardwell (legal advisor)	7%
MAD714 (placement commission)	6%
Total operating expenses	39%

2.11. Reference to the environmental aspects that may affect the Issuer's activity

The Company has not made any significant investments in facilities or systems related to the environment, nor has it received any subsidies for environmental purposes. The Company does not have any expenses or rights deriving from greenhouse gas emissions.

2.12. Financial information

2.12.1. Financial information for the last three financial years (or for the shortest period of activity by the Issuer), along with the audit report for each year. The financial statements must be drawn up in accordance with International Financial Reporting Standards (IFRS), national accounting standards or US GAAP, as the case may be, in accordance with the Circular addressing Admission Procedures and Requisites.

The financial information presented in this Informational Document is provided for information purposes only and is not necessarily indicative of our future results of operations.

We include as annexes to this Informational Document (see annex II of this Informational Document):

- Our audited Consolidated Financial Statements 2018, which have been audited by EY, who has issued an unqualified opinion thereon (see Annex II of this Informational Document).

- Our audited Individual Financial Statements 2018, which have been audited by EY, who has issued an unqualified opinion thereon (see Annex III of this Informational Document).

We were incorporated on June 6, 2017 and we acquired a substantial portion of our hotel portfolio in 2018 (see section 2.4 of the Informational Document)

The only consolidated financial statements included in this Informational Document are the Consolidated Financial Statements 2018. Therefore, such information is not comparable with the information in the Individual Financial Statements 2017.

Further, given we were incorporated on June 6, 2017, our limited operating history and the increase in the size of our hotel portfolio during the periods covered by our financial statements, particularly during 2018, our financial condition and results of operations as of and for the financial periods discussed in this Informational Document are not comparable and may not be indicative of our future business, financial condition or results of operations.

Additionally, Hotel Plaza de la Magdalena, Hotel Gran Vía Bilbao and Hotel Plaza San Francisco, three of the five properties in our current hotel portfolio, are not yet operating (and therefore not generating rental revenue) and is currently incurring construction and refurbishment expenses which are being capitalized (see section 2.4.1 of the Informational Document). The magnitude of the changes in the amounts of capital expenditures deployed during the periods covered by the Financial Statements and the planned capital expenditures in connection with such works limit the comparability of the financial periods discussed in this Informational Document and their usefulness to assess our future business, financial condition or results of operations.

The financial statements were prepared in accordance with the Spanish generally accepted accounting principles (“**Spanish GAAP**”). The financial statements were originally issued in Spanish.

Below is the consolidated balance sheet and consolidated profit/(loss) account as of December 31, 2018, as well as an explanation of the most relevant line items that comprise the balance sheet and profit/(loss) account (the financial statements as of December 31, 2017, it has not been included since it has no Consolidated Financial Statements because there was no Group):

b) Consolidated Balance sheet:

Total assets:

Assets (EUR)	At December 31, 2018
Non-current assets	73,097,873
Investment properties	72,926,667
Long term financial assets	3,426
Deferred tax assets	167,780
Current assets	22,724,752
Inventories	34,896
Trade and other receivables	454,519
Short term financial assets	144,767
Other current assets	1,161,186
Credits with public administration	420,120
Short term accruals	13,854
Cash and cash equivalents	20,495,410
Total assets	95,822,625

Investment properties

The heading Investment Properties of the Balance Sheet comprises land, buildings and other constructions held to earn rents for capital appreciation upon disposal due to increases in their respective market price in the future. The Investment Properties held by the Company have been financed through capital increases as described in section 1.4.2 of the Informational Document.

(EUR)	Starting balance	Acquisitions	Increases or decreases	Final Balance
Investment properties				
Costs	-	55,756,228	23,307,894	79,064,122
Amortization	-	(5,584,672)	(552,784)	(6,137,455)
Impairment	-	-	-	-
Total	-	50,171,556	22,755,111	72,926,667

Cash and cash equivalents

Cash and cash equivalents includes the Company's cash on hand and in banks. As of December 31, 2018, there are no restrictions over the use of the Company's cash and cash equivalents.

Consolidated total liabilities:

Equity & Liabilities (EUR)	At December 31, 2018
Net equity	58,151,830
Shareholders' equity	58,151,830
Capital	59,014,000
Reserves	(23,635)
Results of previous exercises	(374,625)
Reserves in consolidated companies	(161,093)
Result of the exercise of the parent company	12,705
Adjustments due to changes in value	(315,522)
Non-current liabilities	35,234,019
Long-term debt	31,730,618
Deferred tax liabilities	3,503,401
Current liabilities	2,436,776
Short-term provisions	53,034
Short term liabilities	2,040,948
Trade and other payables	342,794
Total equity and liabilities	95,822,625

Share capital

The Company was incorporated on 6 June, 2017 with share capital amounting to 60,000 shares each with a par value of EUR 1.00, all of the same class, fully subscribed (EUR 15,000 were paid) through monetary contributions by the sole shareholder Mr. Javier Illán Plaza at that moment.

The net equity mainly corresponds to the share capital. The summary table below outlines these main changes in our share capital since our incorporation:

Date¹	Corporate action	Par value (EUR)	Aggregated Share premium (EUR)	Number of issued/ redeemed Ordinary Shares	Total amount (EUR)	Number of resulting Ordinary Shares	Resulting share capital (EUR)
June 6, 2017	Incorporation	1	N/A	60,000	60,000	60,000	60,000
March 12, 2018	Capital Increase	1	N/A	12,590,000	12,650,000	12,650,000	12,650,000
May 11, 2018	Capital Increase	1	N/A	8,350,000	21,000,000	21,000,000	21,000,000
May 11, 2018	Capital Increase	1	N/A	720,000	21,720,000	21,720,000	21,720,000
July 27, 2018	Capital Increase	1	N/A	25,397,000	47,117,000	47,117,000	47,117,000
December 28, 2018	Capital Increase	1	N/A	9,000,000	56,117,000	56,117,000	56,117,000
December 28, 2018	Capital Increase	1	N/A	2,897,000	59,014,000	59,014,000	59,014,000

Debt

As of December 31, 2018, our consolidated gross debt was EUR 34,002 thousand (EUR 17,709 thousand of which was debt with credit entities). Our LTV ratio was approximately 46% as of December 31, 2018.

The following table sets forth our net debt as of December 31, 2018. The below figures have been extracted from our Financial Statements.

(EUR)	At December 31, 2018
Long term debt	31,730,618
Debt with credit entities	16,853,846
Debt formalization expenses	(284,358)
Creditors by financial leasing	14,476,767
Derivatives	420,696
Other financial liabilities	263,667
Short term debt	2,040,948
Debt with credit entities	855,147
Other short term debt	104,700
Creditors for short term financial leases	1,081,101
Trade creditors and other accounts payable	342,794
Other creditors	147,061
Suppliers	83,602
Other debt with public administrations	112,131
Net debt	13,618,950
Cash and cash equivalents	20,495,410
Net debt / Cash and cash equivalents	66%

Below is a description of certain terms and conditions of our main indebtedness agreements.

Capital Lease Agreement with Caixabank

On April 29, 2010, La Caixa d'Estalvis i Pensions de Barcelona ("Caixabank"), as lessor, and C220, as lessee, entered into a capital lease agreement (the "Capital Lease Agreement") to finance the acquisition Hotel Vía Castellana. Under the Capital Lease Agreement, Caixabank will be the legal owner of Hotel Vía Castellana for the duration of the lease, while C220 has operating control over the property. C220 will become the legal owner of Hotel Vía Castellana upon exercise of the bargain purchase option and payment of the residual value at maturity.

The Capital Lease Agreement has a term of 15 years from the date of its execution. The total contractual lease liability (excluding VAT and the price of the bargain purchase option) is EUR 29.27 million, (principal payments for up to EUR 23 million) distributed in an initial instalment of EUR 10 million (plus VAT) and 180 additional monthly instalments. Monthly instalments will increase every year as the result of applying a fixed 2.5% growth rate per annum. The interest rate for the

instalments under the Capital Lease Agreement is updated every month and is calculated as the 1-month Euro Interbank Offered Rate (EURIBOR) plus 1.25%. C220 may exercise its bargain purchase option upon maturity of the Capital Lease Agreement by paying a residual value of EUR 7.8 million, provided that C220 has fulfilled all of its payment obligations and other obligations under the Capital Lease Agreement.

Under the Capital Lease Agreement, C220 undertakes (i) not to distribute dividends or any other funds until its obligations under the Capital Lease Agreement for the year are fulfilled, (ii) to provide to Caixabank sufficient information, at Caixabank's request, regarding C220's financial situation or to justify that it has fulfilled its social security, tax or employment related obligations, (iii) to maintain sufficient liability insurance as well as insurance to cover for damages in the property, and (iv) to keep the property in good condition and to undertake any required maintenance and repair works. C220 is responsible for all expenses and taxes arising from the execution of the Capital Lease Agreement, the acquisition of Hotel Vía Castellana and in general any other expenses and taxes arising from the ownership and operation of Hotel Vía Castellana.

The Capital Lease Agreement provides for termination events under which Caixabank may elect to accelerate the agreement (and accelerate the payment of all unpaid future amounts under the Capital Lease Agreement) or terminate the agreement (and regain possession of Hotel Vía Castellana and receive certain penalty payments from C220) including as a result of the: (i) breach of any of C220's obligations and undertakings under the Capital Lease Agreement, (iv) cross-default in connection with any other agreements of C220 with Caixabank, (v) breach of C220's social security, tax or employment obligations, (vi) cross-default in C220's payment obligations vis-a-vis other lenders, and (vii) seizure, expropriation or enforcement of any of C220's assets. In some instances, C220 may "cure" the above breaches and avoid termination by paying any outstanding amounts and expenses.

Mortgage Loan Agreement with Banco Sabadell

On February 16, 2018, Banco Sabadell, S.A. ("Banco Sabadell"), as lender, and the Company, as borrower, entered into a mortgage loan agreement for a principal amount of EUR 13.4 million (the "Mortgage Loan Agreement") for the purposes of financing the acquisition of Hotel Eurostars Lucentum.

We granted a mortgage on Hotel Eurostars Lucentum in favor of Banco Sabadell as collateral to secure the following obligations under the Mortgage Loan Agreement: (i) principal payments for up to EUR 13.4 million, (ii) interest payments for up to EUR 452 thousand, (iii) default interest payments for up to EUR 1.4 million and (iv) fees and expenses for up to EUR 1.34 million.

The Mortgage Loan Agreement will mature on February 28, 2030. The principal amount will be repaid on a monthly basis throughout the term of the loan, including a balloon principal repayment upon maturity. The annual interest rate under the Mortgage Loan Agreement is 2.25%, payable monthly, and the default interest rate is 5.25% per annum, subject to Spanish statutory limits for default interest. The Mortgage Loan Agreement does not include any financial covenants. We have committed to several undertakings under the Mortgage Loan Agreement, including our commitment to obtain and maintain adequate insurance to cover against fire, lightning, explosions and other damages.

The Mortgage Loan Agreement provides for certain acceleration and termination events, under which Banco Sabadell may accelerate and terminate the agreement, including as a result of the: (i) default in payment of at least three monthly installments or default in payment during a period equivalent to three months, (ii) breach of certain payment obligations in connection with the property, (iii) failure to use the loan proceeds for the authorized purposes, (iv) damages to the property causing a decrease in value of over 20% (v) the creation of a higher-ranking security interest or lien on the property in favor of a third party.

Long-term Financing Agreement with Banco Santander

On June 5, 2018, Banco Santander, S.A. (“Banco Santander”), as lender, VPM, as borrower, and Varia Inversiones Spain, S.L. (“Varia”) and the Company, as the shareholders of VPM at the time, entered into a long-term financing agreement (the “Long-term Financing Agreement”) for a principal amount of EUR 5 million for the purposes of partially repaying certain loans granted by the Company and Varia’s sole shareholder in favor of VPM for the acquisition of Hotel Plaza de la Magdalena.

VPM, the Company and Varia have granted the following security package to secure the fulfillment of certain obligations under the Long-term Financing Agreement: (i) a mortgage granted by VPM over Hotel Plaza de la Magdalena, (ii) a pledge granted by VPM over any credit rights arising from the lease agreement and any other agreements in connection with Hotel Plaza de la Magdalena, including insurance and construction agreements and the real estate acquisition deed (iii) a pledge granted by VPM over certain bank accounts and (v) a pledge granted by the Company (and originally Varia) over the shares of VPM.

The Long-term Financing Agreement will mature on June 5, 2025. Starting on December 5, 2020, VPM will make principal repayments semi-annually and a balloon principal repayment upon maturity. Additionally, the Long-term Financing Agreement provides for certain mandatory early repayment events, including as a result of the (i) failure to obtain building permits or licenses, finish the construction works or obtain opening licenses and permits for operating the hotel business in connection with Hotel Plaza de la Magdalena within certain deadlines from the date of execution of the Long-term Financing Agreement, (iii) sale, disposition or loss,

total or partial, of the property, (iv) change of control of VPM, and (v) early termination of the agreement. In addition, VPM must apply towards early repayment of the Long-term Financing Agreement any insurance payments and any compensations arising from the construction and lease agreements, except if such amounts are used to repair the property or replace damaged elements in the property.

The annual interest rate under the Long-term Financing Agreement is 2.70%, payable quarterly since the date of execution of the agreement, and the default interest rate is equal to the sum of the ordinary interest rate plus 2% per annum, payable monthly.

VPM must comply with certain financial ratios, which are tested semi-annually on the basis of the half-yearly financial statements and the annual financial statements. In particular, the LTV ratio must not exceed 40% and the debt service coverage ratio must be over 1.10x. In case of a breach of any of the financial ratios, VPM may cure such breach within 10 business days. Additionally, VPM is subject to certain positive undertakings, including those relating to: (i) the provision of certain financial information about VPM and the Company, (ii) the provision of certifications and compliance information regarding financial ratios, (iii) the provision of certain other information during the construction and operation of the hotel, (iv) the use of the proceeds from the financing, (v) the repayment of the financing and the payment of interests, (vi) obtaining and maintaining licenses, permits and authorizations, (vii) maintenance of the property, (viii) operations of the hotel and the lease agreement, (ix) construction works, (x) capital expenditures, (xi) site inspections, (xii) insurance, (xiii) regulatory and legal compliance and (xiv) ranking, effectiveness and validity of the guarantees and the security package. VPM is also subject to certain negative undertakings, including those relating to: (i) the use of the property, (ii) merger transactions, joint ventures, corporate reorganizations and acquisition or incorporation of new corporations, (iii) guarantees or any other security over VPM's assets in favor of third parties, (iv) additional indebtedness, (v) financing in favor of third parties, (vi) acquisitions or transactions over certain thresholds, (vii) settlement of disputes over certain thresholds, (viii) sale and transfer of VPM's shares and (ix) dividends and other distributions, subject to certain limitations.

The Long-term Financing Agreement also provides for various early termination events under which Banco Santander may accelerate and terminate the agreement, including as a result of the: (i) breach of any principal, interest or any other payment obligations by VPM, (ii) breach of any payment obligations by VPM or the Company in connection with the construction works for Hotel Plaza de la Magdalena, (iii) breach of other obligations under the Long-term Financing Agreement or related documents, (iv) failure to use the proceeds from the financing for the authorized purposes, (v) failure to maintain the ranking, effectiveness and validity of the guarantees and the security package, (vi) falsehood, omission or

misstatement in the representations and guarantees in the agreement and in other information, (vii) failure to satisfy the conditions precedent, (viii) failure to obtain building permits or licenses or to finish the construction works within certain deadlines from the date of execution of the Long-term Financing Agreement, (x) failure to maintain opening licenses and operating permits, (xi) sale, disposition or loss, total or partial, of the property, (xii) breach of the financial ratios, (xiii) breach of the lease agreement by VPM, (xiv) any material adverse effect on the financial situation of VPM or the Company as long as it affects VPM's performance under the Long-term Financing Agreement, (xv) insolvency, (xvi) change of control of VPM and (xvii) litigation.

The following table shows the financial liabilities as of December 31, 2018, based on non-discounted contractual cash flows.

(EUR thousands)	Nominal Value	Long debt	Short debt
Banco Sabadell	12,415	11,569	845
Banco Santander	5,009	5,000	9
Caixabank	15,558	14,477	1,081
Total financial liabilities	32,982	31,046	1,936

The average effective interest rates accrued on these financial liabilities during the year ended December 31, 2018 were 2.47%. As of the date of this Informational Document, no principal or interest payments under our indebtedness agreements are past due.

c) **Consolidated profit/(loss) account:**

The table below shows our results of operations for the year ended December 31, 2018. The below figures have been extracted from our Financial Statements.

Profit & Loss Account (EUR)	At December 31, 2018
Net revenues	2.564.453
Other income	1.324.688
Personnel expenses	(344.271)
Other operating expenses	(2.119.855)
Amortization	(552.784)
Depreciation charge	(404.054)
Other results	180.927
Operating profit/(loss)	649.104
Finance income	314.899
Financial expenses	(719.765)
Net finance expense	(404.866)
Profit/(loss) before tax	244.238
Corporate income tax	(231.533)
Profit/(loss) for the period	12.705

Net revenues

Net revenues amounted to EUR 2,564,453 for the year ended December 31, 2018. Fixed rental revenues accounted for 89% of revenues and variable rental revenues accounted for 11% of revenues (it is worth mention that Millenium has only recorded in its financial statements, 11 and 5 months of revenues from the Lucentum and Vía Castellana hotels, given that they were acquired in February and July 2018, respectively. Fixed rental revenues under our lease agreement for Hotel Vía Castellana amounted to EUR 1,198,193 for the year ended December 31, 2018, accounting for 47% of total fixed rental revenues for such period, while fixed rental revenues under our lease agreement for Hotel Eurostars Lucentum amounted to EUR 1,366,260 for the year ended December 31, 2018, accounting for 53% of total fixed rental revenues for such period.

Variable rental revenues under our lease agreement for Hotel Vía Castellana amounted to EUR 275,000 for the year ended December 31, 2018, accounting for 100% of total variable rental revenues for such period, as Hotel Vía Castellana was the only hotel in our portfolio that generated variable rental revenues during the year ended December 31, 2018.

Other income

Revenues amounted to EUR 1,325 thousand for the year December 31, 2018. These revenues belong to activated works for the tangible fixed of the assets located in

Plaza de la Magdalena, nº1 in Seville and Avenida Alfonso el Sabio, nº 11 in Alicante.

Personnel expenses

Personnel expenses consist of wages, salaries and similar items, including social security costs. The total costs amounted to EUR 344 thousand in the year ended December 31, 2018. At the close of the 2018 financial year, Millenium had three employees.

Other operating expenses

Other operating expenses amounted to EUR 2,120 thousand, mainly include external services and taxes. The external services and taxes amounted to EUR 1,294 thousand and EUR 826 thousand, respectively, in the year ended December 31, 2018. The detail of the external services account is the following:

External services (EUR)	At 31 December, 2018
Independent professional services	783,450
Leases	60,378
Supplies	44,406
Advertising	29,767
Banking expenses	2,689
Travelling expenses	18
Other expenses	372,979
Total	1,293,688

- Independent professional services consist mostly of fees paid to third parties mainly corresponding to lawyers, auditors and acquisitions advisers.
- Other expenses: a variety of costs that we assume with respect to our rental properties, the most significant of which are local taxes, community association charges, repairs and maintenance costs and utilities. Expenses passed on to tenants are recorded as a reduction from other operating expenses.

Taxes: this section includes the property tax related to the assets of Millenium portfolio.

Financial expenses

Financial expenses consist of costs derived from bank borrowings, which in turn included for the year December 31, 2018 the costs associated with the execution of

the capital lease agreement with Caixabank, the mortgage loan agreement with Banco Sabadell and the long-term financing agreement with Banco Santander.

The financial expenses amounted to EUR 720 thousand in the year ended December 31, 2018.

Corporate income tax

Corporate income tax reflects the sum of the current tax expense, derived by applying the current tax rate to the tax base for the period after taking into account all applicable tax credits and relief, and the change in deferred tax assets and liabilities recognized in the income statement. From and including the fiscal year ended December 31, 2018, subject to certain exceptions, we are subject to a 0% Corporate Income Tax rate (see section 2.6.3 of the Informational Document) as result of our SOCIMI status. In the absence of regulatory changes, we will benefit from this favourable tax regime as long as we maintain such status.

In the year ended December 31, 2018 we generated a corporate income tax expense of EUR 232 thousand. These taxes mainly derived from deferred tax assets from MH C220, S.L. amounted to EUR 155 thousand.

Profit/(loss) for the period

As a result of the foregoing, profit for the period amounted to EUR 13 thousand in the year ended December 31, 2018.

2.12.2. Should the audit reports contain any qualified or adverse opinions or disclaimers of opinion, they shall report on the reasons, corrective actions to be taken and the time frame

The Consolidated Financial Statements 2018 have been audited by EY, which issued an unqualified audit report (it doesn't contain any qualified or adverse opinions or disclaimers of opinion) thereon on December 31, 2018.

2.12.3. Description of dividend policy

The Company intends to maintain a dividend policy that accounts for sustainable levels of dividend distribution and which reflects the Company's view on the outlook for sustainable recurring earnings. The Company does not aim to create reserves that are not available for distribution to its shareholders other than those required by law. The Company intends to pay dividends following shareholders' approval at the proposal of the Board of Directors. In any case, the Company is a Spanish SOCIMI and aims to maintain such status. In this regard, under the Spanish SOCIMI Act, the Company will be required to adopt resolutions for the annual distribution of dividends, in compliance

with the conditions set out in both the SOCIMI Act and the Spanish corporate legislation, to shareholders within the six months following the closing of each fiscal year. For more detail, see section 2.6.3 of the Informational Document.

Only those shareholders that are registered in the clearance and settlement system managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (“**Iberclear**”) at 23:59 hours (Madrid time) on the day of approval of a dividend distribution will be entitled to receive such dividend distribution unless said approval specifies a different date and time for shareholders to be entitled to receive such dividends. Dividends will be received in respect of the Ordinary Shares owned at such time. Pursuant to the SOCIMI Act and the Bylaws, the payment date of the dividends will take place in the month after the dividend distribution is approved by the General Meeting of Shareholders or the Board of Directors.

The record date criterion referred to above is intended to allow the Company to timely identify Substantial Shareholders (as defined in “**Spanish SOCIMI Regime and Taxation**”) before making a dividend distribution to them. According to the Bylaws, any shareholder must give notice to the Board of Directors of any acquisition of Ordinary Shares which results in such shareholder holding 5% or more of the Company’s share capital. In such case, if the dividends to be paid to said Substantial Shareholder are either exempt from tax or subject to tax at a rate lower than the 10% Test (as defined and explained in section 2.6.3 of the Informational Document), the Company is required, under the SOCIMI Act, to pay a 19% Spanish CIT of the gross dividends distributed. Likewise, the said 19% CIT of gross dividends will also be applied if the Substantial Shareholder fails to provide enough evidence on the compliance with the 10% Test. The payment of such special levy will be deemed as an expense for the Company, to be reduced from the profits to be distributed to shareholders. Additionally, the Bylaws contain indemnity obligations from Substantial Shareholders in favour of the Company designed to discourage the possibility that dividends may become payable to Substantial Shareholders who do not meet the 10% Test. The Board of Directors is entitled to deduct an amount equivalent to the tax expenses the Company incurs on such dividend payment from the amount to be paid to said Substantial Shareholder.

Dividends distributed by the Company may be subject to Spanish withholding tax, although certain exemptions, reduced tax rates or refunds may be applicable in certain circumstances, as explained in section 2.6.3 of the Informational Document.

The Company’s ability to pay dividends in the future will also depend on the performance and/or prospects of the Company’s business, own capital structure and financing needs, general and capital market conditions, and other

factors that the Board of Directors and shareholders may deem relevant at the time, as well as the applicable legal restrictions.

The Company's expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond the Company's control. For a discussion of risks faced by the Company's business, see section 2.23 of the Informational Document.

Spanish SOCIMI Regime and Taxation on Dividends under Spanish Law

The Company is a Spanish SOCIMI. Therefore, provided certain conditions and tests are satisfied, as a Spanish SOCIMI, the Company will not pay Spanish corporate taxes on the profits deriving from its activities. These conditions and tests are discussed in "Spanish SOCIMI Regime and Taxation".

Under current tax legislation, any distributions made in the future will be subject to tax under Spanish law. See section 2.6.3 of the Informational Document for a discussion of certain aspects of taxation of dividends.

2.12.4. Information on litigations that may have a significant effect on the Issuer

As of the date of this Informational Document, the Company is not involved in any ongoing litigation that the Company believes could have a material adverse effect on the Company.

2.13. Information on significant trends regarding the Issuer's production, sales and costs from the close of the last financial year to the date of the Document

Below is detailed the consolidated financial statements for the three-month period ended as of March 31, 2019, obtained from the accounting records of the Company, and that have not been subject to audit or limited review. The same period of the previous fiscal year has not been included since it has no activity because there was no Group and the hotels had not yet acquired. Millenium continues developing its strategy and there is nothing relevant to highlight additionally to the main milestones mentioned in section 2.4.2 of the Informational Document.

Profit & Loss Account (EUR)	At March 31, 2019
Net revenues	879,054
Other income	184,205
Supplies	(225)
Personnel expenses	(116,575)
Other operating expenses	(477,101)
Amortization	(206,869)
Operating profit/(loss)	262,489
Net finance expense	(189,594)
Profit/(loss) before tax	72,896
Corporate income tax	-
Profit/(loss) for the period	72,896

The income statement as of March 31, 2019 includes:

- Three months of the current activity of the Company. Our hotel portfolio is comprised of two fully operational hotels, Hotel Vía Castellana and Hotel Eurostars Lucentum leased to and operated by companies of the Hotusa Group under separate lease agreements.
 - Total net revenues and other incomes: according to the leases contracts signed of the operational hotels.
 - Personnel expenses consist of wages, salaries and similar items, including social security costs. The total costs amounted to EUR 117 thousand in March 31, 2019.
 - Other operating expenses amounted to EUR 447 thousand.
- **Consolidated Balance sheet:**

Total assets:

Assets (EUR)	At March 31, 2019
Non-current assets	96,613,267
Tangible fixed assets	4,800
Investment properties	96.404,002
Long term financial assets	3,426
Deferred tax assets	201,038
Current assets	27,048,860
Inventories	155,880
Trade and other receivables	2,136,282
Short term financial assets	420,244
Short term accruals	17,456
Cash and cash equivalents	24,318,997
Total assets	123.662.126

Investment properties

The heading Investment Properties of the Balance Sheet comprises land, buildings and other constructions held to earn rents for capital appreciation upon disposal due to increases in their respective market price in the future. During the first 3 months of the year 2019, the Company has acquired 3 real estate assets for total consideration of EUR 23.5 million (see section 1.4.2 of the Informational Document). The Investment Properties held by the Company have been partially financed through capital increases as described in section 1.4.2 of the Informational Document.

Cash and cash equivalents

Cash and cash equivalents includes the Company's cash on hand and in banks. As of March 31, 2019, there are no restrictions over the use of the Company's cash and cash equivalents.

Total liabilities

Equity & Liabilities (EUR)	At March 31, 2019
Net equity	74,533,653
Shareholders' equity	74,948,949
Capital	75,514,000
Reserves in consolidated companies	(476,853)
Result of the exercise of the parent company	72,896
Consolidated company reserves	(161,093)
Adjustments due to changes in value	(415,296)
Non-current liabilities	(47,132,351)
Long-term debt	43,628,950
Deferred tax liabilities	3,503,401
Current liabilities	1,996,122
Short-term provisions	53,034
Short term liabilities	1,576,101
Trade and other payables	366,987
Total equity and liabilities	123,662,126

Share capital

During the first 3 months of the year 2019, the Company resolved to increase the share capital by EUR 16,500,000 through the issuance of 16,500,000 new ordinary shares with a par value of EUR 1.00 each, without share premium,

Long-term debt

As of March 31, 2019, our consolidated gross debt was EUR 43,629 thousand, having entered into a mortgage loan agreement for EUR 12 million with Banco Santander (on March 27), in relation to the acquisition of the Hotel Gran Vía Bilbao.

2.14. Main investments of the Issuer in each of the years covered by the financial information furnished (see points 2.12 and 2.13), the current year and main future investments already committed at the date of the Document. In the case that there is a subscription of shares offer prior to admission, description of its purpose and destination of the funds that will be obtained

2.14.1. Main investments of the Issuer within the period from June 6, 2017 to December 31, 2018

As explained in section 2.4.2 of the Informational Document, on November 24, 2017 the acquisition of the current assets portfolio of Millenium was formalised, consisting of two fully operational hotels in Madrid and Alicante, respectively, and one hotel under development in Seville, with approximately 459 rooms in total. As of December 31, 2018, our hotel portfolio had an aggregate GAV of approximately EUR 74.5 million and an aggregate gross leasable area (“GLA”) of approximately 29 thousand square meters.

Our portfolio includes the following hotels:

- Hotel Vía Castellana (fully operational hotel in Madrid, Spain), indirectly via C220: total accumulated net investment of EUR 37.8 million as of December 31, 2018.
- Hotel Eurostars Lucentum (fully operational hotel in Alicante, Spain): total accumulated net investment of EUR 22.2 million as of December 31, 2018.
- Hotel Plaza de la Magdalena (hotel under development in Seville, Spain) indirectly via VPM: total accumulated net investment of EUR 12.9 million as of December 31, 2018.

2.14.2. Main future investments already committed to on the date of the Informational Document

During 2019, the Company main investments have been the following acquisition:

- Hotel Gran Vía Bilbao (hotel under development in Bilbao, Spain): total investment of EUR 23.5 million on March 27, 2019.
- The property La Rioja that it sits on the corner of Plaza Magdalena Square and Rioja Street in Seville (Spain): total investment of EUR 8.5 million on April 4, 2019.
- Hotel Plaza San Francisco (hotel under development in Seville, Spain): total investment of EUR 5.7 million on April 27, 2019

As of the date of the Informational Document, during 2019 the Company has committed investments in the previous mentioned hotels in the amount of EUR 214,944.

Pursuant to the Group's investment policy (see section 2.6.4 of the Informational Document), the investments already committed (EUR 45 million) will be financed with available funds and additional financial leverage.

2.15. Information regarding related parties

2.15.1. Information regarding significant related-party transactions according to the definition contained in Order EHA/3050/2004, of September 15, carried out during the financial year in progress and those of previous years, to the date of the Informational Document on Admission. If there is none, negative declaration. The information must be presented, if applicable, distinguishing between three types of related-party transactions:

- a) Transactions with significant shareholders**
- b) Transactions with directors and executives**
- c) Transactions between persons, companies or entities in the group.**

According to the Second Article of Order EHA / 3050/2004 of September 15, one party is considered related to another when one of them, or a group acting in concert, exercises or has the possibility to exercise directly or indirectly, or by virtue of shareholders' agreements, control over another or significant influence in the financial and operational decisions of the other.

As established in Article Three of the aforementioned Order EHA / 3050/2004, related-party transactions are considered:

"(...)

Any transfer of resources, services or obligations between related parties regardless of whether or not there is any consideration. In any case, the following types of related operations must be reported: Purchases or sales of goods, finished or not; purchases or sales of fixed assets, whether material, intangible or financial; provision or reception of services; collaboration contracts; financial lease contracts; research and development transfers; agreements on licenses; financing agreements, including loans and capital contributions, whether in cash or in kind; interest paid or charged; or those accrued but not paid or collected; dividends and other benefits distributed; guarantees; management contracts; compensation; contributions to pension plans and life insurance; benefits to be offset with own financial instruments (option rights plans, convertible bonds, etc.); commitments for purchase or sale options or other instruments that may involve a transfer of resources or obligations between the company and the related party;

(...)"

For the purposes of this section, those transactions that exceed 1% of revenue or capital of the Company (considering for the calculation of a single transaction all transactions made with a single person or entity).

<i>EUR thousand</i>	March 31, 2019	December 31, 2018
Revenue	879	2,564
Net equity	74,534	58,467
<i>1% Revenue</i>	8.8	25.7
<i>1% Net equity</i>	745.3	584.7

i. Transactions with significant shareholders

Not applicable.

ii. Transactions carried out with directors and executives

On December 2, 2018, Millenium Group formalised a management agreement with Gestión Inversiones Millenium, S.L. (company control by Javier Illán, our CEO). The fees earned by Gestión de Inversiones Millenium, S.L. as of December 31, 2018 amounted to EUR 38 thousand and as of May 31, 2019 amounted to EUR 20 thousand. This management agreement has been cancelled on May 27, 2019.

As of December 31, 2018, the sole administration has not accrued any remuneration. The remuneration accrued by the executives during the financial year 2018 in terms of salaries, allowances and provision of services amounted to EUR 315 thousand. As of May 31, 2019 no remuneration to the Board of Directors has been accrued.

The prices of transactions carried out with related parties are adequately supported, which is why the Group's directors consider that there are no risks that could give rise to significant fiscal liabilities in the future.

iii. Transactions between persons, companies or entities in the group

Not applicable.

2.16. Forecasts or estimates regarding revenue and future costs

Pursuant to Circular 2/2018 of the MAB, in relation to the requirements of incorporation in the MAB, it is indicated that the companies that, upon the listing of their shares for trading, do not have 24 consecutive audited months of activity must present forecasts relating to the financial year in course and to the following, in which at least the numerical information, in a format comparable to that of the regular information, on revenue or sales, costs, general expenses, financial expenses, amortization and depreciation and profit before taxes is included.

Therefore, and complying with that stipulated in the aforementioned circular, it is considered appropriate to provide the following consolidated forecasts under the Spanish GAAP regulations for the 2019 and 2020 financial years.

The income statement forecast for the period between January 1, 2019 and December 31, 2020 is shown below:

Total Investment (EUR thousand)	154,722	
Profit & Loss Account (EUR Thousand)	2019	2020
Fixed rent (FP)	3,271	4,626
<i>%crec.</i>	-	41%
<i>%o/TR</i>	87%	84%
Variable rent (VP)	508	869
<i>%crec.</i>	-	71%
<i>VP/FP</i>	0,15x	0,19x
<i>%o/TR</i>	13%	16%
Total rent (TR)	3,780	5,495
<i>% FP/total investment</i>	2.1%	3.0%
<i>% VP/total investment</i>	0.3%	0.6%
<i>% TR/total investment</i>	2.4%	3.5%
Operating expenses	(410)	(399)
Structure costs (personnel expenses)	(1,275)	(1,394)
Amortization	(827)	(1,369)
Operating profit/(loss)	1,267	2,333
<i>% o/total rent</i>	34%	42%
Net finance expense	(1,115)	(1,573)
Profit/(loss) before tax	151	759
<i>% o/total rent</i>	4%	14%
Corporate income tax	-	-
Profit/(loss) for the period	151	759
<i>% o/total rent</i>	4%	14%

The main hypotheses and assumptions used in the preparation of the forecasts are listed below:

- Size of the Company: our hotel portfolio is comprised of two fully operational hotels, Hotel Vía Castellana and Hotel Eurostars Lucentum leased to and operated by companies of the Hotusa Group under separate lease agreements; and three hotels under development Hotel Plaza de la Magdalena and Hotel Gran Vía Bilbao leased to Radisson Hotels Aps Danmark, under its luxury brand, Radisson Collection, under separate lease agreements which will come into operation on June 30, 2020 and September 30, 2020, respectively, and Hotel Plaza San Francisco leased to Alma Gestión under lease agreements which will come into operation on October 31, 2020. No additional property assets have been considered in previous income statement forecast.

- The Company estimates a total amount investment (corresponding to acquisition prices, Capex and transaction costs) of EUR 155 million (equity of EUR 82 million and debt of EUR 73 million) for the five hotels.
- Total rent: estimated according to the leases contracts signed for the two fully operational hotels and the leases contracts of the three underdevelopment hotels signed beginning for Hotel Plaza de la Magdalena (Seville) assuming its inauguration on June 30, 2020, for Hotel Gran Vía Bilbao (Bilbao) assuming its inauguration on September 30, 2020 and for Hotel Plaza San Francisco (Seville) assuming its inauguration on October 31, 2020. Highlight that the variable rent has been estimated considering the hotels performance assumptions estimated by the Company for the analyzed period.
- Other operating expenses: structure costs estimated as 0.5% of the NAV, corresponding mainly, to condominium fees and maintenance expenses, as explained in sections 2.6.1 and 2.18 of the Informational Document.

In Seville (2 hotels) and Bilbao (1 hotel), note that the costs of insurance, property tax and FF&E Reserve are deducted from the total rent, however, while the hotel is still under development these costs are assumed by the Company and registered as other operating expenses.

- Structure costs: estimated as 1% of the NAV, according to the fixed remuneration detailed in section 2.17.3 of the Informational Document.
- Assets appraisal: an increase in the market value of the property assets has been considered in relation to the expenses estimation, however no income has been contemplated in the profit & loss account.
- Amortization: estimated according to the assets depreciation method detailed in section 2.6.1 of the Informational Document.
- Net finance expense: estimated according to existing debt agreements signed with credit entities and Seville's and Bilbao Capex estimation.

2.16.1. That they are prepared using criteria comparable to that used for the historical financial information

The Profit and Loss forecast reflected in this section has been prepared by using accounting criteria consistent with those used for the preparation of the Individual Interim Financial Statements, described in section 2.2 of the Informational Document. Therefore, it is considered to be comparable with the historical financial information corresponding to the period from January 1, 2018 to December 31, 2018, presented in section 2.12 of the Informational

Document. The Profit and Loss forecast presented above has not been subject to audit review or any type of assurance by Millenium's independent auditors.

2.16.2. Assumptions and main factors that could substantially affect compliance with the forecasts or estimates

The main assumptions and factors which could substantially affect the fulfilment of the forecasts or estimates are detailed in point 2.23 of this Informational Document. In addition to those mentioned in the section indicated above, a series of factors are listed below which, although not including all possible factors are those which could substantially affect the fulfilment of the forecasts:

- Risk of inaccurate estimation of the market rents. Fixed rental are closed and guaranteed with endorsement.
- Default risk higher than that estimated in the invoiced rents
- Risk of lack of occupancy in the leased properties
- Risk of non-occupancy of the new properties acquired
- Risk of increase in third-party costs (marketing, insurers, utilities and professional services suppliers)
- Risk related to pending licences, concessions, permits and authorisations
- Risk related to property development, including unanticipated costs or delays by third parties

2.16.3. Approval by the Board of Directors of these forecasts or estimates, with a detailed indication, if applicable, of any votes against

The Board of Directors' meeting held on May 14, 2019 approved this profit and loss forecast unanimously, as information for possible investors, as well as the follow-up and fulfilment of the same, undertaking to inform the market in the event that the main variables of such business plan undergo a possible deviation, either upward or downward, equal to or greater than 10%.

Notwithstanding the aforementioned, for other reasons, variations lower than such 10% could also be significant, in which case, this will be published as a relevant fact for the effects of its disclosure to the market.

2.17. Information concerning the Issuer's directors and senior executives

2.17.1. Characteristics of the management body (structure, composition, term of directorships) which must be a Board of Directors

Board of Directors

As of the date of this Informational Document, the board of directors of the Company (the “**Board of Directors**”) is composed of 5 Directors (as defined below) with Mr. Javier Illán Plaza as Chairman and CEO (Chief Executive Officer), Mr. Remigio Iglesias as executive director, Mr. José María Castellano Ríos, as proprietary Director, and Ms. Isabel Dutilh Carvajal and Mr. Jaime Montalvo Correa as independent Directors. The Bylaws of the Company and the Board of Directors Regulations (as defined below), provide that the Company shall be administered by a Board of Directors which shall be composed of between 5 and 12 members.

Spanish corporate law is mainly regulated by the restated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) (the “**Spanish Companies Act**”), which is the principal legislation under which the Company operates. To the extent possible, the Company has adapted its internal regulations to comply with corporate governance standards and customary practice for companies listed on the MAB-REIT. Therefore, on 10 May, 2019, the Board of Directors approved (ii) the regulations that govern the Board of Directors (the “**Board of Directors Regulations**”). In the same Board of Directors approved the Internal Code of Conduct in Securities Markets (*Reglamento Interno de Conducta en los Mercados de Valores*) (the “**Internal Code of Conduct in Securities Markets**”). For the avoidance of doubt, the Internal Code of Conduct is not required for the admission on the MAB-REIT. Similarly, the General Meeting of Shareholders the Company approved on May 10, 2019 a new restated text of the bylaws (the “**Bylaws**”) and the regulations that govern the General Meeting of Shareholders (the “**General Meeting of Shareholders Regulations**”).

Spanish corporate law provides that the board of directors of a Spanish incorporated company is responsible for the management, administration and representation of the company in all matters concerning its business, subject to the provisions of such bylaws (*estatutos*), except for those matters expressly reserved for the general meetings of shareholders.

According to the Bylaws and the Board of Directors Regulations, the Directors are elected by the General Meeting of Shareholders to serve for a maximum term of 4 years and may be reelected to serve for an unlimited number of terms

of the same duration bearing in mind that independent Directors serving as such for more than 12 consecutive years may no longer be considered as independent.

Pursuant to the Spanish Company Act, in the event that directors vacate their office during the term for which they are appointed (i.e. for any cause other than the expiry of the term for which the director was appointed), the Board of Directors may provisionally designate —the so-called co-optation (*cooptación*) another Director until the shareholders, at the earliest subsequent General Meeting of Shareholders, either ratify or revoke this appointment. Likewise, under Spanish law, shareholders who voluntarily pool their voting Ordinary Shares, so that the capital stock so pooled is equal to or greater than the result of dividing the total capital stock by the number of Directors, have the right (*derecho de representación proporcional*) to appoint a corresponding proportion of the members of the Board of Directors (disregarding fractions) provided that there are vacancies available or that any directors are standing for re-election at the General Meeting of Shareholders.

Any natural or legal person, other than those specifically declared ineligible by applicable law, the Bylaws or the Board of Directors Regulations, may serve on the Board of Directors. In this regard legal persons must designate a permanent representative to serve as Director on its behalf. A Director may be removed from office by the shareholders at a General Meeting of Shareholders, even if such removal is not included on the agenda for that General Meeting of Shareholders.

The Bylaws and the Board of Directors Regulations provide that the Board of Directors meets as frequently as necessary to effectively execute its duties and whenever its chairman considers such a meeting necessary or suitable. The chairman of the Board of Directors is also required to call a meeting at the request of Directors representing at least one third of its members. According to the Bylaws and the Board of Directors Regulations, the Board of Directors shall meet as frequently as needed and at least once a quarter in compliance with the Spanish Companies Act. The Bylaws provide that the majority (half plus one) of the members of the Board of Directors (represented in person or by proxy by another member of the Board of Directors) shall be present or represented in order to constitute a quorum. Except otherwise provided by law or specified in the Bylaws, resolutions of the Board of Directors shall be passed by an absolute majority of the Directors attending a meeting, whether personally or by proxy, including the appointment of the chief executive officer (which requires a majority of two thirds of the directors in office). In the event of a tie, the chairman of the Board of Directors will have a casting vote. The Bylaws and the Board of Directors Regulations do not contain any special majorities to pass any resolution different from those that are

established by the legislation in force as of the date of this Informational Document.

Directors will be given full and timely access to the information necessary to assist them in the performance of their duties. As a general rule, an agenda and materials for the meetings are circulated to the Directors in advance of Board of Directors meetings to allow them an adequate opportunity for review and preparation for the meetings of the Board of Directors. The secretary of the Board of Directors will be responsible for ensuring that the Board of Directors procedures are followed and all Directors will have access to his advice and services. Where they deem it appropriate, all Directors shall have access to independent professional advice at the expense of the Company.

Directors are expected to attend all Board of Directors meetings and the General Meeting of Shareholders.

Reserved Matters

The Board of Directors will be responsible for the management of the Company and will establish, among other things, the strategic, accounting, organizational and financing policies of the Company. In addition, the matters established under articles 249 *bis* and 529 *ter* of the Spanish Companies Act and the rest of matters defined below as Reserved Matters cannot be delegated under any circumstances by the Board of Directors.

Pursuant to the Board of Directors Regulations, the matters set forth below may only be approved by the majority of the members of the Board of Directors and cannot be delegated (“**Reserved Matters**”):

- Undertaking real estate investments or divestments representing an aggregate amount exceeding 20% of the Company’s own funds in a sole asset, once the initial investment period has elapsed and the Company’s asset portfolio is stabilised.
- The transfer or disposal of any asset or right at a price lower than its acquisition cost.
- Any new financing, once the Company’s asset portfolio is stabilised, representing a degree of leverage of the group greater than 50% (measured as net financial debt/asset value).
- Formalizing a transaction for the purchase or sale of assets belonging to, or in favour of, a member of the Management Team or to related parties; or a provision of services to related parties.

Board of Directors Regulations

The Board of Directors is governed by the Bylaws and the Board of Directors Regulations, which have been adopted by the Board of Directors and registered with the Commercial Register of Madrid. The Board of Directors Regulations develop the Bylaws and establish the principles for the functioning of the Board of Directors, including the basic rules for its composition, structure and functions and the standards of conduct of the Board of Directors members, including, without limitation, the general obligations of the members, duty of confidentiality, non-competition obligations, conflicts of interest management, use of the Company's assets and management of non-public information.

Delegation of Powers in the CEO

The Board of Directors have delegated all its powers in favour of the CEO, except for those that refer to matters that are reserved to the Board of Directors and, therefore, cannot be delegated in accordance with the Board of Directors Regulations and applicable Spanish law as described under “*Board of Directors—Reserved Matters*” above.

Directors

As of the date of this Informational Document, the Board of Directors is composed of 5 directors (each, a “**Director**”). The following table sets forth the composition of the Board of Directors as of the date of this Informational Document:

<u>Name</u>	<u>Title</u>	<u>Date of first appointment</u>	<u>Term Expires</u>	<u>Shareholder represented</u>	<u>Category/status</u>
Mr. Francisco Javier Illán	Chairman and CEO	10 May 2019	10 May 2023	No	Executive
Mr. Remigio Iglesias	Vice-chairman	10 May 2019	10 May 2023	No	Executive
Mr. José María Castellano	Member	10 May 2019	10 May 2023	Yes	Proprietary
Ms. Isabel Dutilh	Member	10 May 2019	10 May 2023	No	Independent
Mr. Jaime Montalvo	Member	10 May 2019	10 May 2023	No	Independent

The Board of Directors has appointed Mr. Javier Illán Plaza as the Chairman of the Board of Directors and Mr. Juan Gómez-Acebo Sáenz de Heredia as the secretary non-Director of the Board of Directors.

All members of the Board of Directors will designate the registered address of the Company as their professional address for the purpose of this Informational Document.

Board Committees

In compliance with the Bylaws and the Board of Directors Regulations (and although not strictly required by the MAB-REIT), the Board of Directors has created an Audit and Control Committee (the “**Audit and Control Committee**”), and an Appointments and Remuneration Committee (the “**Appointments and Remuneration Committee**”) which will be governed by the Bylaws and, the Board of Directors Regulations. Below is a brief description of the principal characteristics of these two committees of the Board of Directors.

Audit and Control Committee

The Audit and Control Committee shall be composed of 3 to 5 members, all of whom must be non-executive Directors appointed by the Board of Directors, of whom at least one must be an independent Director who must be appointed taking into account his or her knowledge, aptitudes and experience in accounting or audit, or on both matters. Members of the Audit and Control Committee may only hold their position as members of the committee as long as they are Directors, unless otherwise agreed by the Board of Directors. The chairman of the Audit and Control Committee can serve for a maximum term of four years, and may only be reelected as chairman at least one year after his or her removal, without prejudice to his or her continuation as member of the Audit and Control Committee. The role of secretary and vice-secretary of the Audit and Control Committee will be carried out by the secretary and vice-secretary of the Board of Directors or any other persons.

The Audit and Control Committee is composed of the following Directors:

<u>Name</u>	<u>Date of appointment</u>	<u>Title</u>
Mr. Jose María Castellano Ríos	10 May 2019	President
Mr. Jaime Montalvo Correa	10 May 2019	Member
Mr. Isabel Dutilh Carvajal	10 May 2019	Member

The Audit and Control Committee will be responsible for the matters attributed to it by law, the Bylaws and the Board of Directors Regulations.

The Audit and Control Committee shall meet at least once every quarter in an ordinary session to review the periodic financial information to be submitted by the Company to the stock market authorities and the information the Board of Directors must approve and include in its annual public documentation. In

addition, the Audit and Control Committee shall meet at the request of any of its members, the Internal Audit Officer or the partner responsible for the audit of the accounts of the Company and every time it's Chairman considers it necessary. In any case, the Chairman of the Audit and Control Committee will call a meeting of the Audit and Control Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal and, in any event, whenever he or she deems it convenient for performing its functions.

Meetings of the Audit and Control Committee shall be duly convened when a majority of the members are present in person or by proxy and resolutions shall be adopted by absolute majority vote, that is, at least two members. In the event of a tie, the chairman of the Audit and Control Committee will have a casting vote.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee shall be composed of 3 to 5 members, all of whom must be non-executive Directors and at least two must be independent Directors. At least one member of the Appointments and Remuneration Committee must be appointed on the basis of his or her knowledge, aptitudes and experience in remuneration matters. Directors who are members of the Appointment and Remuneration Committee may only hold their position as members of the committee as long as they are Directors, unless otherwise agreed by the Board of Directors. The chairman of the Appointments and Remuneration Committee must be selected among its independent members. The role of secretary and vice-secretary of the Appointments and Remuneration Committee will be carried out by the secretary and vice-secretary of the Board of Directors.

The Appointments and Remuneration Committee is composed of the following Directors:

<u>Name</u>	<u>Date of appointment</u>	<u>Title</u>
Mr. Jaime Montalvo Correa	10 May 2019	President
Mr. Jose María Castellano Ríos	10 May 2019	Member
Mr. Isabel Dutilh Carvajal	10 May 2019	Member

The primary purpose of this committee will be to assist, inform and put proposals to the Board of Directors in relation to the matters attributed to it by law, the Bylaws, or the Board of Directors.

The Appointments and Remuneration Committee shall consult the Chairman of the Board of Directors and the Company's first executive in matters related to the executive directors and senior managers.

The Appointment and Remuneration Committee shall meet at least twice a year, and at the request of any of its members and every time its Chairman convenes a meeting. In any case, the Chairman of the Appointment and Remuneration Committee will call a meeting of the Appointments and Remuneration Committee whenever the Board of Directors or its Chairman requests the preparation of a report or the adoption of a proposal.

Meetings of the Appointment and Remuneration Committee shall be duly convened when a majority of the members attend in person or by proxy. The resolutions of the Appointment and Remuneration Committee shall be adopted by the majority of its members attending in person or by proxy. In the event of a tie, the Chairman of the Appointment and Remuneration Committee shall have a casting vote.

Investment and Strategy Advisory Committee

The Company will have an Investment and Strategy Advisory Committee as a coordination organ of the Company's Management Team and as support for the CEO in the exercise of his functions.

The Investment and Strategy Advisory Committee may be composed of up to 20 members. Mr. Remigio Iglesias (Chairman), Mr. Javier Illán, Mr. Juan Odériz and investors and/or representatives appointed by the investors that represent a minimum percentage of shares as determined below.

For these purposes, the investor who, individually or collectively with other investors who voluntarily group their individual shares, represents at least 5% of the shares of the Company will have the consideration of "**Investor Committee Member**".

Also, members of the Management Team of the company can attend as guest's non-members of the Committee.

Management Team

The ordinary operations of the Company, including the implementation of the Investment Strategy, will be carried out, at all times, by highly qualified professionals with broad experience in the real estate hotel market (the "**Management Team**"). The Management Team will necessarily include the Key Employees (as defined below). The Management Team will be assisted by the rest of the Company's employees, who will exercise their assigned

functions in each of the departments of the organization structure of the Company (the “**General Staff**”). The following table includes the members of the Management Team as of the date of this Informational Document:

Name	Title
Key Employees:	
Mr. Javier Illán Plaza	Chairman of the Board of Directors and Chief Executive Officer (CEO)
Mr. Remigio Iglesias	Business Development Manager
Mr. Juan Odériz	Corporate Director
Rest of Management Team:	
Mr. Santiago López-Vilas	Investment Director
Ms. María Pardo Martínez	Head of Investor Relations and Corporate Communications
Mr. Miguel Torres	Chief Financial Officer (CFO)

2.17.2. Professional background and profile of directors, and where, the primary or main executives do not have the status of director, of the main executive or executives. In the event one of them has been accused, prosecuted, convicted or punished administratively for violation of banking, stock market or insurance regulations, brief clarifications and explanations deemed appropriate will be included

Board of Directors

Mr. Javier Illán Plaza

Mr. Javier Illán Plaza is the Chairman of the Board of Directors and the Chief Executive Officer of the Company. Mr. Illán has spent his entire professional career in the real estate industry. He started his professional career in 1994 with his family's real estate development and construction business, where he actively participated in the development and construction of 600 homes in La Coruña (Spain) and Hotel Vilagaros in Baqueira (Spain). In 1997, he founded his first company, which focused on real estate investment projects with repositioning upside. In 2000, he founded Grupo Millenium, with the idea of creating a platform to invest through the club deal format in different real estate projects. In 2010, he launched Grupo Millenium's residential development division, which positioned Grupo Millenium as a national player in the development of luxury residential development in Spain. He study for several years economics & business administration at Complutense University (Madrid).

Mr. Remigio Iglesias Surribas

Mr. Remigio Iglesias is the Business Development Manager of the Company. Mr. Iglesias has spent most of his professional career with Grupo Santander, where he lead the recovery and write-down of assets division and the write-

down assets division in the real estate sector. Throughout his career, he has managed and coordinated many real estate and hotel transactions, including the restructuring and sale of Metrovacesa, the sale of Altamira Asset Management and the sale of the Edificio España to DalianWanda Group. In recent years, he has been a member of the boards of directors of several companies, including SAREB, Metrovacesa, Altamira Asset Management, Aktua Soluciones Financieras and Reintegra S.A. He has completed the Senior Management Program at the IESE Business School (PADE) and study for 2 years Law at Santiago University and the UNED.

Mr. José María Castellano Ríos

Mr. José María Castellano Ríos is a proprietary member of the Board of Directors. Mr. Castellano started his professional career at Inditex, where he was a member of the board of directors from 1985 to 2005, being appointed vice chairman and chief executive officer of the company in 1997. He became the chairman of ONO, S.A. in 2008 and the vice chairman of Novagalicia Banco in 2011. He was also vice chairman of La Voz de Galicia. Since 2014, he has been a director of Naturhouse Group. He holds a Ph.D. in economics and business from the Universidad Complutense de Madrid and he is a member of the Academy of Economics and Finance.

Ms. Isabel Dutilh Carvajal

Ms. Isabel Dutilh Carvajal is an independent member of the Board of Directors. She has a long career practicing law, specializing in mergers and acquisitions and private equity, fields in which she was recognized as expert lawyer by Chambers & Partners. In 1988 she founded the law firm, Dutilh Abogados a multidisciplinary business law firm. In November 2015 she founded Argali Abogados, a firm specialized in M&A in the Iberian market. She is also Vice-president of the Círculo de Empresarios, an independent member of the Board of Directors of Elecnor, a non-advisory secretary to various non-listed entities, an adviser to Solcom (fight for integration rights for people with disabilities), ICAM collaborator and member of the Board of Directors of ABE (Association for the Search for Excellence).

Isabel received her bachelor's degree in Law from the Complutense University (CEU San Pablo). She also has a master's in Law from the University of Wales, Cardiff and a master's in Maritime Business from the Universidad Pontificia de Comillas (ICADE).

Mr. Jaime Montalvo Correa

Mr. Jaime Montalvo Correa is an independent member of the Board of Directors. He became a member of the board of directors of Mutua Madrileña

Automovilística in 2006, being appointed vice chairman in 2010. Mr. Montalvo serves as trustee of various organizations, including Fundación Mutua Madrileña, Real Instituto Elcano, Universidad Menéndez Pelayo and Fundación Comillas. He was previously a member and the vice chairman of the board of directors of Caja Navarra and a member of the board of directors of Banca Cívica. Mr. Montalvo served as the vice chancellor of UNED from 2001 to 2005 and of the United Nations University for Peace from 1990 to 1992. He has also served as the president of Spain's Economic and Social Council and of the Spanish Arbitration Court and has been the general director of Spain's Institute of Employment and Social Security Studies and of Spain's National Institute of Public Administration. Mr. Montalvo has also been a member of the Spanish Council of State and of the European Social Security Institute. Mr. Montalvo holds a Ph. D. (Doctor of Laws) from the Complutense University of Madrid (awarded the Outstanding Doctorate Prize in 1969). He has completed further studies at the Universities of Paris, Oxford, Bari and Rome. Mr. Montalvo has been a Professor of Labor and Social Security Law since 1973 and has authored several books on matters related to labor, collective bargaining, social security, corporate strategy, social responsibility and human resources.

Mr. Juan Gómez-Acebo Sáenz de Heredia

Mr. Juan Gómez-Acebo Sáenz de Heredia is the secretary non-Director of the Board of Directors. He is a practising lawyer with over 30 years of experience. He began his professional career in the Spanish Public Sector where he served as Spanish representative at the Contracts Group for several years, for the international Eurofighter programme.

After working at a Spanish law firm, Juan joined the international law firm Freshfields as a Corporate/Finance lawyer in 1991. In 1995 he was promoted to international partner, becoming Freshfields' first Spanish partner. In 2000, he was asked to set up Freshfields' Real Estate Practice Group and up until 30 April 2014, he served as head of the Spanish branch.

He is currently the Head of BDO Abogados' Real Estate Practice in Spain. He has a law degree from the Universidad Autónoma de Madrid and is part of the legal/audit group at the Spanish Ministry of Defence. He holds a diploma from Wharton School for business studies and has participated in a number of legal seminars.

Juan is regularly mentioned by the international legal directories, including Chambers and Legal 500, as a "leading individual" in Spain for Real Estate Law.

Management Team

In addition to Mr. Javier Illán Plaza and Mr. Remigio Iglesias Surribas, whose biographical information has been included above:

Mr. Juan Odériz

Mr. Juan Odériz is the Corporate Director of the Company. Mr. Odériz has more than 30 years of experience in the financial, investment and tourism industries. He was previously the chief financial officer and deputy chief executive officer of Viscofan. In 2001, he joined Grupo Caja Navarra as general manager of its investment vehicle and, in 2006, he became deputy managing director of Caja Navarra. From 2010 to 2012, he worked at Cívica Bank as managing director concurring with the company's initial public offering that took place in 2011. Since 2015, he has served as deputy to the president of Hotusa, one of the most relevant companies in the tourism industry in Spain. He has also been a member of the finance, strategy and development committee of Hotusa. He holds superior degrees in economics & business administration, with a specialization in finance, from the Universidad Pontificia Comillas de Madrid (ICADE).

Mr. Santiago López-Vilas

Mr. Santiago López-Vilas is the Investment Director of the Company. He has 10 years of experience in the hospitality, real estate investment and investment banking industries. From 2009 to 2014, he occupied different positions at Mediobanca. Prior to then, he worked at Lehman Brothers in the real estate investment banking division. From 2014 to 2018, he worked at OHL Developments, the hospitality development and investment arm of the OHL Group, as director of business development and expansion. He holds a double major degree in law and business administration from the Universidad Pontificia Comillas de Madrid (ICADE) and he has completed additional studies at the London School of Economics, UIBE University in Beijing, and Harvard University.

Ms. María Pardo

Ms. María Pardo is the Head of Investor Relations and Corporate Communications of the Company. She has more than 20 years of capital markets experience. She began her professional career as a corporate finance consultant at PricewaterhouseCoopers. From 2000 to 2003, she worked at Eurosafei S.V.B. and Bankinter Bank as a telecoms equity analyst and, from 2003 and 2007, she worked at Eurotrimer Group as controller manager. From 2007 to 2014, she also served as director of investor relations at Eurocofin and Tinkle. In 2014, she joined Naturhouse Health as investment relations

manager, and a year later, she also assumed the position of investment manager of Grupo Kiluva. She holds degree in economics and business from Colegio Universitario de Estudios Fianancieros (CUNEF) and a master's degree in tax and fiscal law from the Centro de Estudios Financieros. She has been also an associate professor at Universidad San Pablo CEU, teaching in the MBA program.

Mr. Miguel Torres

Mr. Miguel Torres is the Chief Financial Officer of the Company. Mr. Torres has nearly 20 years of experience overseeing tax and finance matters for GrupoMillenium. In 2006, he joined the real estate analysis department at GrupoMillenium and, since 2008, he has been responsible for the finance department. From 2001 to 2005, prior to joining GrupoMillenium, he provided legal and tax advice as a lawyer to various Mediterranean-based business clients. He has a degree in law from the Complutense University of Madrid and master's degrees in business law and global taxation from Fundesem Business School.

No convictions and other negative statements

To the best of the Company's knowledge, none of the members of the Board of Directors and the Management Team have, in the three years preceding the date of this Informational Document, have been accused, prosecuted, convicted or punished administratively for violation of banking, stock market or insurance regulations.

2.17.3. Remuneration system of directors and senior executives (general description that shall include information on the existence of possible remuneration systems based on share awards, in share options or referenced to share-based payments). Existence or not of guarantee clauses or "shielding" directors or senior executives in cases of termination of their contracts, dismissal or change of control

Remuneration of Directors

Pursuant to the Bylaws, non-executive Directors, as members of the Board of Directors, are entitled to receive a fixed annual amount plus per diem allowances for any Board of Directors and commission meetings which they attend, consisting of a fixed annual amount per Director to be set by the General Meeting of Shareholders. The General Meeting of Shareholders of the Company held on May 10, 2019 set the maximum amount of fixed annual amount and per diem allowances that non-executive Directors may receive at EUR 400,000. The shareholders can also decide when or for what reason such amount can be reviewed and/or updated periodically. Additionally, the

Company may purchase insurance policies to cover any risks associated with its Directors.

Executive Directors will not be entitled to receive a fixed annual amount, per diem allowances or any other remunerations as members of the Board. However, the executive Directors in their condition as members of the Management Team are entitled to the Annual Remuneration, Incentive Plans and compensation payments described under “*The Management Team’s Remuneration*” below.

The Management Team’s Remuneration

In order to optimize the salaries of the Company’s employees, while these decrease in relative terms as the NAV of the Company increases above EUR 400 million, and to reinforce the alignment between the interests of the shareholders and the interests of the Management Team and the rest of employees of the Company, an annual remuneration scheme (salary plus bonus) is proposed for all employees of the Company, as well as—for the members of the Management Team only—an incentive plan (the “**Promote**”) indexed to the Company’s return and to the performance of its business plan. Furthermore, the Company has implemented an IPO incentive plan for the Management Team with the goal of retaining, incentivizing, motivating and rewarding the members of the Management Team for achieving the admission to official secondary markets of the shares of the Company (the “**IPO Management Incentive Plan**” or “**IPO MIP**”). Lastly, each of the Key Employees will subscribe with the Company an employment or services agreement (as the case may be) and will be entitled to receive compensation payments in the event of termination by the Company of their contracts.

Annual Remuneration (Salary and Bonus)

The salary, bonus and labor conditions of the Management Team and the rest of employees of the Company will be regulated in each of their respective contracts with the Company for the duration established in them.

The CEO will be entitled to determine at his discretion or, where applicable, to propose to the Appointments and Remuneration Committee, so that the latter requests the approval of the Board, the specific allocation of the Salaries and Bonuses that had accrued in a given year to each of the members of the Management Team and rest of employees in accordance with what is stated in their respective contracts. The specific allocation that corresponds to the CEO will be proposed by the Appointments and Remuneration Committee and will be approved by the Board of Directors.

Fixed Remuneration (“Salary”):

The annual aggregate of the salaries of all the members of the Management Team and rest of employees that the Company incorporates to its staff from time to time will always be equivalent to 1% of the NAV of the Company as of 31 December of every year until the NAV reaches EUR 400 million. From the moment the NAV reaches said amount, the annual aggregate of the salaries will remain the same and will not be subject to further updates. Therefore, the salary of each of the members in the Management Team and the rest of the staff will be updated at the start of every year until the NAV reaches EUR 400 million, from that moment onwards, the annual aggregate of all salaries will be EUR 4 million.

If, within the limit stated above for all fixed salaries of the Company in accordance with the respective contracts, the aggregate of the salaries of the Management Team’s members and rest of employees accrued during a year does not reach in a given year 1% of the NAV (with the total maximum limit of € 4 million stated above), the CEO will be entitled to propose to the Appointments and Remuneration Committee the allocation of the surplus until the maximum limit of 1% of the NAV among the members of the Management Team and rest of employees. To this end, the possible surpluses of the salaries not distributed during the year will not be deemed for the calculation of the maximum salaries established.

Variable remuneration (“Bonus”):

Once the NAV of the Company reaches EUR 400 million and in the event that the stabilized operating assets of the Company (i.e., assets that meet the yield requisites or that being in operation have generated income during at least two years) generate a Gross Yield On Cost equal to or exceeding 6% for a given year, a cash amount will be accrued and paid on an annual basis to the Management Team as a whole and to the rest of employees. Such cash amount will be equivalent to the higher of the following:

- (i) the positive difference between (A) the aggregate of the staff’s salaries (i.e., as maximum limit and on an aggregate basis four (4) million euros) and (B) the amount equivalent to 7% of the Gross Rental Income; and
- (ii) 0.75% of the NAV of the Company surplus over EUR 400 million (adjusted by dividends or any other form of remuneration given to shareholders).

The Gross Rental Income and the NAV will be determined as of December 31 of any given year.

In case the above metrics are not achieved in the year analysed, the Management Team and rest of employees will only be entitled to receive the Salary and not the referred Bonus.

Within the above parameters, the specific Bonus, if applicable, for each member of the Management Team and rest of employees will be allocated considering the recommendation of the CEO and the essential characteristics of the position held by each member of the Management Team during the analysed year such as (i) its relevance in the Company, (ii) its impact in the development of the Company and (iii) the scope of the responsibility assumed.

Incentive Plans

Promote

The Promote is established to promote and remunerate the Management Team exclusively, for the additional return generated to the shareholders each year and only in cases where a minimum threshold shareholders' return is exceeded. The Promote will have an indefinite duration and will be paid in shares. The delivery of shares, in accordance with this plan, to the members of the Management Team has been approved by the General Meeting of Shareholders for the purposes contained in article 219 of the Spanish Companies Act.

The shares corresponding to the Promote will only be accrued if the following thresholds are exceeded during the relevant Calculation Period (as defined below):

- a) The Total Shareholder's Return or TSR (as defined below) of the Calculation Period must be higher than the annual minimum return objective determined for the Company (which has been set at 9%) and once accrued and reduced by the Bonus, in case it had been payed, as defined above; and
- b) the Relevant High-Water Mark (as defined below) for a Calculation Period must be less than the sum of (A) the NAV of the Company on the last day of such Calculation Period minus the net proceeds of any share issuance carried out during such Calculation Period or during any preceding Calculation Period since the most recent Calculation Period that led to the payment of a Promote, and (B) the aggregate dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such Calculation Period or in any preceding year since the most recent Period that led to the payment of a Promote.

Definitions

- The “**TSR**” ratio during a given Calculation Period is the Shareholder Return for such Calculation Period divided by, with regard to the Initial Calculation Period, the initial NAV of the Company and, with regard to the subsequent Calculation Periods, the NAV of the Company on the last day of the immediately preceding Calculation Period, expressed as percentage.
- The “**Calculation Period**” that will be considered to calculate the Shareholder Return will start on January, 1 until December, 31 of each year. The “**Initial Calculation Period**” will start on January 1, 2019 and end on December 31, 2019.
- The “**Shareholder Return**” is the sum of (a) the increase in the NAV during such Calculation Period minus the net proceeds of any share issuance carried out during such Calculation Period; and (b) the total dividends (or any other form of remuneration or distribution to shareholders) that are paid in such Calculation Period.
- The “**Relevant High-Water Mark**” is the higher of (i) the Initial NAV, and (ii) the NAV on the last date of the most recent Calculation Period that led to the payment of the Promote (adjusted to include the total dividends paid during such Calculation Period and to exclude the net proceeds of any share issuance performed during such Calculation Period).
- The “**NAV**” of the Company will be calculated on a semi-annually basis by the Company in accordance with the IFRS-EU and/or the European Listed Property Association (EPRA) standards based on the latest available valuation of the Company’s real estate assets and approved by the Board of Directors. Valuations of the Company’s real estate assets will be performed as of June 30 and December 31 each year. The “**Initial NAV**” is the NAV of the Company available as of December, 31 2018. The valuations will be performed by a suitable independent accredited appraiser by the RICS to be appointed by the Company. Valuations of the Company’s real estate assets will be made in accordance with internationally accepted standards of real estate valuation.

Accordingly, only in the event the thresholds specified above are exceeded for a given Calculation Period, the Company will accrue a number of shares for the Management Team that represents a percentage of the total shares of the Company issued and in circulation on the first day of the relevant Calculation Period. Such percentage will be equivalent to sum of: (i) 20% of the outperformance above 9%, if the TSR is between 9% and 11%; and (ii) if the TSR is above 11%, a 20% will be applied to the outperformance above 9% plus 30% of the outperformance above 11%.

The Company will pay the accrued shares in accordance with the Promote as soon as reasonably possible after the last day of the Calculation Period. First, by delivering to the beneficiaries existing shares that the Company may have in treasury (*autocartera*) or which the Company had decided to acquire through derivative acquisitions (through the execution of buybacks in the open market, buyback programs or special block transactions) in accordance with the authorization granted by the General Meeting of Shareholders to the Board and, in the event they are not enough to satisfy the accrued Promote, through the delivery of newly issued shares. While the Company remains in the MAB, the Board of Directors may propose to the General Meeting of Shareholders the approval of a capital increase with exclusion of the preferential subscription rights or by credit compensation in order to deliver newly issued shares to the beneficiaries of the Promote. After admission to trading of the Company's shares to the Spanish Stock Exchanges, the Board of Directors may propose to the General Meeting of Shareholders a capital increase by credit compensation or issue new shares pursuant to the authorization granted by the General Meeting of Shareholders to the Board of Directors to increase capital with exclusion of preferential subscription rights. In case it is not possible to deliver all accrued shares to the beneficiaries of the Promote (either because the General Meeting of Shareholders doesn't approve the mentioned capital increase with exclusion of preferential subscription rights or by credit compensation, does not renew the authorization granted to the Board for the derivative acquisition of treasury stock or the authorization to the Board to increase capital with exclusion of preferential subscription rights, or because it revokes any of those authorizations afterwards), the Company will be obliged to pay to the beneficiaries of the Promote the economic exchange value of the remaining shares accrued in accordance with the Promote.

Within the parameters explained above, the CEO will propose to the Appointments and Remuneration Committee the specific percentage of shares to allocate to each of the beneficiaries of the Promote so that the Committee submits such allocation to the approval of the Board. The beneficiaries of the Promote will have a lock-up commitment of shares during one year since their delivery.

The following is an example of the calculation terms of the Promote for illustrative purposes only.

Item	Concept	Assumptions and explanations
1	NAV at the start of the Calculation Period	An Initial NAV of EUR 400,000,000 has been assumed for the Initial Calculation Period. For the second Calculation Period, the NAV at the start of the subsequent Calculation Period will be equivalent to the NAV at the end of the previous Calculation Period.
2	Increase of the NAV	<p>It is the variation of the portfolio's NAV during a Calculation Period without considering the net proceeds obtained from share capital increases during the relevant Calculation Period.</p> <p>In the Initial Calculation Period, a 10% of Item 1 has been assumed.</p> <p>In the second Calculation Period, a 9% of Item 1 has been assumed.</p> <p>In the third Calculation Period, a 9% of Item 1 has been assumed.</p>

Item	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	400,000,000	440,000,000	479,600,000	522,764,000	559,357,480
2	40,000,000	39,600,000	43,164,000	36,593,480	33,561,449

		<p>In the fourth Calculation Period, a 7% of Item 1 has been assumed.</p> <p>In the fifth Calculation Period, a 7% of Item 1 has been assumed.</p>
3	Dividends paid	For the Initial Calculation Period, a dividend equivalent to EUR 0 has been assumed. For the subsequent Calculation Period, a 2%, 3%, 4% and 5%, respectively, of Item 1 have been assumed.
4	Net proceeds obtained from share capital increases	Share capital increases have not been considered.
5	NAV at the end of the Calculation Period	Sum of Items 1+2+4
6	NAV at the end of the Calculation Period (adjusted)	Sum of Items 5+3-4

3	0	8,800,000	14,388,000	20,910,560	27,967,874
4	0	0	0	0	0
5	440,000,000	479,600,000	522,764,000	559,357,480	592,918,929
6	440,000,000	488,400,000	537,152,000	580,268,040	620,886,803

7	Relevant High-Water Mark	The higher of (i) 400,000,000 (the Initial NAV) and (ii) Item 6 of the most recent Calculation Period that led to the payment of the Promote. For the Initial Calculation Period, it will be the Initial NAV.
8	Shareholders Return	Sum of Items 2+3
9	TSR	Item 8 / Item 1
10	TSR surplus	Sum of (A) + (B), being: (A) the excess of Item 9 over the threshold of the 9% objective return, and (B) the excess of Item 9 over the threshold of 11% return.
11	Relevant High-Water Mark exceedance condition	It is achieved if: Item 6 from the most recent Calculation Period that led to the payment of the Promote > Item 7
12	Promote accrued	It is achieved if Item 10 is positive and Item 11 is fulfilled

7	400,000,000	440,000,000	488,400,000	537,152,040	580,268,040
8	40,000,000	48,400,000	57,552,000	57,504,040	61,529,323
9	10.00%	11.00%	12.00%	11.00%	11.00%
10	1.00%	2.00%	3.00%	2.00%	2.00%
11	40,000,000	48,400,000	48,752,000	43,116,040	40,618,763
12	YES	YES	YES	YES	YES

13	Number of shares corresponding to the accrued Promote (in percentage over the number of shares issued and in circulation on the first day of the Calculation Period)	It will be the sum of (i) 20% of Item 10 (A); and (ii) 30% of Item 10 (B), expressed in percentage.
14	Number of accrued shares	Assuming EUR 80 million issued and in circulation on the first day of the Calculation Period, it will be EUR 80 million x Item 13.
15	Number of accumulated accrued shares	Item 14 accumulated through the relevant Calculation Periods.

13	0.20%	0.40%	0.70%	0.40%	0.40%
14	160	320	560	320	320

IPO Management Incentive Plan (IPO MIP)

The IPO Management Incentive Plan (IPO MIP) involves shares and cash, offered by the Company, with the goal of retaining, incentivizing, motivating and rewarding the members of the Management Team for achieving the admission to official secondary markets of the shares of the Company. The IPO MIP establishes the payment of an extraordinary remuneration of success to the members of the Management Team for obtaining the admission to trading of shares of the Company to an official secondary market, whether in the context of a sale offering —and, if any, subscription offering— of shares of the Company; or, without the making of a sale offering nor of a subscription offering of shares, through a pure listing process, and as long as certain requisites for value generation of the Company’s hotel real estate assets are met. The IPO MIP will be recognized in the terms and conditions of the contracts of the members of the Management Team with the Company.

The total amount of the extraordinary remuneration of the IPO MIP for all the members of the Management Team will be equivalent to the result of applying 20% to the following formula:

$$\text{Portfolio's IPO Value} - \text{Portfolio's Initial Value} - \text{Promote Management Team} - \text{Minimum Annual Return Objective} - \text{Transaction Costs}$$

For these purposes:

- a) The “**Portfolio’s IPO Value**” is the value attributed to the Company in the frame of a potential IPO on the Spanish Stock Exchanges (i.e., the price of the sale offering —and, if any, the subscription offering— of the shares of the Company prior to their admission to trading on an official secondary market or, in a pure listing process, the initial trading price of the shares of the Company which will be determined by the closing trading price of the shares of the Company in the MAB as of the day immediately preceding the start of trading on the official secondary markets, multiplied by the number of shares in which the share capital is divided immediately before the share capital increase of the Company which it may potentially carry out in the frame of a subscription offer prior to the listing of the Company).
- b) The “**Portfolio’s Initial Value**” is the value attributed to the Company on the date of admission to the MAB (i.e., the initial trading price of the shares of the Company in the MAB as determined by the Company, multiplied by the total number of shares effectively admitted to the MAB).
- c) The “**Promote Management Team**” will be the market value of each of the corresponding accrual dates of the shares which, where applicable, had accrued and paid to the members of the Management Team pursuant to the Incentive Plan (Promote) during a period comprised between the

admission to the MAB and the IPO (or the proportional part that corresponds if the IPO is produced during the Calculation Period).

- d) The “**Minimum Annual Return Objective**” will be the annual 9% over the NAV of the Company on the date of admission to the MAB.
- e) The “**Transaction Costs**” will be the costs attributable to an IPO transaction which will include, without limitation, the underwriting and placement (where applicable) commissions of the financial entities, the fees of legal advisors, valuers and auditors, the agent entity, the Spanish Stock Exchanges and CNMV fees and any other remaining transaction costs.

It is envisaged that the liquidation of the IPO MIP to its beneficiaries is done fully in cash and it is paid as soon as reasonably possible after the IPO. However, in case the IPO is preceded by a Company’s shares subscription offering, the IPO MIP amount will be liquidated in a combination of cash and shares of the Company in equal parts. The amount in cash will be paid as soon as reasonably possible after the IPO and the amount in shares will be delivered at the time of the IPO. The members of the Management Team may sale part of the received shares of the Company (as long as there is a significant sale offering tranche) to use the proceeds thereof for the payment of taxes linked to the IPO MIP. The rest of shares will be subject to the following lock-up commitment: 50% of shares may be sold after the first anniversary of the IPO, and the remaining 50% after the end of the term of 18 months from the IPO.

Item	Concept	Assumptions and explanations	Final value
1	Portfolio’s IPO Value	Assuming capitalization value prior to IPO at the end of the third anniversary of the admission to the MAB.	522,764,000
2	Portfolio’s Initial Value	Assuming MAB initial capitalization value with full subscription of the share capital increase to be carried out prior to admission.	400,000,000
3	Promote Management Team	Based on the example above of the calculation terms of the Promote as accumulated at the end of Year 3 (and assuming a share value of € 5 per share).	5,200,000
4	Minimum Annual Return Objective	TSR of 9%	118,011,600

Item	Concept	Assumptions and explanations	Final value
5	Dividends	Based on the example above of the calculation terms of the Promote	23,188,000
6	Transaction Costs	Assuming 3% of the Portfolio's IPO Value	15,682,920
7	RESULT	Item 1 – Item 2 – Item 3 – Item 4 + Item 5 – Item 6	7,057,480
8	TOTAL IPO MIP	20% of Item 7	1,411,496

Minimum Permanence Term and compensation payments to Key Employees in the event of termination of their contracts

For the purposes of carrying out the Business Plan, the Company will subscribe with each of the Key Employees a services or employment contracts (as the case may be) which will include a minimum permanence term commitment until the later date of: (i) 5 years since the end of the Initial Execution Period (which will last between 12 and 18 months since Admission), and (ii) 5 years since admission to the MAB (the “**Minimum Permanence Term**”).

Compensation payments in the event of unilateral termination by the Company of the contracts with the Key Employees, unrelated to any grave or culpable breach of the Key Employee's commitments.

The Minimum Permanence Term is of mandatory compliance for the Company, therefore, the Company will be obliged to pay each Key Employee an economic compensation equivalent two times the last annual remuneration (Salary and Bonus) received. Also, the Key Employee will be entitled to receive the Promote that had accrued from the start of the year of termination of the contract and until the date of termination of the contract. This compensation will be paid fully in cash as soon as reasonably possible after termination if the contract.

Lack of compensation payments in the event of unilateral termination by the Company of the contracts with the Key Employees as consequence of a wilful and culpable conduct during the exercise of the Key Employee's functions.

In the event of unilateral termination by the Company of the contracts with Key Employees due to a wilful and culpable conduct during the exercise of their functions that prejudices the Company's interests, or due to any action or omission contrary to the law or the Bylaws or carried out breaching the duties inherent to the exercise of their positions that causes harm to the Company, the

Key Employee will not be entitled to any economic compensation, except for the liquidation that may correspond to them from the amounts accrued but pending to be paid in accordance to their respective contracts.

Compensation payments in the event of termination of the contracts with Key Employees due to an Extraordinary Event.

(i) Definition of Extraordinary Events and termination of the contract by the Key Employee:

In the event that during the normal course of the Company's activities any of the following events take place: the removal of the CEO or the revocation of the faculties that were delegated to him by the Board of Directors, a structural change of the Company occurs as a result of a merger or absorption, the approval of the dissolution or liquidation of the Company by its shareholders or a change in the share ownership of the Company that results in an acquisition of the control over the Company (according to the standard of "control" defined in the MAB regulation in force or, in case the shares of the Company have been listed on the Spanish Stock Exchanges, in the Royal Decree 1066/2007, of 27 July, on rules applicable to takeover bids for securities), whether it is a consequence of a private sale process or a public takeover offer (or not) of shares (any of them, an "Extraordinary Event"), the Key Employees will have the option, within a 12 month term since the date of completion of the Extraordinary Event, to terminate their contracts with the Company and cease in their position, having a right to receive special compensation equivalent to a percentage that will be, in the case of the CEO, 3%, and in the case of the rest of the Key Employees, 1%, of the higher value between (a) the NAV of the Company on the date of the last day of the semester closest to the occurrence of the Extraordinary Event, (b) the value of liquidation of the Company, and (c) the price offered for the Company's shares in the transaction that resulted in an acquisition of control of the Company and/or an Extraordinary Event. If the Key Employee does not exercise its right to terminate the contract in such term, the contract will remain in force during the new situation, unless the Company and Key Employee agree otherwise.

If the Key Employee exercises his right of termination of his contract with the Company, he will have the right to obtain a waiver from the Company on any lock-up commitment of shares that were in force as of the date of termination of his contract in relation to his shares as per the Promote.

(ii) Termination of the contracts with the Key Employees by the Company:

In case the contract of the Company with the Key Employee is terminated by the Company—and as long as such termination is unrelated to any grave or culpable breach of the Key Employee commitments, in which case the specific

regulation indicated above will apply—during the term of 12 months from the date of effectiveness of the Extraordinary Event, the Key Employee will be entitled to receive a special compensation in cash that will be calculated depending if the termination occurred before or after the end of the Minimum Permanence Term.

Before the end of the Minimum Permanence Term

The special compensation will be equivalent to the compensation resulting from what is stated in the section “*Compensation payments in case of unilateral termination by the Company of the contracts with Key Employees, unrelated to a grave or culpable breach of the Key Employees’ commitments*” above and will be payable in the same form and time.

In addition to the above, the Key Employees will have the right to receive a compensation in cash equivalent to, in the case of the CEO, 5%, and in the case of the rest of Key Employees, 3%, of the higher value between (a) the NAV of the Company on the date of the last day of the semester closest to the occurrence of an Extraordinary Event, (b) the Company’s liquidation value and (c) the price offered for the shares of the Company in the transaction which resulted in an acquisition of the control of the Company. This special compensation will be paid in cash as soon as reasonably possible after termination of the contract.

The Key Employee will be entitled to obtain a waiver from the Company on any lock-up commitment of shares in force at the date of termination of the contract in relation to his shares as per the Promote.

After the completion of the Minimum Permanency Term

The special compensation will be equivalent to the compensation that results from the application of section “*Compensation payments in case of unilateral termination by the Company of the contracts with Key Employees, unrelated to a grave or culpable breach of the Key Employees’ commitments*” above and will be payable in the same time and manner.

In addition to the above, the Key Employees will be entitled to receive a compensation in cash equivalent to, in case of the CEO, 4%, and in case of the rest of Key Employees, 2%, of the higher of (a) the NAV of the Company on the date of the last day of the semester closest to the occurrence of an Extraordinary Event, (b) the Company’s liquidation value, and (c) the price offered for the shares of the Company in the transaction which resulted in an acquisition of the control of the Company. This special compensation will be paid fully in cash as soon as reasonably possible after the termination of the contract.

The Key Employee will be entitled to obtain a waiver from the Company on any lock-up commitment of shares in force on the date of termination of the contract in relation to its shares as per the Promote.

D&O insurance policy

Following the Offering, the Company will maintain a directors and officers (“D&O”) insurance policy that protects the members of the Management Team of the Company from liabilities incurred as a result of actions taken in their official capacity as directors and managers, as the case may be. In any case, the Company intends to review the terms and conditions of this policy each year in order to adapt them as the Company grows.

2.18. Employees. Total number (categories and geographical distribution)

The Management Team

The ordinary operations of the Company will be carried out, at all times, by a team of highly qualified professionals with broad experience of 20 years (and more than 30 years in the case of some members) in the real estate, hospitality and financial sectors. in the hotel and real estate market (the “Management Team”). The following table includes the members of the Management Team as of the date of this Informational Document.

Name	Title	Member of the Management Team since⁽¹⁾
Mr. Javier Illán Plaza	Chairman of the Board of Directors and Chief Executive Officer (CEO)	May 10, 2019
Mr. Juan Odériz	Corporate Manager	March 17, 2017
Mr. Remigio Iglesias	Business Development Manager	May 10, 2019
Mr. Santiago López-Vilas	Investment Director	February 5, 2018
Ms. María Pardo Martínez	Head of Investor Relations and Corporate Communications	November 15, 2018
Mr. Miguel Torres	Chief Financial Officer (CFO)	March 1, 2019

Additionally, as of date of this Informational Document, we have 8 highly skilled full-time employees, making our dedicated team one of the largest of its type in Spain. Our employees are mostly centralized in Madrid, where our corporate headquarters are located. Altogether, the team combines a wide range of key know-how elements:

- *Real estate investment.* Our team has extensive experience in terms of asset acquisitions, technical expertise and redevelopment processes in different real estate segments (hotel, residential and retail);

- *Financial background.* Our team has extensive expertise in the financial sector, in real estate financing and investment banking, having worked for listed companies and across various financial areas;
- *Hospitality experience.* Our team has experience with both Spanish and Portuguese operators and with many of the most important international brands and operators. Our team has a regular dialogue with national and international hotel operators which allows us to be informed of their preferences and to obtain their feedback on specific investment opportunities;
- *Access to real estate stakeholders.* Thanks to the solid experience of our team, we have direct contact with the key real estate players in Spain and Portugal; and
- *Access to real estate direct owners in off-market opportunities.* Our Management Team's extensive contacts network and track record provide us with access to opportunities that are off market, especially to properties that are owned by local owners, families and non-professional real estate investors without the need, in most cases, to operate through real estate brokers or other intermediaries. In other cases, we undertake an investigation process (through market research and/or the public property registry) to identify the owner of a specific asset of our interest.

These credentials are critical for the proper understanding of market needs and opportunities and the successful implementation of value-added processes, which are always controlled by our professionals and fully aligned with our strategy. The Company intends to capitalize on the Management Team's track record for seizing opportunities in a timely manner. The Management Team has a track record of securing real estate investments and believes it is well-placed to secure properties which meet the Company's investment criteria due to its strong track record in lodging real estate in Spain and its established network to source off-market deals (including as a result of its strong domestic banking contacts and successful reputation working with third party investors as co-investors and joint venturers, among others).

We believe we have the capabilities required to find investment opportunities, effectively execute a value-added strategy and manage the portfolio rotation to maintain our target risk/reward ratio. Our Management Team is continuously analyzing potential hotel investments and the portfolios of the main operators in Spain and Portugal. Mr. Javier Illán's good relationship with national and international operators and market agents, supported by his experience in the sector, enables the Company to have access to off-market opportunities and maximize return on investment.

Our team has broad, proven experience performing remodelling operations and repositioning properties, and has generated value through the identification and analysis of opportunities with potential for improvement and the subsequent active management of the properties. We believe this remodelling strategy will allow us to turn acquisitions of "yielding", "turnaround" and "greenfield" properties into a portfolio of core hotels, thereby capturing additional value during the process.

We have an efficient, professional internal organizational structure, applying appropriate corporate governance practices and with a top-level Board of Directors. The internal management structure is designed to align the interests of the Management Team with those of investors, to offer greater agility to execute portfolio management actions and to monitor and supervise the hotels in our portfolio. It also helps optimize the Company's costs structure and creates a more transparent organizational structure that minimizes the internal complexity of the Company.

The Management Team is composed of Mr. Javier Illán (Chairman of the Board of Directors and CEO), who is responsible for managing the overall operations of the Company, supported by Mr. Juan Odériz (Corporate Director), Mr. Remigio Iglesias (Business Development Manager), Mr. Santiago López-Vilas (Investment Director), Ms. María Pardo (Head of Investor Relations and Corporate Communications) and Mr. Miguel Torres (CFO). For more information on the Management Team and the Board of Directors, see "Management" and "Board of Directors". The current staff includes support functions in the administration and control area as well as a team highly specialized in project development, currently outsourced and it will be partially internalized once the company is listed. Likewise, an internal auditor will be incorporated who will report to the audit and control committee, as the legal representative, a service that is currently outsourced.

We have standardized various key processes in our business operations to ensure a smooth and efficient workflow and facilitate the continuous interactions among our business areas. We believe that our highly methodological approach supports our ability to address different operating and strategic challenges in an efficient and timely manner. The chart below reflects our organizational structure as of the date of this Informational Document, as well as the key responsibilities of each of our platform units:



- **Business Development Director.** Our Business Development Director is Mr. Remigio Iglesias and is responsible for overseeing and monitoring the operations of our investment director and our project management and property management teams. He coordinates experienced professionals who are responsible for selecting, acquiring and managing properties, as well as all related aspects. In particular, our business development team is in charge of (i) analyzing and executing acquisitions, (ii) conceptualizing and implementing projects, (iii) selecting operators for our

hotels, (iv) managing capital expenditures to maximize the value of our properties, (v) monitoring performance, technical status and maintenance of our hotels, and (vi) managing relations with our operators. Our business development team is comprised of the following units:

- *Investment Director.* Our Investment Director is Mr. Santiago López-Vilas, who is primarily responsible for deal origination and sourcing and for the smooth execution of our hotel acquisitions. In particular, our Investment Director is generally responsible for identifying hotels that meet our investment criteria, carrying out a comprehensive business plan analysis on such properties, evaluating them, identifying the best potential operators, coordinating the due diligence process and negotiating acquisition terms. In analyzing a potential acquisition, our Investment Director works in close coordination with our projects team, which is closely involved in both the technical due diligence and the preparation of a detailed cost plan for the relevant hotel, and with our legal team, which is closely involved in the legal due diligence and the negotiation of any agreements. Also one of the key functions is the relationship with the operators and brands, as well as the follow-up of the same. For additional information on our approach to selecting acquisition targets and completing an acquisition, see section 2.7 of the Informational Document.
- *Project Management Team.* Our project management team is primarily responsible for monitoring the maintenance of our leased hotels as well as implementing renovations, refurbishments and other construction works. This team is primarily responsible for concept and product development and constructions in each of our hotels. This team includes our in-house construction team which is responsible for overseeing construction works in our hotels and includes an in-house highly-qualified technical team. Our project management team also provides support for technical due diligence during asset acquisition processes.
- *Property Management Team.* Our property management team is responsible for hotel operations and performance monitoring upon a hotel's stabilization. This team works closely with the operators of our hotels on key aspects of each hotel's operation including, among others, revenue management, market positioning, distribution channels strategy, cost structure, capital and operational budgeting, as well as the identification of return on investment initiatives and overall business strategy. This team is also responsible for conducting market research and competitive benchmarking analysis. Finally, this team, together with our finance and administration team, oversees reporting and monitoring at an individual hotel level.
- *Corporate Director.* Our Corporate Director is Mr. Juan Odériz and is responsible for overseeing and monitoring the operations of our finance and administration and legal teams.

- *Finance and Administration.* Our finance and administration team is directed by Mr. Miguel Torres, is primarily responsible for preparing and overseeing the execution of our business plan and devising and implementing our equity and debt strategy, which involves close interactions with financial institutions. It seeks to ensure that the Company has sufficient available liquidity to fund both its operations and its potential investment opportunities. This team is also responsible for financial controller functions, including the supervision of financial accounting, internal reporting, auditing and treasury and budget control and works closely with our external advisors in connection with our hotel portfolio internal audits (in terms of finance, accounting processes and compliance) and conducts day-to-day financial review and hotel visits. This team is also involved in all activities relating to corporate risk control and review. Additionally, it coordinates and supervises statutory audits.
- *Legal.* We usually outsource legal advice from Uría Menéndez Abogados, S.L.P. Whilst the negotiation of agreements (including acquisition, lease and construction agreements) and legal due diligence is typically undertaken by our external legal counsel, our Secretary to the Board of Directors oversees matters relating to corporate structure and corporate governance and the definition of our policies, procedures and actions which ensure compliance with laws and regulations by any agents, employees, officers and members of the Board of Directors. Additionally, our Secretary to the Board of Directors (either himself or with the support of our external legal counsel) is also responsible for the day-to-day supervision and monitoring of all legal matters related to our hotels, from labor disputes to construction, business permits and licenses.
- *Investor Relations and Corporate Communication.* Our investor relations and corporate communication team is directed by Ms. María Pardo is primarily responsible for maintaining the Company's relationship with investors and with regulatory bodies and for managing the flow of information outside the Company.

2.19. Number of shareholders and, in particular, details of the main shareholders, understood as those with shareholding, directly or indirectly, equal to or greater than 5% of the capital, including number of shares and percentage of capital. Moreover, details of the directors and management with a shareholding, directly or indirectly, equal to or greater than 1% of capital shall also be included

As of the date of this Informational Document, the Company's issued share capital amounts to EUR 15,202,800, divided into a single series of 15,202,800 Ordinary Shares, with a par value of EUR 1.00 each and a premium of EUR 4.00. In addition, the Company has a legal reserve amounting to EUR 3,040,560 and a restricted reserve which amounts to EUR 57,770,640 (this reserve shall only be used provided that the same requirements than share capital decreases are met). In the context of the Offering, up to 64,797,200 new Shares with a par value of EUR 1.00 each and a share premium

of EUR 4.00 each, are expected to be issued, resulting in a post-Offering equity of EUR 400,000,000.

Shareholder	%	# of shares	Valuation of the shares (EUR)
Alazady, S.L. (controlled by José María Castellano)	13.16%	2,000,000	10.000.000
PREMAAT, M.P.S.	13.16%	2,000,000	10.000.000
Garganta Construcciones, S.L.U. (controlled by Antonio Vicente Giménez and María José Martínez)	9.21%	1,400,000	7.000.000
Siemprelara, S.L. (controlled by Leopoldo del Pino)	7.89%	1,200,000	6.000.000
Coblilac, S.L. (controlled by María del Mar and Miguel Ángel García Baquero)	6.58%	1,000,000	5.000.000
Mutual Médica, M.P.S.	6.58%	1,000,000	5.000.000
Liquid Investment, S.L (controlled by Hector Fabián Gómez-Sainz)	5.26%	800,000	4.000.000
Rest of shareholders (37 minority shareholder´s)	38.17%	5,802,800	29,014,000
Total	100.00%	15,202,800	76,014,000

The following table sets forth the beneficial ownership of the Ordinary Shares prior to the Offering. As of the date of this Informational Document, the Company's share capital is held by 44 investors. These shareholders will have the same voting rights as any other shareholder following the Offering and consequently each Ordinary Share will be entitled to one vote.

The following table sets forth the Directors and Management with a total (direct and indirect) equity stake equal or greater than 1% of the capital, as of the date of this Informational Document:

Shareholders	%	# of shares	Valuation of the shares (EUR)
José María Castellano	13.16%	2,000,000	10,000,000
Javier Illán Plaza	2.82%	429,000	2,147,000

2.20. Report on the working capital

The Board of Directors of the Company states that, after carrying out the necessary analysis with required diligence, the Company has sufficient working capital to carry out its activity for the 12 months following the date of the listing of its shares on the MAB.

2.21. Report on the organisational structure of the Company

The Board of Directors of the Company states that it has an organisational structure and a system of internal control of the financing information which permits compliance with the information obligations imposed by MAB Circular 6/2018, of July 26, 2018, on information to be provided by Growth and REITs listed for trading on the MAB. The internal report of the Company has been attached as Appendix V of this Informational Document.

2.22. Report on the existence of an Internal Code of Conduct

The Board of Directors of the Company, held on May 14, 2019, approved the internal code of conduct of the Company on matters relating to the securities market (hereinafter, the “**Internal Code of Conduct**”), although according to the recent regulation (*Real Decreto-ley 19/2018, de 23 de noviembre, de servicios de pago y medidas urgentes en materia financiera, que modifica la redacción del artículo 225.2 de la Ley del Mercado de Valores*), it is not obligatory to send it to the CNMV.

In accordance with Article 1 of the Internal Code of Conduct, its objective is to establish rules in relation to the management and supervision of insider information, the notification of relevant information, the prevention of actions constituting market manipulation, operations involving the securities of the Company and treasury stock operations.

2.23. Risk factors

Our business and activity are subject to various factors, both inherent in the Company itself and external, which could affect the progress of the business of the Company.

Before any decision is taken to invest in shares of Millenium, consideration should be taken, *inter alia*, of the risks listed below. These risks are not the only ones to which the Company is exposed, and the order given does not necessarily reflect a degree of importance or likelihood of occurrence of the same.

2.23.1. Risks related to the Company's financing and its exposure to interest rates

2.23.1.1. Our indebtedness may materially and adversely affect our operating performance.

At December 31, 2018, we had EUR 33.7 million of debt outstanding. We target a loan-to-value ratio, measured as our net debt as a percentage of the aggregate GAV of our hotel portfolio ("LTV ratio") of up to 50%, which we believe is a reasonable and sustainable percentage. Our LTV ratio was approximately 45% as of December 31, 2018.

Because we anticipate that our operating cash will be adequate to repay only a portion of our debt at maturity, we expect that we will be required to repay debt through debt refinancing, offerings of our securities or a combination of the foregoing. The amount of our outstanding debt may adversely affect our ability to refinance our debt. If we are unable to refinance our debt on acceptable terms, or at all, we may be forced to dispose of one or more of our hotels on disadvantageous terms, which may result in losses to us and may adversely affect the cash available for distributions to our shareholders. In addition, if then prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, our interest expense would increase, which would adversely affect our future operating results and liquidity

In addition, our investment strategy includes the use of leverage and the reliance on external funding, which may increase our risks associated with borrowing. As of the date of this Informational Document, we have incurred in debt under three different indebtedness agreements with different Spanish banking entities (see section 2.12 of the Informational Document).

The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. Principal and interest payments on indebtedness (including indebtedness having "balloon" payments) will have to be made regardless of the sufficiency of cash flow from our hotels. Our investments will be impaired by a smaller decline in the value of the properties than is the case where properties are owned with a proportionately smaller amount of debt. Our debt service is covered by the Fixed Revenues and our leverage ratio can be considerable reasonable by our cash flow generation from the assets and underlying value of the assets (prime locations).

We may incur or increase our indebtedness by obtaining loans secured by some or all of our properties at the moment of their acquisition and may borrow under financing secured by our properties after they are acquired. Depending

on the level of leverage and decline in value, if debt payments are not made when due, one or more of our properties may be lost (and our investment therein rendered valueless) as a result of foreclosure by the lender(s). A foreclosure may also have substantial adverse tax consequences for us.

Our outstanding debt, and any additional debt borrowed in the future, may subject us to many risks, including the risks that:

- our cash flows from operations may be insufficient to make required payments of principal and interest;
- we may be required to use a substantial portion of our cash flows to pay principal and interest, which would reduce the cash available for distributions to our shareholders;
- we may be at a competitive disadvantage compared to our competitors that have less debt;
- we may be vulnerable to economic volatility, particularly if growth were to slow or stall and reduce our flexibility to respond to difficult economic conditions;
- the terms of any refinancing may not be in the same amount or on terms as favorable as the terms of the debt being refinanced; and
- the use of leverage could adversely affect our ability to borrow more money for operations or capital improvements, to finance future acquisitions or to make distributions to our shareholders and it could adversely affect the market price of our Ordinary Shares.

Furthermore, our continued ability to borrow under certain credit facilities we may enter in the future may be subject to compliance with certain financial and other covenants (see section 2.1.12 of the Informational Document) and undertakings, including covenants relating to debt service coverage ratios and leverage ratios, and our ability to meet these covenants may be adversely affected if lodging fundamentals deteriorate dramatically in Spain or Portugal, assuming we expand our business into Portugal in the future. In addition, the indebtedness that we may enter into in the future will likely contain covenants such as those that limit our ability to enter into future indebtedness, whether secured by our properties or unsecured, or to discontinue insurance coverage, as well as financial covenants. Our failure to comply with covenants in our indebtedness, as well as our inability to make required principal and interest payments, could cause a default under the applicable indebtedness agreement, which could result in the acceleration of the debt and require us to repay such debt with capital obtained from other sources, which may not be available to us or may be available only on unattractive terms. Furthermore, if we defaulted on secured debt, lenders could take possession of the asset(s) securing such debt. In addition, indebtedness agreements may contain specific cross-default provisions with respect to specified other indebtedness, giving the lenders the right to declare a default on its debt and to enforce remedies, including

accelerating the maturity of such debt, upon the occurrence of a default under such other indebtedness.

If we default on several of our indebtedness agreements or any significant indebtedness agreement, we could be materially and adversely affected. For a description of certain terms and conditions of our main indebtedness agreements.

2.23.1.2 Default by lessees could cause significant losses of income, create additional costs, or cause a reduction in asset value and increased bad debts.

A downturn in the business, or the bankruptcy or insolvency of any of our hotel lessees could result in a significant loss of income, additional expenses, an increase in bad debts and decreased property value. In the event of a default by any of our hotel lessees, the Company may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting its investment. Moreover, such a default may prevent the Company from increasing rents or result in lease terminations by, or reductions in rent for, other lessees under the conditions of the leases or otherwise. In addition, adverse economic conditions affecting the hotel or hotel operating industry could affect the financial ability of one or more of the Company's lessees to make payments under their leases, which could cause delays in the Company's receipt of rental revenues or a vacancy in one or more of its properties for a period of time. Any of the above may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

As of the date of this Informational Document, two of the five hotels in our portfolio are operated by companies of the Hotusa Group. As a result, the Company currently depends on the Hotusa Group for a substantial part of its revenue. The Company's dependence on the Hotusa Group entails a higher level of risk and causes the Company to be susceptible to enhanced risks derived from lessee concentration, compared to other property companies that own a portfolio of hotel properties leased to a diverse number of hotel operators. Any circumstance which adversely affects the operations or business of the Hotusa Group or its attractiveness to clients, may affect the revenue that the Company is able to derive from its hotels currently leased to the Hotusa Group, and the Company will not have income from any other properties to mitigate any ensuing loss arising from such circumstance until the opening of Hotel Plaza de la Magdalena, which is scheduled to occur during the first quarter of 2020, and/or the acquisition and operation in the near future of other hotels currently under analysis.

Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.23.1.3 Disruptions in the financial markets could adversely affect our ability to obtain sufficient third-party financing for our capital needs on favorable terms or at all, which could materially and adversely affect us.

In recent years, the Spanish financial market experienced significant price volatility, dislocations and liquidity disruptions, which caused stock market prices to fluctuate substantially and the spreads on prospective debt financings to widen considerably. Renewed volatility and uncertainty in the financial markets could negatively affect our ability to access additional financing for our capital needs, including growth, acquisition activities and other business initiatives, on favourable terms or at all, which may negatively affect our business. Additionally, in the future we may be unable to refinance or extend our debt, or the terms of any refinancing may not be as favourable as the terms of our existing debt. If we are not successful in refinancing our debt when it becomes due, we may be forced to dispose of properties on disadvantageous terms, which may adversely affect our ability to service other debt and to meet our other liquidity and business obligations. A prolonged downturn in the financial markets may cause us to seek alternative capital sources of potentially less attractive financing and may require us to further adjust our business plan accordingly. These events also may make it more difficult or costly for us to raise capital through the issuance of new equity or the incurrence of additional secured or unsecured debt, which could materially and adversely affect us.

2.23.2. Operating and valuation risks

2.23.2.1 We may be subject to liability or loss of income in connection with pending licences, concessions, permits and authorisations or lack thereof as well as planning instruments and applicable sectorial legislation

In order to own and manage its properties, we and/or the lessees or managers of the assets are required to obtain certain licences, concessions, permissions and authorisations for, among other things, refurbishment works, change of intended use, on-going refurbishments to modernise properties and/or the need to bring them into conformity with planning regulations. In certain cases, we may acquire properties that do not yet possess all necessary licenses at the time of such acquisition and/or fail to comply with planning and sectorial legislation. As a result, we may not be able to manage such properties as originally planned due to, among other things, (i) delays in obtaining (or failure to obtain) the necessary licences, concessions, permissions or authorisations (which are in any case subject to administrative proceedings); (ii) failure to bring the assets into conformity with planning and sectorial legislation; (iii) the zoning situation of the assets; or (iv) applicable legislation. All of this could have a material adverse effect on our financial condition, business, prospects and results of operations.

2.23.2.2 There are certain inherent risks relating to property development, including unanticipated costs or delays by third parties, which may impact our ability to implement its strategy

Our invest in assets requires development and refurbishment in order to make them more attractive to tenants and consequently to increase the rent. Property development involves, among others, the following risks: (i) the resulting costs of a project may differ from those originally estimated, and may exceed the increase in rental income expected as a result of such project; (ii) the authorisations and licences required for any new uses of the assets may be delayed or not granted at all; (iii) costs could increase due to changes in regulation; (iv) delays by contractors in construction or refurbishment of such properties could trigger the payment of penalties to clients and incurrence of higher development costs; (v) it may be difficult or impossible to lease or sell the properties once the development project is completed and (vi) potential liabilities and obligations associated with the developments and/or ownership of assets under Spanish development laws (including claims due to defects relating to the development, construction and/or refurbishment of properties). The risks referred to above may cause increases in costs and delays for, or the cancellation of, future projects. Furthermore, we may not receive the expected benefits of such development projects, which could in turn make us unable to meet its performance expectations and to achieve our target return. Any of the foregoing may in turn have a material adverse effect on our financial condition, business, prospects and results of operations.

2.23.2.3 We have limited operating history

We were incorporated on June 6, 2017. Our operating history is therefore limited and our track record relates only to this limited operating period. See section “Risks Related to Valuations, Forward-Looking Statements and Financial Information included in this Informational Document —We have limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares” and “Business—History”. We have a limited operating history and we cannot assure that the challenges of operating as a recently incorporated company will not occupy a significant amount of our Management Team’s time and resources to the detriment of the development of our business. In addition, we cannot assure you that our past experience or the past experience of our Management Team (as defined below) or our other professionals will be sufficient to enable us to operate our business successfully or implement our operating policies and business strategies as described in this Informational Document. Any investment in the Shares is, therefore, subject to all of the risks and uncertainties associated with a recently-formed business, including without limitation the risk that we cannot

implement our business strategy or achieve our objectives, and that the value of our investments, as well as the value of the Shares, could substantially decline. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

2.23.2.4 Our acquisition, development, repositioning, renovation and re-branding activities are subject to various risks, any of which could, among other things, result in disruptions to our hotel operations, strain management resources and materially and adversely affect our business.

We intend to continue to acquire, develop, reposition, renovate and re-brand hotels, subject to the availability of attractive hotels or projects and our ability to undertake such activities on satisfactory terms. In deciding whether to undertake such activities, we will make certain assumptions regarding the expected future performance of the relevant hotel or project. However, newly acquired, developed, repositioned, renovated or re-branded hotels may fail to perform as expected and the costs necessary to bring such hotels up to the desired standards may exceed our expectations, which may result in the hotels' failure to achieve our targeted returns.

In particular, to the extent that we engage in the activities described above, they could pose the following risks to our ongoing operations:

- acquired, developed, repositioned, renovated or re-branded hotels may not be accretive to our results of operations, and the hotel operators that operate our hotels under lease agreements (see section 2.6.1 of the Informational Document) may not successfully operate them to our expectations;
- although we design a detailed asset landing plan to quickly, effectively and efficiently integrate new acquisitions into our existing operations, our landing plan could prove ineffective;
- our development, repositioning, renovation or re-branding activities may not be completed on schedule or at the estimated costs;
- we may abandon such activities and we may be unable to recover the expenses already incurred in connection with exploring such opportunities, including costs derived from valuation, financing or legal services; and
- the attention of our Management Team may be diverted by our acquisition, development, repositioning, renovation or re-branding activities, which in some cases may turn out to be less compatible with our growth strategy than originally anticipated.

The occurrence of any of the foregoing events, among others, could have a material adverse effect on our business, financial condition and results of operations.

2.23.2.5 The geographic concentration of our hotels in Spain and our potential future expansion into Portugal exposes us to any adverse developments specifically affecting such countries.

As of the date of this Informational Document, all of our hotels are located in Spain and we expect most of our future hotel acquisitions to be in Spain and, to a lesser extent, in Portugal. This geographic concentration exposes our operating results to events or conditions which specifically affect Spain and, assuming we expand our business into Portugal, may in the future expose our operating results to events or conditions which specifically affect Portugal, such as local, regional and nationwide economic, political, social, climate-related and other conditions. Adverse developments that specifically affect Spain, Portugal or their attractiveness as business or leisure destinations may have a material adverse effect on our business, financial condition and results of operations. This further increases our exposure to adverse developments in Spain, including adverse changes in its gross domestic product, employment levels, gross disposable income, inflation, interest rates and population growth, all of which could materially adversely affect our business, financial condition and results of operations.

2.23.2.6 We are dependent on the performance of third-party hotel operators and we could be materially and adversely affected if such third parties do not manage our hotels in our best interests.

We do not operate any of our hotels directly. Instead, we rely on third-party hotel operators to operate our hotels pursuant lease agreements. Additionally, we and the operators of our hotels select specialized operators for specific services at our hotels, such as food and beverage (“**F&B**”), spa, entertainment and sports.

Under our lease agreements for Hotel Vía Castellana and Hotel Eurostars Lucentum, have no ability to participate in operational decisions affecting the hotels and we are not allowed to terminate such lease agreements as a result of poor operating performance. However, according to our lease strategy and under the terms of our lease agreement for Hotel Plaza de la Magdalena, Hotel Gran Vía Bilbao and Hotel Plaza San Francisco we may terminate our lease agreements for poor performance under certain events measured periodically. We also have the right to perform compliance audits in connection with Hotel Vía Castellana, Hotel Plaza de la Magdalena, Hotel Gran Vía Bilbao and Hotel Plaza San Francisco to ensure the accuracy of the hotel operator’s calculation and settlement of the variable component. For additional information on the terms of the lease agreements for the hotels in our portfolio, see section 2.6.1 of the Informational Document.

We cannot assure you that the operators of our hotels will operate our hotels in a manner that is consistent with our business plan or with their respective obligations under the applicable lease agreement. We also cannot assure you that the operators of our hotels will not be negligent in their performance, will not engage in criminal or fraudulent activity or will not otherwise default on their respective obligations to us.

In addition, there is risk that the operators of our hotels operate other hotels in the same geographic area and in direct competition with our hotels. If the operators of our hotels also operate competing hotels, it could be more difficult for us to achieve the level of product differentiation we seek in accordance with our business plan, could lower demand in our hotels or could force our hotels to lower prices to remain competitive, all of which could materially adversely affect our business, financial condition and results of operations.

From time to time, disputes may arise between us and the operators of our hotels regarding their performance or compliance with the terms of the lease agreements. We generally will attempt to resolve any such disputes through discussions and negotiations. However, if we are unable to reach satisfactory results through discussions and negotiations, we may choose to terminate the relevant lease agreement, or litigate the dispute or submit the matter to alternative dispute resolution mechanisms, the outcome of which may be unfavourable to us.

In the event that any of our lease agreements is terminated as a result of any such dispute or otherwise, we can provide no assurances that we could find a replacement hotel operator, or that any replacement hotel operator will be successful in operating our hotels. In addition, finding a replacement hotel operator could be challenging and time consuming and could cause us to incur significant costs to obtain new lease agreements for the affected hotels, or the terms and conditions of the new lease agreements could be less favourable to us than those of the former lease agreements, any of which in turn could materially and adversely affect our business, financial condition and results of operations.

We face similar risks to those described above with respect to the specialized operators who are responsible for providing specific services at our hotels, especially the F&B operators in some of our hotels where F&B revenues are significant. If our relationship or the operators of our hotels' relationship with any such specialized operator were to deteriorate or terminate, this could materially and adversely affect our business, financial condition and results of operations.

2.23.2.7 We are subject to the risks associated with the brand names under which our hotels are operated.

Hotel Vía Castellana and Hotel Eurostars Lucentum are operated by companies of the Hotusa Group (as defined below), Hotel Plaza de la Magdalena and Hotel Gran Vía Bilbao will be operated by Radisson (as defined below) and Hotel Plaza San Francisco will be operated by Alma Hoteles (as defined below). See section 2.6.1 of the Informational Document. Additionally, we have a regular dialogue with other national and international hotel operators which allows us to be informed of their strategic preferences and to obtain their feedback on specific investment opportunities. As a result, our success is and will be dependent in part on the continued success of such owners and their brands. We believe that brand value is critical to increasing demand and building customer loyalty. Consequently, if market recognition or the positive perception of such brands is reduced or compromised for any reason, the goodwill associated with our hotels utilizing such brands may be adversely affected and our business, financial condition and results of operations could be materially adversely affected.

2.23.2.8 Costs associated with, or failure to maintain, any operating standards agreed with a hotel operator or a lender may materially and adversely affect us.

We are required to meet specified operating standards and other terms and conditions with respect to our hotels under certain of our lease agreements and indebtedness agreements. If the expenses we incur to meet such standards, terms and conditions are significant, we could be materially and adversely affected. In addition, failure by us or the relevant hotel operators to meet such standards, terms and conditions could make us liable to the hotel operator or the lender, as applicable, for a penalty payment or result in the relevant lease agreement being canceled, the indebtedness agreement being accelerated or terminated or the operator or the lender, as applicable, requiring us to undertake a costly property improvement program.

If we were required to re-lease a hotel to a different hotel operator we could incur additional expenses and the hotel's underlying value could decline significantly from the loss of the associated name recognition, marketing support of the original hotel operator, use of such operator's centralized reservation system and participation in its guest loyalty programs, which could require us to recognize an impairment charge on the hotel. Additionally, if we were required to accelerate payments under any of our indebtedness agreements, we may be unable to refinance our debt on acceptable terms, or at all, or the terms of any refinancing may not be as favorable as the terms of our existing debt, and we may be forced to dispose of one or more of our hotels on disadvantageous terms, which may result in losses to us and may adversely

affect the cash available for distributions to our shareholders. In addition, if then prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, our interest expense would increase, which would adversely affect our future operating results and liquidity.

Furthermore, the termination of a lease agreement or an indebtedness agreement could harm our relationship with the hotel operator or the lender, as applicable, which could impede our ability to operate other hotels under the same brand, limit our ability to enter into new lease agreements or indebtedness agreements with the same hotel operator or lender, as applicable, in the future on favorable terms, or at all, and cause us to incur significant costs to enter into a new lease agreement or indebtedness agreement for a particular hotel.

2.23.2.9 Our long-term growth depends in part on successfully identifying and consummating acquisitions of additional properties and the failure to complete such acquisitions could materially and adversely impede our growth.

We can provide no assurances that we will be successful in identifying attractive properties that meet our investment strategy (see section 2.7 of the Informational Document) or that, once identified, we will be successful in consummating an acquisition. In particular, we can provide no assurances that we will be able to consummate the acquisition of any of the potential target properties that we have identified in our acquisition pipeline, including transactions that are under exclusivity agreements or due diligence or under assessment and negotiation.

We face significant competition for attractive acquisition opportunities from other well-capitalized investors, including private equity funds, other SOCIMIs, hotel companies and other parties who are engaged in the acquisition of hotels or development of hotel properties. Some of these competitors may have greater financial and operational resources and access to capital than we have and may have better knowledge of the markets in which we seek to invest. As a result of such competition, we may be unable to acquire certain properties that we deem attractive or the purchase price may be significantly elevated or other terms may be substantially more onerous. In addition, this competition may increase as investments in real estate become increasingly attractive relative to other forms of investment. Moreover, we expect to finance future acquisitions through a combination of borrowings, the use of retained cash flows, and offerings of equity and debt securities, which may not be available on advantageous terms, or at all. Any delay or failure on our part to identify, negotiate, finance on favorable terms, consummate and integrate such acquisitions could materially and adversely harm our growth. In addition, failure to close an acquisition after certain steps have been completed may result in payments to the seller or other parties and may affect our reputation and our credibility as a buyer in the industry, all of which could

materially adversely affect our business, financial condition and results of operations.

2.23.2.10 We may incur a variety of costs to engage in future growth or expansion of our operations and the anticipated benefits may never be realized.

We intend to grow our operations in existing markets and we may expand into new ones. We may be unable to achieve the anticipated benefits of any such growth or expansion (including through acquisition) or we may incur greater costs than expected in attempting to achieve the anticipated benefits. Growth or expansion could disrupt our ongoing operations and divert the resources of our Management Team that would otherwise focus on developing our existing business, in which case we may need to employ additional personnel or consultants that are knowledgeable of such markets. There can be no assurance that we will be able to employ or retain the necessary personnel, to successfully implement a disciplined management process and culture with local management, or that our expansion operations will be successful.

Moreover, although as of the date of this Informational Document all of the hotels in our portfolio are located in Spain, we may consider acquisitions in Portugal in the future. Although we may eventually seek to partner with local partners at 50%, given our lack of experience in the Portuguese market, we may take strategic decisions which negatively affect the positioning and profitability of any hotel we may choose to acquire or develop outside Spain, and any such acquisition or development could prove to be particularly difficult and complex, may substantially divert our Management Team's time, attention and resources and may be more expensive, time consuming and resource intensive than anticipated. Furthermore, at the time a particular investment is made the real estate or lodging market in Portugal may be at a different stage of its cycle than the market in Spain, which may require that we deploy a strategy with respect to such foreign acquisitions or developments which is different from the strategy deployed in respect of hotels located in Spain.

As a result of the above, the planned expansion of our business could expose us to significant risks, beyond those associated with operating our existing business, and may have a material adverse effect on our business, financial condition and results of operations.

2.23.2.11 We may be dependent on the performance of third-party contractors and renovation, refurbishment, turnaround or greenfield projects may suffer delays, may not be completed or may fail to achieve expected results.

Where we undertake renovation or refurbishment of our hotels or turnaround or development of new hotels, we will generally be dependent on the performance of third-party contractors who undertake the execution of such construction projects. We seek to work only with reputed contractors who are selected based on a scoring system and enter into turnkey contracts with them establishing guarantees and penalties to ensure the fulfilment of established partial milestones and completion dates (see section 2.7 of the Informational Document). Despite our efforts, however, the use of third-party contractors for works in respect of our hotels exposes us to various risks, including but not limited to:

- failure by such third-party contractors to perform their contractual obligations;
- insolvency of such third-party contractors;
- the inability of the third-party contractors to retain key members of staff;
- cost deviations in relation to the services provided by the third-party contractors;
- delays in the completion of projects;
- poor-quality execution;
- fraud or misconduct by an officer, employee or agent of a third-party contractor, which may result in losses for the Company and damage our reputation;
- inability to obtain necessary governmental or regulatory permits on a timely basis or at all;
- diversion of resources and/or attention of our Management Team from other operations and acquisition opportunities;
- disputes between the Company and third-party contractors;
- difficulty or inability to use or sell a property once a development project is completed; and
- liability of the Company for the actions of the third-party contractors or property users.

The risks referred to above may cause increases in costs and delays for, or the cancellation of, future projects. Furthermore, we may not receive the expected benefits of such projects, which could in turn make us unable to meet our performance expectations. If our third-party contractors were to fail to perform the services for which they were engaged, either as a result of their own fault or negligence, our failure to properly supervise such contractors or for any other reason, this could have a material adverse effect on our business, financial condition and results of operations.

2.23.2.12 Any difficulties in obtaining the capital necessary to make required periodic capital expenditures, undertake future renovations, refurbishments, turnarounds or greenfield projects or acquire new properties could materially and adversely affect our financial condition and results of operations.

Our hotels have an ongoing need for renovations and other capital improvements, including replacements of furniture, fixtures and equipment (“FF&E”) and operating supplies and equipment (“OS&E”). Our hotel lease strategy provides for annual FF&E and OS&E expenses ranging from between 1% and 4.5% of the total operating revenue generated by the hotel, 70% to 75% of which will be subtracted from the variable rent while the remaining 25% to 30% will be borne directly by the operators of our hotels. However, under our lease agreements we are required to undertake certain repair works in our hotels, particularly in relation to structures, flooring, roofing, façade and foundations, which may not be covered by the hotel operator or may exceed the FF&E and OS&E reserves, and we may also be required to undertake periodic capital improvements or other construction works. The costs of these repair works, capital improvements and construction works could materially and adversely affect us. In addition, acquisitions, turnarounds or development of additional hotels will require significant capital expenditures.

Following completion of the Offering, we expect to meet our long-term liquidity requirements through various sources of capital, including proceeds from offerings of debt securities and Ordinary Shares, including the Offering, financing from credit institutions, internally generated cash flow arising from the lease of our hotels or, to a limited extent, the sale of certain of our properties. The availability of external financing might be limited and lenders may impose several requirements for any financing to be granted to us. If we are unable to obtain the capital necessary to make required periodic capital expenditures, undertake future renovations of our hotels or acquire or develop new hotels or convert properties into new hotels on favorable terms, or at all, our business, financial condition and results of operations could be materially and adversely affected.

2.23.2.13 We may not acquire 100% control of certain hotels and may therefore be subject to the risks associated with joint ownership.

As of the date of this Informational Document, we fully own all the hotels in our portfolio. We may enter into joint ventures or other co-investment arrangements in the future to acquire, develop, improve, partially dispose of, or convert properties into, hotels, thereby reducing the amount of capital required by us to make investments and diversifying our capital sources for growth. Such investments involve risks associated with multiple owners and decision-makers and not otherwise present in a wholly-owned hotel or a redevelopment project, including the following:

- we may not have exclusive control over the development, financing, leasing, management and other aspects of the hotel or investment, which may prevent us from taking actions that are in our best interest but opposed by our partners;
- joint venture agreements and other co-investment arrangements often restrict the transfer of a partner's interest or may otherwise restrict our ability to sell the interest when we desire, or on advantageous terms;
- joint venture agreements and other co-investment arrangements may contain buy-sell provisions pursuant to which one partner may initiate procedures requiring the other partner to choose between buying the other partner's interest or selling its interest to that partner;
- a partner may, at any time, have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals;
- a partner may fail to fund its share of required capital contributions or may become bankrupt, which would mean that we and any other remaining partners generally would remain liable for the liabilities of the relevant joint venture or co-investment arrangement; or
- we may, in certain circumstances, be liable for the actions of a partner.

Moreover, in the event that we invest in properties through joint ventures, we will need to negotiate suitable arrangements with our investment partners. This process could prove to be time-consuming, and any such arrangements could restrict our ability to act quickly or unilaterally with respect to the relevant property.

Any of the above might subject a hotel to liabilities in excess of those contemplated and adversely affect the value of our current and future co-investments or could otherwise materially adversely affect our business, financial condition and results of operations.

2.23.2.14 We could incorrectly estimate the value of our investments.

Prior to any acquisition, we carry out an examination and evaluation of the investment opportunity. In this respect, we set a yield target, taking into account the need for required construction, maintenance, refurbishment or renovation and the revaluation potential of the asset to be acquired. We make assumptions in connection with the valuation and assessment of the acquisition opportunity which are inherently subjective and subject to uncertainty. Such assumptions may turn out to be inaccurate, in whole or in part, as a result of many factors that are unknown to us at the time of the valuation process. In addition, valuation methods used may subsequently turn out to have been unsuitable or inappropriate given the particularities of the investment. As a result, we may fail to correctly estimate the value of our investments and thereby overpay for them, which could have a material adverse effect on our business, financial condition and results of operations.

2.23.2.15 We are dependent upon our Management Team and on its expertise, and may be unable to attract and retain a highly skilled and experienced workforce.

We depend on the experience and relationships of our Management Team and the support of other highly qualified personnel to manage our day-to-day operations and execute our business strategy and growth. These individuals are important to our business and to the extent that any of them leaves and is not replaced on a timely basis with a qualified substitute, such person's departure could harm our business operations. We can provide no assurances that any of the members of our Management Team will continue their employment with us, or that we will continue to be successful in attracting and retaining qualified personnel. In the event that one or more of the members of our Management Team or any of our Key Employees leaves, there is no assurance that we will be able to find a qualified substitute in a timely manner or at all. The loss of any members of our Management Team and our inability to timely find replacements could materially and adversely affect our ability to source potential investment opportunities, our relationships with global and national hotel operators and brands and other industry participants and the execution of our business strategy, all of which could materially adversely affect our business, financial condition and results of operations.

2.23.2.16 Our hotel's operations are increasingly dependent on information technology, and potential cyber-attacks, security problems or other disruption and expanding social media vehicles present new risks.

The operators of our hotels rely on information technology networks and systems to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, personal identifiable information, reservations, billing and operating data. Although we believe the operators of our hotels have taken commercially reasonable steps to protect the security of their systems, there can be no assurance that such security measures will prevent failures, inadequacies or interruptions in system services, or that system security will not be breached. Their respective networks and storage applications could be subject to unauthorized access by hackers or others (through cyber-attacks, which are rapidly evolving and becoming increasingly sophisticated, or by other means) or may be breached due to operator error, malfeasance or other system disruptions. Any failure to maintain proper function, security and availability of information systems could interrupt our hotels' operations, damage our reputation or subject us to liability claims or regulatory penalties any of which could have a material and adverse effect on our business, financial condition and results of operations.

Further, as part of hotel operations, the operators of our hotels maintain personal data, such as credit card, identification, address and other information, of guests in their databases, which may be misused by hotel employees or, if there is unauthorized access to their information systems, by outsiders. We cannot assure you that there will not be incidents of unauthorized access to guest information or misuse of that information, which, if they occur, could have a material adverse effect on the business and reputation of our hotels.

In addition, the use of social media could cause us or our hotels to suffer brand damage or information leakage. Negative posts or comments about us, our hotels or the operators of our hotels on any social networking website could damage our or our hotels' reputation. In addition, employees or others might disclose non-public sensitive information relating to our business through external media channels. The continuing evolution of social media will present us with new challenges and risks.

2.23.2.17 Uninsured and underinsured losses at our hotels could materially and adversely affect us.

We maintain comprehensive insurance on each of the hotels in our portfolio and we intend to maintain comprehensive insurance on any properties that we operate in the future, including liability, fire and extended coverage (see section 2.6.1 of the Informational Document). However, there can be no assurances that insurance coverage will be available at reasonable rates. In addition, certain types of catastrophic losses may not be insurable or may not be economically insurable. Even when insurable, these policies may have high deductibles or high premiums or both. Furthermore, the Company may be required to comply with certain obligations under our insurance policies, including information undertakings and other customary obligations. Our insurance policies are subject to exclusions and limitations of liability. Accordingly, the Company could incur damages that are not covered by our insurance policies, or that exceed the coverage limits of our insurance policies.

The operators of our hotels or our lenders may require such insurance and our failure to obtain such insurance could constitute a default under our lease agreements or our indebtedness agreements, as applicable, which could have a material and adverse effect on us.

In the event of a substantial loss, our insurance coverage may not be sufficient to cover the full current market value or replacement cost of our lost investment. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in an asset, as well as the anticipated future revenue from the hotel. In that event, we might nevertheless remain obligated for any mortgage or secured debt or other financial obligations related to the asset. In addition, we could be liable to

repair damage caused by uninsured risks. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also keep us from using insurance proceeds to replace or renovate an asset after it has been damaged or destroyed. Under those circumstances, the insurance proceeds we receive might be inadequate to compensate us for the loss suffered on the damaged or destroyed asset, which could have a material and adverse effect on our business, financial condition and results of operations.

2.23.2.18 If we fail to maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, our shareholders could lose confidence in our financial results, which could materially and adversely affect us.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. Even though we have a finance and administration team that supervises the effectiveness of our internal controls over financial reporting, we cannot be certain that we will be successful in maintaining adequate internal controls over our financial reporting and financial processes. Furthermore, as we grow our business, our internal controls will become more complex, and we will require significantly more resources to ensure our internal controls remain effective. We aim to hire additional professionals in the future to increase the capabilities and reach of our finance and administration team. Additionally, the existence of any material weakness or significant deficiency would require our Management Team to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency and our Management Team may not be able to remediate any such material weakness or significant deficiency in a timely manner or at all. The existence of any material weakness in our internal controls over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements and cause us to fail to meet our reporting obligations, all of which could have a material adverse effect on our business, financial condition and results of operations.

2.23.2.19 The Valuation Report and/or additional existing or future valuation reports could incorrectly assess the value of our hotels and may not reflect the current market values of our hotels. In addition, an appraisal may not be directly comparable to those given in respect of similar properties as a result of differing assumptions and methodologies.

The Valuation Report contained in this Informational Document (see Annex V - CBRE Valuation Report) was prepared by the independent appraiser CBRE Real Estate, S.A. ("CBRE") in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of the

United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC).

The Valuation Report, which contains valuations as of December 31, 2018, is based on standard valuation principles and represents the opinions of CBRE who prepared the report. It is also based on assumptions regarding the Spanish real estate market that could subsequently turn out to have been incorrect. The assumptions underlying the appraisals are tested merely through random sampling, as is customary in such appraisals. Additionally, the valuation of real estate properties is based on a multitude of factors, including among others market performance, exit yield, occupancy rates, management fees, contingencies and the general market environment. The valuations of real estate contained in the Valuation Report, therefore, are subject to numerous uncertainties. Moreover, appraisal methods that are currently generally accepted and that were used for the purpose of developing the Valuation Report could subsequently be determined to have been unsuitable.

The valuation of real estate, including those contained in the Valuation Report, is inherently subjective and subject to uncertainty, in part because property valuations are made on the basis of assumptions which may not prove to be accurate, and in part because of the individual nature of each property. For example, the Valuation Report includes assumptions as at and prior to the date of the Valuation Report as to tenure, letting, taxation, town planning and the condition and repair of buildings and sites (including ground and groundwater contamination), based in part on information provided by us and which may have varied if made as at the date of this Informational Document or which may not be realized in practice. In particular, certain assumptions are dependent on our ability to meet our business plan, including successful and timely completion of certain ongoing and planned renovations. In addition, while the Valuation Report contains sensitivity analyses reflecting the estimated impact of changes in certain variables on market value, the magnitude of the changes considered in such sensitivity analyses may not be indicative of, and may underestimate, future changes in such variables. In addition, the sensitivity analyses do not consider all of the variables which could have an impact on market value.

Should the information, estimates or assumptions used in the Valuation Report prove incorrect or inaccurate, the valuations could be substantially erroneous. The market value of our properties may also decline significantly over time due to various factors. In addition, the values ascribed by CBRE should not be taken as an indication of the amounts that could be obtained by us upon disposal of such properties, whether in the context of the sale of individual properties or the portfolio as a whole.

The values assigned to the appraised hotels in the Valuation Report and/or our financial information could exceed the proceeds that we can generate from the sale of the appraised hotels. This could also apply to sales that occur on or shortly after the respective valuation date. Accordingly, the Valuation Report does not represent the future or current actually achievable sales price of our hotels or hotels portfolio. The property valuations contained in the Valuation Report might not accurately reflect the market value of our properties at a given date and market changes subsequent to the date of any such valuation may cause significant fluctuations in the value of the property investment.

Furthermore, the valuations contained in the Valuation Report are stated as at December 31, 2018. Following the valuation date, the market value of the appraised hotels could decrease due to a number of factors which may be beyond our control, including increases in the risk premium leading to lower than expected returns, our inability to obtain or maintain necessary licenses and permits, decline in demand, regulatory changes. Although we believe there has been no material change to the aggregate market value of our properties since December 31, 2018, there can be no assurance that these figures accurately reflect the market value of our properties as at any other date.

We plan to obtain valuation reports on a semi-annual basis and we cannot assure that the values of our hotels will not decrease in future valuation reports. Valuations of our hotels may have a significant effect on our financial standing on an ongoing basis and on our ability to obtain further financing.

As a result of the above, investors are cautioned not to place undue reliance on the statements contained in the Valuation Report or any additional present or future valuation or valuation reports.

2.23.2.20 We have limited available financial information, so investors in the Company will have limited data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Shares.

We were incorporated on June 6, 2017. Our operating history is therefore limited and our financial track record and financial statements relate only to this limited operating period. Other than our 2018 Consolidated Financial Statements, we do not have any historical consolidated financial statements. As a result, prospective investors may not have sufficient historical information to evaluate the investments we have made so far or to accurately estimate the income-generating potential of our hotels, and the refurbishment and repositioning of certain of those hotels, which either has occurred subsequently or is ongoing and will be relevant for our future performance and income-generating potential.

Additionally, a substantial portion of our hotel portfolio was acquired in 2018 and the number of hotels in our portfolio has significantly changed during the reported periods, affecting the comparability of our financial condition and results of operations as of and for the financial periods discussed in this Informational Document. The information in our 2018 Consolidated Financial Statements is not comparable with the information in the 2017 Individual Financial Statements due to the changes in the size and composition of our hotel portfolio and to the fact that the information in the 2017 Individual Financial Statements is not consolidated and only comprises the period between the incorporation of the Company on June 6, 2017 and December 31, 2017.

This makes assessing our potential future operating results, and the related merits of an investment in the Shares, difficult, and will limit the comparability of our operating results from period to period until we have a longer, more established track record.

2.23.2.21 There is no assurance that we will realize any targets, operating assumptions and other forward-looking statements set forth in this Informational Document.

We have included certain targets, operating assumptions and other forward-looking statements in this Informational Document, including certain assumptions regarding our current hotel portfolio made by CBRE for purposes of the valuations contained in the CBRE Valuation Report (see section 2.6.5 of the Informational Document). Any targets, operating assumptions and other forward-looking statements included in this Informational Document rely on a number of assumptions regarding future economic, competitive and other conditions and our future operations and business decisions. Such assumptions, many of which are outside our control, relate to the following, among others:

- economic growth in our customers' countries of origin;
- demand and supply in the lodging industry;
- general economic and political conditions in Spain and Portugal;
- our ability to identify and acquire additional properties that fit our strategic plans at commercially reasonable prices;
- future costs of refurbishment and repositioning of our hotels;
- our ability to obtain the capital necessary to make required periodic capital expenditures, undertake future renovations of our hotels on a timely basis or acquire new hotels or "turnaround" or "greenfield" properties;
- future laws and regulations that apply to our business; and
- our ability to negotiate lease agreements with leading hotel operators on favorable terms.

While we believe the assumptions which underlie the targets, operating assumptions and other forward-looking statements included in this Informational Document are reasonable, they are inherently subject to significant business, operational, economic and other risks and uncertainties, including those described elsewhere in this Informational Document, many of which are outside our control. If such assumptions prove to be incorrect, we may not be able to achieve the targets, operating assumptions or other forward-looking statements included in this Informational Document. We can provide no assurance that we will be able to achieve the targets, operating assumptions or the results suggested by such other forward-looking statements included in this Informational Document at the estimated dates set forth herein, or at all. Actual results may vary significantly from these targets, operating assumptions and forward-looking statements. Such targets, operating assumptions and forward-looking statements should not be regarded as a forecast, guarantee or representation by us or any other person that we will achieve these targets, operating assumptions and forward-looking statements at the estimated dates set forth herein, or at all.

2.23.2.22 Our Financial Statements have been prepared in accordance with Spanish GAAP and therefore are not directly comparable to financial statements of other companies prepared under IFRS, U.S. GAAP or other accounting principles.

Our Financial Statements have been prepared in accordance with Spanish GAAP, which differs in certain significant respects from the International Financial Reporting Standards (“IFRS”) and Generally Accepted Accounting Principles in the United States (“U.S. GAAP”). As a general rule, EU legislation requires listed companies (i.e., those whose securities are traded on a regulated market) to prepare their financial statements in accordance with IFRS. However, under the MAB-REIT rules, companies listed on the MAB are allowed to opt for IFRS or Spanish GAAP. The company has elected to prepare the Financial Statements under Spanish GAAP.

This Informational Document does not include a description or summary of differences between Spanish GAAP and IFRS or U.S. GAAP. This Informational Document also does not include a reconciliation of our Financial Statements to IFRS or U.S. GAAP or to any other generally accepted accounting principles or reporting standards, and there can be no assurance that such reconciliation would identify material quantitative differences.

Items on the financial statements of a company prepared in accordance with Spanish GAAP may not reflect its financial position or results of operations in the manner or in the amounts that they would be reflected had such financial statements been prepared in accordance with IFRS, U.S. GAAP or other accounting principles. Our Financial Statements are likely to differ from, and

may not be directly comparable with, those of companies whose financial statements have been prepared in accordance with IFRS, U.S. GAAP or other accounting principles. This may make it difficult for potential investors to evaluate and compare our results of operations and business prospects.

2.23.2.23 Concentration of the revenues in a single operator

The Company only generates revenues as a result of the income obtained from the contracts signed with the Hotusa Group, for the two hotels that are currently operating.

If the tenant goes through unfavorable financial circumstances that prevent him from attending to his payment commitments properly, the financial situation of the Company could be negatively affected.

2.23.3. Risks associated with the real estate sector

2.23.3.1 Global economic conditions and the economies of Spain, Portugal and the countries of origin of our customers could adversely affect our business.

The performance of the lodging industry has been historically closely linked with the performance of the general economy. As a result, an economic downturn in Spain, Portugal, the rest of Europe (particularly France, Germany, the United Kingdom, Belgium, Switzerland or the Netherlands), U.S., China or other countries of origin of the customers of our hotels may decrease occupancy and consumption levels at our hotels. In periods of economic difficulties, leisure and business travelers may seek to reduce travel costs by limiting travel or seeking to reduce costs on their trips. Concerns over a possible economic downturn may also cause travelers to change their spending patterns, such as postponing or cancelling travel plans, which may be reflected in lower occupancy and consumption rates in our hotels. We are very selective in locations and places. We do not go to places where they do not have a consolidated tourist activity as an international destination and within these destinations, in locations of great value, the combination of both factors is an additional protection in case of tourism decrease

Furthermore, challenging economic conditions may adversely affect airlines, bus common carriers and other transportation businesses, which would negatively affect the lodging industry. Adverse economic conditions may also limit our ability to maintain ownership of our hotels or make required investments on a timely basis, thus impacting our results and profitability. Adverse economic conditions could also negatively affect the financial markets, thereby causing high volatility and an increase in the cost of available financing resources. Economic weakness could also adversely affect the

financial condition of the operators of our hotels, and could impact the ability of our lessees to pay their rents. Due to the above and for other reasons, adverse economic conditions could materially and adversely affect our business, financial condition and results of operations.

In particular, the performance of our hotels may be adversely affected by the planned exit of the United Kingdom from the European Union (“EU”) (“Brexit”). Following the referendum held in the United Kingdom on June 23, 2016, in which a majority of those voting voted in favor of Brexit, the United Kingdom government invoked Article 50 of the Treaty on European Union in March 2017 and notified the European Council of the UK’s decision to withdraw from the EU. The letter triggered the two-year withdrawal negotiation process and, unless the process is cancelled by the UK or an extension granted by the EU, followed by a transition period during which businesses and others prepare for post-Brexit rules to take effect on January 1, 2021.

Brexit and its ramifications have already begun to and could continue to adversely affect European and worldwide economic and market conditions and contribute to instability in the global financial markets. The long-term effects of Brexit will depend in part on any agreements the United Kingdom makes to retain access to EU markets following the United Kingdom’s withdrawal from the EU. In addition, it is unclear how Brexit will affect free movement of UK citizens in the EU (including Spain and Portugal). Any restrictions on such free movement could result in a reduction of customers from the United Kingdom in our hotels or could otherwise materially and adversely affect our business, financial condition and results of operations as well as our potential future expansion into Portugal.

2.23.3.2. Any delay in demand growth due to weaker than anticipated economic growth could materially and adversely affect us and our growth prospects.

Our business strategy depends on achieving revenue and net income growth from anticipated improvement in the occupancy and consumption rates at our hotels, which would translate into higher rent payments to us (see section 2.7 of the Informational Document). Accordingly, any delay or weaker than anticipated economic growth of the Spanish or Portuguese economies as well as the global economy could materially and adversely affect us and our growth prospects. Furthermore, even if the Spanish and Portuguese economies, and the global economy, continue to grow, we cannot provide any assurances that demand for hotel rooms will increase from current levels. If demand does not increase in the near future, or if demand weakens, our future results of operations and our growth prospects could be materially and adversely affected.

2.23.3.3. We face various operating risks common to the lodging industry, including competition and dependence on business travel and tourism.

Our hotels have different economic characteristics than many other real estate properties. Unlike other real estate properties, hotels generate revenue from guests that typically stay at the hotel for only a few nights, which causes the room rate and occupancy levels at each of our hotels to change every day, and results in earnings that can be highly volatile. Although our lease agreement strategy provides for a minimum fixed rent, hotel earnings volatility could translate into highly volatile revenue for us through the variable component of our rental revenue (see section 2.7 of the Informational Document). In addition, unlike many other real estate properties, hotels demand day-to-day monitoring and active management, which makes their success dependent on factors different from those applicable to other real estate properties.

- In particular, our hotels are subject to various operating risks common to the lodging industry, many of which are beyond our control, including, among others, the following:
- competition from other lodging industry participants in the markets in which we operate;
- over-building of hotels in the markets in which we operate (especially if the existing moratoriums in certain regions where local authorities have prohibited the construction of new hotels are lifted), which results in an increased supply of hotels that will adversely affect occupancy and revenues at our hotels;
- consolidation among companies in the lodging industry, which may increase the resulting companies' negotiating power relative to ours, and decrease competition among those companies for hotel lease agreements, which could result in less favorable terms and conditions in our lease agreements;
- dependence on leisure and business travelers;
- labor strikes, disruptions or lockouts affecting our hotels, the cities where our hotels are located or airlines, airports or other means of transportation;
- increases in energy costs and other expenses affecting travel, which may affect travel patterns and reduce the number of leisure and business travelers;
- increases in operating costs due to inflation and other factors that may not be offset by increased room rates;
- changes in interest rates;
- changes in the availability, cost and terms of financing;
- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

- adverse effects of international, national, regional and local economic and market conditions;
- unforeseen events beyond our control, such as terrorist attacks, travel-related health concerns, such as pandemics and epidemics, imposition of taxes or surcharges by regulatory authorities, travel-related accidents and unusual weather conditions, including natural disasters such as volcanic eruptions, earthquakes, tsunamis or hurricanes;
- actions aimed at limiting the number of tourists, including protests led by local anti-tourism activists;
- adverse effects of worsening conditions in the lodging industry; and
- risks generally associated with the ownership of hotels and real estate.

The occurrence of any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

2.23.3.4. Competition from other lodging industry participants in the markets in which we operate could adversely affect occupancy levels and/or ADRs, which could have a material and adverse effect on us.

We face significant competition from owners and operators of other hotels and other lodging industry participants. Our hotel properties compete for guests in each of their markets on the basis of several factors, including, among others, location, quality of accommodations, reputation, convenience, brand affiliation, reservations systems, room rates, service levels and amenities and level of customer service. Many of our competitors may have greater marketing and financial resources than we have. In addition, our hotels face competition from non-traditional accommodations for travelers, such as online room sharing services. In the past few years, the hotel industry has witnessed the emergence of new market entrants with business models that are different than the traditional business models of hotel owners and operators. Such market entrants include Airbnb and HomeAway both of which have introduced potentially disruptive competition to the hotel market by competing on different terms than traditional hotel operators. Furthermore, there is a risk that new business models, of which we are currently unaware, may be introduced to the hotel industry which may impact the industry's competitive situation. New competitors may have an operating model that enables them to offer accommodations at lower rates than the operators of our hotels can, which could result in those competitors increasing their occupancy at our expense and adversely affecting average daily rates (“**ADR**”) in our hotels. Competition could adversely affect our hotels' ability to attract prospective guests, which could materially and adversely affect our business, financial condition and results of operations.

2.23.3.5. The seasonality of the lodging industry could have a material and adverse effect on us.

The lodging industry is seasonal in nature, which causes quarterly fluctuations in the variable component of our rental revenues (see section 2.7 of the Informational Document). For example, hotels in beach locations in Spain or Portugal are generally heavily seasonal, with a high season during the summer and autumn months and a low season during the winter and spring months. Factors outside our control, including weather conditions or forecasts of bad weather during our hotels' high season, could materially and adversely affect our business, financial condition and results of operations.

2.23.3.6 Future terrorist attacks or changes in terror alert levels could materially and adversely affect us.

Historically, terrorist attacks and subsequent terrorist alerts have adversely affected the travel and hospitality industries, often disproportionately to the effect on the overall economy. The extent of the impact that actual or threatened terrorist attacks in Spain, Portugal or elsewhere could have on domestic and international travel and our business in particular cannot be determined, but any such attacks or the threat of such attacks could have a material and adverse effect on travel and hotel demand and our ability to insure our hotels, which could materially and adversely affect our business, financial condition and results of operations.

2.23.3.7 Investing in real estate, including hotel properties, is subject to certain inherent risks.

We aim to build a high-quality hotel portfolio by further investing in hotel properties and other real estate properties for conversion or development of new hotels. Revenues earned from, and the capital value of, investments in real estate by us may be materially adversely affected by a number of factors inherent in investing in hotel real estate, including, but not limited to:

- the relative illiquidity of real estate, including hotel properties;
- market expectations around income yields on capital values;
- exposure to the creditworthiness of our lessees, the inability to collect rents and other contractual payments, the renegotiation of hotel leases on terms less favorable to us, or the termination of hotel lease agreements;
- material litigation, including judicial and non-judicial claims relating to acts or omissions by us or of third parties hired by us (such as architects, engineers and construction constructors and subcontractors);
- material expenses in relation to the refurbishment of a hotel or incorrect repositioning of an asset in changing market conditions;

- increases in operating costs, other expenses or cash needs without a corresponding increase in turnover or reimbursements by the relevant hotel operator, including as a result of increases in the rate of inflation in excess of rental growth, property taxes or statutory charges or insurance;
- premiums payable, costs associated with hotel tenant vacancies and unforeseen capital expenditures affecting properties which cannot be recovered from hotel operators;
- increases in the taxes and fees on real estate (for example, property taxes or waste taxes) as well as other costs and expenses associated with the ownership of real estate (for example, insurance and community expenses);
- regulatory changes which require the implementation of extraordinary acts by owners of real estate properties or which imply additional expenses or costs (for example, obligations to obtain energy certificates in relation to real estate properties); and
- adverse consequences resulting from (i) any lack of permits, licenses, planning instruments and other authorizations and (ii) refurbishment works, change of use, ongoing regularizations and adaptation of certain properties (including its installations) to the applicable laws and regulations.

In addition, the lodging industry is cyclical and demand generally follows, with a certain lag, the general trends of the economy. The seasonality and cyclical nature of the industry may affect the gross margins and the valuation of our hotels, which may contribute to fluctuations in our results of operations and financial condition as a result of the variable component of our rental revenue. In addition, the lodging industry is highly competitive and our hotel properties are likely to face intense competition from major hotel chains with well-established and recognized brands, smaller hotel chains, independent local hotel owners and alternative lodging providers, such as Airbnb and HomeAway. Failure by the operators of our hotel properties to compete successfully for hotel guests may adversely affect the value of such properties. Furthermore, the strength of the lodging industry in Spain and Portugal is closely correlated to the performance of the tourism industry in such countries, which could vary in the future as a result of, among others, changes in the popularity of Spain and Portugal as leisure destinations and the disposable income available to tourists. If the revenues earned from our hotels or the market value of those hotels are adversely impacted by any of the above or other factors, this could have a material adverse effect on our business, financial condition and results of operations as well as on our potential future expansion into Portugal.

2.23.3.8 Our hotels may be subject to unknown or contingent liabilities which could cause us to incur substantial costs.

Our hotels and any other hotels and real estate properties we acquire in the future may be subject to unknown or contingent liabilities for which we may have no recourse, or only limited recourse, against the sellers.

While we perform due diligence in respect of a proposed investment prior to entering into an agreement to directly or indirectly acquire any property, we typically rely on third parties to conduct a significant portion of this due diligence (including technical, financial, tax and legal analysis and property valuation) (see section 2.7 of the Informational Document). We or any third parties on which we may rely on may underestimate or fail to identify defects, risks and liabilities associated with the investment. As a result, we may incur, directly or indirectly, unexpected liabilities, charges or encumbrances, such as defects in title, an inability to obtain permits enabling us to use the property as intended, environmental, structural or operational defects or liabilities requiring remediation. Any due diligence exercise which fails to identify any such defects, liabilities or risks may result in the acquisition of properties which fail to perform in accordance with expectations or which subject us to substantial additional costs or liabilities.

Although we seek to obtain contractual protection from the seller of a property against undisclosed claims and contingencies or other issues or contingencies which have been identified during the due diligence process, there can be no assurance that such contractual protection will always be successfully obtained, or that it would be enforceable or effective if obtained. Any claims for recourse that we may have against parties from which we have purchased a property may fail because of, among other things, the expiration of the warranty period and the statute of limitations, lack of proof that the seller knew or should have known of the defect, the insolvency of the seller or lack of proof of the knowledge that the seller had or should have had regarding the corresponding defect or contingency. While we will also seek to require the sellers to indemnify us with respect to breaches of representations and warranties that survive the closing of the relevant acquisition, such indemnification may be limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties.

Moreover, with respect to Hotel Vía Castellana and Hotel Eurostars Lucentum, the lease agreements for such hotels were entered into by the previous owners before we acquired them and their terms and conditions are in certain cases inconsistent with the terms and conditions of our lease strategy (see section 2.7 of the Informational Document). Our assumption of the prior owner's

obligations under these agreements poses several legal risks and could expose us to significant liabilities. At the time of termination of any such inherited lease agreements, we intend to propose the extension of the relevant lease under revised terms and conditions that are more closely aligned with our lease agreement strategy. However, our inability to revise the terms and conditions of such lease agreements or to enter into future lease agreements that match the terms of our lease strategy may have a material adverse effect on our business, financial condition and results of operations.

We may also be exposed to future liabilities and/or obligations with respect to the disposal of hotel properties. We may be required to set aside provisions for warranty claims or contingent liabilities in respect of hotel property disposals. We may be required to pay damages (including, but not limited to, litigation costs) to a purchaser to the extent that any representations or warranties that we had given to that purchaser prove to be inaccurate or to the extent that we have breached any of our covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to receiving damages. Furthermore, we may become involved in disputes or litigation in connection with such disposed properties. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as certain environmental liabilities or liabilities arising from construction defects.

As a result of the above, the total amount of costs and expenses that may be incurred with respect to liabilities associated with our hotels may exceed our expectations, and we may experience other unanticipated adverse effects, all of which could adversely affect our business, financial condition and results of operations.

2.23.3.9 The illiquid nature of real estate investments could significantly impede our ability to respond to changing economic, financial, and investment conditions or changes in the operating performance of our hotel properties.

Real estate investments, including the hotels in our portfolio, are relatively illiquid for reasons including, but not limited to, the long-term nature of hotel leases, properties being tailored to specific requirements, varying demand for property and the complexity and significant amount of time and cost incurred in the completion of property transactions. Although our intention is to keep the properties as hotels in our portfolio for the long term, we may selectively and strategically decide to reconvert our real properties to other uses, such as offices, residential or retail, or sell our real estate properties from time to time. We may not be able to sell a hotel or hotels quickly or on favorable terms in response to the changing economic, financial and investment conditions or changes in a hotel's operating performance when it otherwise may be prudent

to do so. In addition, we may be required to dispose of a hotel at other times, including due to a requirement imposed by a third party (for example, a lender), and to the extent that market conditions are not favorable at the time of such disposal, we may not be able to ensure satisfactory prices. We cannot predict whether we will be able to sell any hotel we desire to sell for the price or on the terms set by us or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a hotel. Moreover, there can be no assurance that a hotel could ultimately be sold for an amount exceeding the amount that we initially invested. If we were required to dispose of or liquidate a hotel on unsatisfactory terms, we may realize less than the value at which the relevant investment was previously recorded. Additionally, we may be required to expend funds to correct defects or to make improvements before a hotel can be sold, and we cannot provide any assurances that we will have the funds available to correct such defects or to make such improvements. Furthermore, property market downturns may exacerbate the low liquidity of hotels by reducing the number of available investors and limiting sources of funding and may lead to an increase in the supply of properties and, consequently, a fall in market prices.

Our inability to dispose of hotels at opportune times or on favorable terms could materially adversely affect our business, financial condition and results of operations.

2.23.3.10 Several real estate costs are fixed, even if revenue from our hotels decreases.

Several costs, such as real estate taxes, insurance premiums, FF&E, OS&E and other maintenance costs, generally are not reduced even when a hotel is not fully occupied, room rates decrease or other circumstances cause a reduction in revenues. In addition, renovated or newly acquired or developed hotels may not produce the rental revenues we anticipate immediately, or at all, and the hotel's operating cash flow may be insufficient to pay the operating expenses and debt service associated with these new hotels. As a result of the variable component of our rental income, rents generated by a recently opened hotel may be lower at the beginning of business operations and until the demand for such hotel increases. Moreover, the time and cost involved in preparing new hotels for rental varies significantly depending on a number of variables, including whether the property is a "yielding", "turnaround" or "greenfield" asset, the condition of the property and whether the property was vacant when acquired. If we are unable to offset real estate costs with sufficient rental revenues across our hotel portfolio, our business, financial condition and results of operations could be materially adversely affected.

2.23.4. Risks related to shares

2.23.4.1 The market price of the Ordinary Shares may fluctuate in response to various factors, many of which are outside our control.

Following the Offering, the price of the Ordinary Shares (including the Shares) may not always accurately reflect the underlying value of our business. The price and value of the Ordinary Shares may decrease as well as increase, and investors may realize less than the original sum invested. The value of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some specific to the Company and its operations and some, such as those which may affect homebuilding companies, which are outside the Company's control, including, among others:

- change in the financial performance of the Company, its peers or the industry;
- changes in law, rules and regulations applicable to the Company and its operations in Spain or Portugal, assuming we expand our business into Portugal in the future;
- the general economic, social and political environment in Spain or Portugal, assuming we expand our business into Portugal in the future; and
- fluctuations in the capital markets.

2.23.4.2. There is not currently a public trading market for our ordinary shares

There is currently no public trading market for our ordinary shares prior to the Listing, and the Listing should not be taken as implying that there will be a liquid market for such shares. Prior to the Listing, there has been no public market for the ordinary shares and there can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. The failure of an active trading market to develop may affect the liquidity of our ordinary shares. Our ordinary shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the share price may be subject to greater fluctuation than might otherwise be the case. Following the Listing, the value of the Shares could fluctuate significantly and may result in investors being unable to sell Shares at or above the acquired price or at all.

2.23.4.3. Progress of the listing

The securities markets, at certain times during the listing of the shares, might display high volatility due to the situation of the economy, which could have a negative impact on the price of the shares of the Company.

2.23.4.4 There can be no assurance that we will distribute dividends in the future.

As indicated in “Dividends and Dividend Policy”, we target a dividend distribution of around 80% of our funds from operations in a given year. The declaration and payment of any dividend or distribution is subject to the approval of the Board of Directors, and our dividend may be discontinued or reduced at any time. Future dividends or distributions, if any, and their timing and amount, may be affected by, among other factors, the rules set out in the SOCIMI Regime (see “2.6.3” of this Informational Document), the Board of Directors’ or the Management Team’s views on potential future capital requirements for strategic transactions, including acquisitions; earnings levels; contractual restrictions; our cash position and overall financial condition; debt related payments and commitments, including restrictive covenants which may limit our ability to pay a dividend (even if as of today we are not subject to any these commitments) or distribution; changes in tax or corporate laws; the need to invest in our business operations; changes to our business model and such other factors as our Board of Directors or our Management Team deem relevant from time to time. Accordingly, our dividend or other distribution payments may change from time to time, and we cannot provide assurance that we will declare dividends or other distributions in any particular amounts or at all.

2.23.4.5 The Company’s ability to pay dividends will depend upon its ability to generate profits available for distribution and access to sufficient cash.

All dividends and other distributions paid by the Company will be made at the discretion of the Board of Directors and will be dependent on the availability of profits available for distribution (after fulfilling any relevant Spanish Companies Act requirement) and sufficient cash. The generation of profits available for distribution depends on a number of factors including the successful management of the Company’s investments, the yields on the Company’s properties, interest costs, taxes and profits on the development and sale of properties. The payment of any such dividends or other distributions will depend on the Company’s ability to generate profits available for distribution and cash flow. Start-up costs associated with the Offering will affect the Company’s ability to pay dividends to shareholders. This could be mitigated if the Company were to increase its reserves available for distribution, for example by means of a reduction of the Company’s capital.

Pursuant to the SOCIMI Act, the Company will be required to adopt resolutions for the distribution of dividends, after fulfilling any relevant Spanish Companies Act requirement, to shareholders annually within the six months following the closing of the fiscal year of: (i) at least 50% of the profits derived from the transfer of real estate properties and shares in Qualifying

Subsidiaries and real estate collective investment funds; provided that the remaining profits must be reinvested in other real estate properties or participations within a maximum period of three years from the date of the transfer or, if not, 100% of the profits must be distributed as dividends once such period has elapsed; (ii) 100% of the profits derived from dividends paid by Qualifying Subsidiaries and real estate collective investment funds; and (iii) at least 80% of all other profits obtained (i.e., profits derived from ancillary activities). See “Spanish SOCIMI Regime and Taxation” for further details on the dividend requirements of the Spanish SOCIMI Regime.

There is a risk that the Company may generate profits, but not have sufficient cash to make distributions. If the Company does not have sufficient cash, it may have to borrow to fund the distribution, which would increase its finance costs, could reduce its ability to finance property acquisitions and could have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

The dividend distributions requirements that are necessary to achieve the full tax benefits associated with qualifying as a Spanish SOCIMI can be met by approving such distribution and satisfying the dividend in kind or immediately thereafter, converting credits deriving from such dividends into share capital of the Company, provided such dividends qualify as income for tax purposes. However, the Company cannot provide assurance that any such distribution will be approved by the General Meeting of Shareholders or that the distribution will be considered as income for all shareholders.

Substantial sales of Ordinary Shares by significant shareholders or other shareholders, or the possibility of such sales, could impact the trading price of the Ordinary Shares.

2.23.4.6 Overseas shareholders may have only limited ability to bring actions or enforce judgments against the Company or the members of its Board of Directors or Management Team.

The ability of an overseas shareholder to bring an action against the Company may be limited under law. The Company is a *Sociedad Anónima* incorporated in Spain and, as of the date of this Informational Document all its properties are located in Spain. The rights of holders of Ordinary Shares are governed by Spanish law and by the Bylaws. These rights differ in certain respects from the rights of shareholders in comparable U.S. corporations and some other non-Spanish corporations. In addition, most/all of the members of the Board of Directors and Management Team are residents of Spain and most of their properties are located in Spain. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Company or the members of the Board of Directors or the Management Team within the

overseas shareholder's country of residence or to enforce against the Company or against the members of the Board of Directors or the Management Team judgments of courts of the overseas shareholder's country of residence based on civil liabilities under that country's securities laws. An overseas shareholder may not be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Spain against the members of the Board of Directors or the Management Team of the Company who are residents of Spain or countries other than those in which judgment is made. In addition, Spanish or other courts may not impose civil liability on the members of the Board of Directors or the Management Team in any original action based solely on foreign securities laws brought against the Company or against the members of the Board of Directors or the Management Team in a court of competent jurisdiction in Spain or other countries.

2.23.4.7 An investor whose currency is not the euro is exposed to exchange rate fluctuations.

Our properties and any acquisitions we make are and will likely be in euro. Additionally, the Shares have been priced in euro on their primary trading market and any future payments of dividends on our Ordinary Shares will be denominated in euros. Any investment in the Shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange risk. The U.S. dollar or other currency equivalent of any dividends paid on the Shares or any distributions made on an investment made in the Shares could be adversely affected by the depreciation of the euro against other currencies.

2.23.5. Tax risks

2.23.5.1. Loss of the SOCIMI tax regime

The Company may lose the special tax regime established under the SOCIMI Act, coming to be taxed under the general CIT regime, in the actual tax period in which any of the circumstances occurs:

- Exclusion from trading on regulated markets or a multilateral trading system
- The substantial non-fulfilment of the information obligations referred to by Article 11 of the SOCIMI Act, unless the report for the immediately following financial year remedies such non-fulfilment
- Any lack of distribution agreement or total or partial payment of the dividends in the terms and periods referred to by Article 6 of the SOCIMI

Act. In this case, taxation under the general regime will take place during the tax period corresponding to the financial year from the profit of which such dividends would have derived

- A de-registration of the special tax regime established in the SOCIMI Act
- The non-fulfilment of any other of the requisites required under the SOCIMI Act so that the Company might apply the special tax regime, unless the reason for the non-fulfilment is remedied within the immediately following financial year. However, the non-fulfilment of the period for maintaining the investments (properties or shares of certain entities) referred to by Article 3.3 of the SOCIMI Act will not involve the loss of the special tax regime.

The loss of the special tax regime established in the SOCIMI Act will mean its application may not be requested again for at least three years as from the conclusion of the last tax period in which such regime applied. The loss of the special tax regime and subsequent eligibility for tax under the CIT general regime in the financial year in which said loss takes place, would mean that the Company would be obliged to pay, if applicable, the difference between the tax quota owed under the general regime and the quota paid under the special tax regime in financial years prior to the breach, notwithstanding any default interest, surcharges and penalties that may be imposed.

2.23.5.2. Changes in tax legislation which could negatively affect the Company

The Company is a Spanish SOCIMI. Provided certain conditions and tests are satisfied (see section 2.6.3 of the Informational Document), as a Spanish SOCIMI, the Company does not pay Spanish Corporate Tax on the profits deriving from its activities. Therefore any change (including a change in interpretation) in the legislative provisions relating to Spanish SOCIMIs or in tax legislation more generally, either in Spain or Portugal, assuming we expand our business into Portugal in the future, including but not limited to the imposition of new taxes or increases in tax rates in Spain or Portugal, may have a material adverse effect on the Company's financial condition, business, prospects or results of operations.

In this sense, certain political parties have announced their intention of amending the SOCIMI Act, if they win the next elections on April 28, 2019, increasing the taxation of profits which are not distributed as dividends or do not correspond to qualified income.

2.23.5.3. Application of the special levy

The Company could come to be subject to a special levy of 19% of the total amount of dividends or profit share distributed to the significant shareholders should these not meet the requisite of minimum taxation. In particular, in respect of this question of the minimum taxation of the shareholder, the opinion issued by the General Tax Directorate considers that the effective taxation of the dividend should be analysed when considered individually, bearing in mind the costs directly associated with such dividend, such as those corresponding to the management of the stake or the financial costs deriving from its acquisition, and without taking into consideration any other type of rent which might alter such taxation, such as, for example, the offsetting of negative tax bases on the part of the shareholder.

Finally, when evaluating this minimum taxation, in the case of shareholders non-tax residents in Spain, consideration should be taken both of the withholding rate at source which, where applicable, might encumber such dividends due to their distribution in Spain, and the tax rate to which the non-tax resident shareholder is subject in its country of residence, minus, where applicable, any deductions or exemptions for eliminating any international double taxation which might be applicable to them as a result of the receipt of such dividends.

Notwithstanding the foregoing, the Company By-Laws contain compensation obligations of the Qualified Shareholders in favour of the Company in order to prevent the potential accrual of the special levy of 19% established in the SOCIMI Act having a negative impact on the results of the Company. This compensation mechanism could dissuade the entry of Qualified Shareholders. Specifically, according to the Company By-Laws, the Company will be entitled to deduct an amount equivalent to the tax costs incurred by the payment made to the Qualified Shareholders which, as a result of the tax position, give rise to the accrual of the special levy. The shareholders would be obliged to assume the tax costs associated with the receipt of the dividend and, where applicable, to assume payment of the compensation established in the Company By-Laws (special levy), even when they have not received any liquid amount from the Company.

2.23.5.4 Restrictions under the Spanish SOCIMI Regime may limit the Company's ability and flexibility to pursue growth through acquisitions.

The Company contemplate growth through acquisitions. However, the Spanish SOCIMI Regime distribution requirements may limit the Company's ability to fund acquisitions and capital expenditures through retained income and debt financing.

In order to benefit from a 0% Spanish Corporate Tax rate, the Company is required to adopt resolutions for the distribution of dividends, after fulfilling any relevant Spanish Companies Act requirement, to shareholders annually within the six months following the closing of the fiscal year of: (i) at least 50% of the profits derived from the transfer of real estate properties and shares in Qualifying Subsidiaries (as defined below) and real estate collective investment funds; provided that the remaining profits must be reinvested in other real estate properties or participations within a maximum period of three years from the date of the transfer or, if not, 100% of the profits must be distributed as dividends once such period has elapsed; (ii) 100% of the profits derived from dividends paid by Qualifying Subsidiaries and real estate collective investment funds; and (iii) at least 80% of all other profits obtained (i.e., profits derived from ancillary activities).

If the relevant dividend distribution resolution is not adopted in a timely manner, the Company will lose its SOCIMI status as per the year to which the dividends relate and the Company will be required to pay Spanish Corporate Income Tax on the profits deriving from its activities at the standard rate (currently, 25%) as from the relevant tax period in which the Company loses such status. In such case, the Company will not be eligible to become a SOCIMI (and benefit from its special tax regime) for three years. A general guide to the Spanish SOCIMI Regime is included in “Spanish SOCIMI Regime and Taxation”.

As a result of the restrictions referred to above, the Company will be able to apply only a limited amount of its income to acquiring additional properties and its ability to grow through acquisitions will be limited if it is unable to obtain further debt or equity financing. If the Company elects to rely on equity financing, shareholders’ interests in the Company may be diluted.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the rules governing Spanish SOCIMIs and the effect of any potential debt amortization payments could require the Company to borrow funds to make cash distributions.

The dividend distributions requirements that are necessary to achieve the full tax benefits associated with qualifying as a Spanish SOCIMI can be met by approving such distribution and satisfying the dividend in kind or immediately thereafter, converting credits deriving from such dividends into share capital of the Company, provided such dividends qualify as income for tax purposes. However, the Company cannot provide assurance that any such distribution will be approved by the General Meeting of Shareholders or that the distribution will be considered as income for all shareholders.

2.23.5.5 Certain disposals of properties and ancillary activities may have negative implications under the Spanish SOCIMI Regime.

At least 80% of a SOCIMI's net annual income must derive from the lease of qualifying assets (as described under "Spanish SOCIMI Regime and Taxation"), or from dividends distributed by Qualifying Subsidiaries and real estate collective investment funds.

Capital gains derived from the sale of qualifying assets are in principle excluded from the 80%/20% net income test. However, if a qualifying asset is sold before it is held for a minimum three-year period, then (i) such capital gain would compute as non-qualifying revenue within the 20% thresholds that must not be exceeded for the maintenance of the SOCIMI Regime; and (ii) such gain would be taxed at the standard Corporate Income Tax rate (currently, 25%); furthermore, the entire income, including rental income, derived from such asset also would be subject to the standard Corporate Income Tax rate.

In addition, if the Company generates income out of a non-Property Rental Business, the 80%/20% gross asset or net income tests may not be met. In such case, the Company will have one-year grace period to cure that infraction. If the gross asset or net revenue tests are not met within that fiscal year, the Company will lose its SOCIMI status.

For more information on the Spanish SOCIMI Regime see "Spanish SOCIMI Regime and Taxation".

2.23.5.6 The Company may become subject to an additional tax charge if it pays a dividend to a Substantial Shareholder and, as a result, may result in a loss of profits for the Company.

The Company may become subject to a 19% Corporate Income Tax on the gross dividend distributed to any shareholder that holds a stake equal or higher than 5% of the share capital of the Company and either (i) is exempt from any tax on the dividends or subject to tax on the dividends received at a rate lower than 10% (for these purposes, final withholding tax due under the Spanish Non Resident Income Tax Law is also taken into consideration) or (ii) does not timely provide the Company with the information evidencing its equal or higher than 10% taxation on dividends distributed by the Company in the terms set forth in the Bylaws (a "Substantial Shareholder").

The Bylaws contain indemnity obligations from Substantial Shareholders in favor of the Company designed to discourage the possibility that dividends may become payable to Substantial Shareholders. If a dividend payment is made to a Substantial Shareholder, the Company will be entitled to deduct an amount equivalent to the tax expenses incurred by the Company on such

dividend payment from the amount to be paid to such Substantial Shareholder (the Board will maintain certain discretion in deciding whether to exercise this right if making such deduction would put the Company in a worse position). However, the Company cannot provide assurance that these measures will be effective. If these measures were ineffective, the payment of dividends to a Substantial Shareholder may generate an expense for the Company (since it may have to pay a 19% Corporate Income Tax on such dividend) and, thus, may result in a loss of profits for the rest of the shareholders.

Dividend payments to Substantial Shareholders and to Benefit Plan Investors (or other similar investors) may be subject to deductions.

The Bylaws contain indemnity obligations from Substantial Shareholders (as defined below) in favor of the Company designed to minimize the possibility that dividends will become payable to Substantial Shareholders in order to avoid that an additional 19% CIT be due on the gross amount of such a dividend payable to a Substantial Shareholder. If a dividend payment is made to a Substantial Shareholder, the Company may be entitled to request a legal report regarding the taxation of the dividends to be paid to such Substantial Shareholder, which costs can be offset against such dividends. Furthermore, the Company may be entitled to deduct an amount equivalent to the tax expenses incurred by the Company on such a dividend payment from the amount to be paid to such Substantial Shareholder. As a result, Substantial Shareholders may receive less dividends per Ordinary Share than shareholders that are not Substantial Shareholders.

Additionally, according to the Bylaws, the Company is entitled to impose penalties to shareholders that do not comply with certain information obligations intended to minimize the risk that Benefit Plan Investors (or other similar investors) hold 25% or greater of any class of equity interest in the Company. Such penalties may be offset with any dividends payable by the Company to such shareholders and, as a result, such shareholders may receive less dividends per Ordinary Share than other shareholders.

2.23.5.7 The acquisition of Shares by certain investors could adversely affect the Company, but the Company cannot impose restrictions on the free transferability of its Shares.

Under Spanish law, the Company may not impose restrictions on the free transferability of the Ordinary Shares in the Bylaws. Accordingly, the Company cannot refuse to register a transfer of any shares in the capital of the Company in favor of a person to whom a sale or transfer of shares, or whose direct, indirect or beneficial ownership of shares, would or might (i) cause the Company to be required to register as an “investment company” under the US Investment Company Act or to lose an exemption or status thereunder to which

it might otherwise be entitled; (ii) cause the Company to be required to register under the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”) or any similar legislation; (iii) cause the Company not to be considered a “foreign private issuer” as such term is defined in Rule 3b-4(c) under the Exchange Act; (iv) result in a person holding shares in violation of the transfer restrictions set forth in any Informational Document published by the Company (including in this Informational Document), from time to time; (v) result in any shares being owned, directly or indirectly, by Benefit Plan Investors (as defined below) or Controlling Persons; (vi) cause the assets of the Company to be considered “plan assets” under the Plan Asset Regulations; (vii) cause the Company to be a “controlled foreign corporation” for the purposes of the Code; (viii) result in Ordinary Shares being owned by a person whose giving, or deemed giving, of the representations as to ERISA and the Code set forth in the Bylaws is or is subsequently shown to be false or misleading; (ix) result in a person becoming a Substantial Shareholder, or (x) otherwise result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage. Any of the above could have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

3. INFORMATION CONCERNING THE SHARES

3.1. Number of shares whose admission is requested, nominal value of same. Share capital, indication that there are other classes or series of shares and that securities that give rights to subscribe or acquire shares have been issued. Corporate agreements adopted for admission

As at the date of this Informational Document, the issued share capital of Millenium consists of EUR 15,202,800 divided into a single series of 15,202,800 ordinary shares, with a par value of EUR 1.00 each and with ISIN code ES0105407003 allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV. All of the Company's ordinary shares are fully subscribed and paid-up. The Company's ordinary shares are represented by book entries and the entity responsible for maintaining the corresponding accounting records is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("**Iberclear**"), with registered office at Plaza de la Lealtad 1, 28014 Madrid, Spain.

Before the incorporation of the Company in the MAB-REIT, the Company has decided to make an offer (the "**Offer**") of a maximum of 64,797,200 new shares (the "**New Shares**") to raise up to EUR 323,986,000. The New Shares will be issued pursuant to:

- (i) the resolution adopted on May 10, 2019 by the ordinary General Meeting of Shareholders of the Company, which have resolved to increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of New Shares of the same class and series as those currently in circulation, establishing their issue price as EUR 5.00 per New Share recognising all preferential subscription rights corresponding to the existing shareholders of the Company and, once the preferential subscription period has ended, placing any remaining New Shares to other investors, and delegating to the Board of Directors the power to determine (a) the nominal amount of the capital increase and the number of New Shares to issue and (b) any other terms and conditions not defined under the resolution of the General Shareholders Meeting. The possibility of incomplete subscription has been expressly foreseen and approved.
- (ii) a resolution to be adopted by the Board of Directors of the Company executing the share capital increase approved by the ordinary General Meeting of Shareholders of the Company under (i) above.

The final number of New Shares that will be issued as a result of such Offer and the nominal value of the share capital increase will be determined by the Board of Directors of the Company, in execution of the delegation made by the aforementioned General Meeting of Shareholders, once the preferential subscription period and the period for placing any remaining New Shares end.

Likewise, the General Meeting of Shareholders held on May 10, 2019 approved to request the incorporation into the MAB-REIT of all of the shares of the Company then outstanding, as well as of all those New Shares to be issued between the date of the approval of the aforementioned General Shareholders Meeting and the effective date of incorporation of the shares of the Company in the MAB-REIT, including, therefore, those that may be issued by the Board of Directors by virtue of the aforementioned delegation of powers. The General Meeting of Shareholders agreed to delegate to the Board of Directors, as broadly as necessary by law, with express powers of substitution or empowerment in any of its members, to request, on behalf of the Company, the incorporation of all the actions in the MAB-REIT.

It is foreseen that all the shares of the Company, including the New Shares subject to the Offer, will be incorporated into the MAB-REIT before July 24, 2019.

The Company understands and agrees to follow the rules existing at the date of this Informational Document in relation to the MAB-REIT segment, and any others that may be issued in MAB-REIT matters, in particular those related to the Company's listing, permanence and de-listing from said market.

3.2. Degree of dissemination of marketable securities. Description and, where applicable, the possible offer prior to admission that was made and its result

As of the date of this Informational Document, the Company complies with the disclosure requirement established in MAB Circular 2/2018, having 37 shareholders that hold less than 5% of the Company's share capital, which as a whole have 5,202,800 shares, with an estimated market value of EUR 26,014,000 considering the reference price per share of EUR 5.00, and therefore, higher than EUR 2,000,000 established by said Circular.

Additionally, on May 10, 2019 the General Meeting of Shareholders approved to increase the share capital of the Company in an effective maximum amount (nominal plus premium) of EUR 323,986,000, through the issue and placement of New Shares of the same class and series as those currently in circulation, establishing their issue price at EUR 5.00 per New Share. Once this share capital increase finishes (currently is in process), the Company will inform about the result publishing an appendix to the Informational Document.

3.3. Main characteristics of the shares and rights that are admitted. Including mention of possible limitations of attendance rights, votes and appointment of directors by the proportional system

The legal regime applicable to the shares in the Company is the one established by Spanish legislation and, specifically, in the provisions contained in the SOCIMI Act (described in section 2.6.3 of the Informational Document), the Spanish Companies Act and the Consolidated Version of the Securities Market Act, the Royal Decree 21/2017

of urgent measures for the adaptation of Spanish law to the European Union regulations on the securities market as well as in any implementing regulations that may apply.

The Company's shares are represented by book entries and are recorded in the accounting registries kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), with address at Plaza Lealtad número 1, Madrid, and its authorised member entities (the "**Member Entities**").

The shares in the Company are nominative and denominated in EUR (€).

All the shares in the Company are ordinary and grant the holders the same rights. In particular, it is worth citing the following rights envisaged in the current By-Laws or applicable regulations:

Dividend and Liquidation Rights

Holders of Ordinary Shares have the right to participate in distributions of profits and proceeds from the liquidation of the Company, proportionally to their stake in the share capital. However, there is no right to receive a minimum dividend.

Under the Spanish SOCIMI Act, companies are required to adopt resolutions for the annual distribution of dividends to its shareholders, subject to both the requirements under the SOCIMI Act and the conditions set out in the Spanish corporate legislation, as described below. For a more comprehensive description of the dividends' policy the Company will be subject to pursuant to the SOCIMI Act, see "*Description of Dividend Policy*".

In accordance with the Spanish Companies Act, payment of dividends is proposed by the Board of Directors and must be authorized or ratified, as the case may be, by the shareholders at a General Meeting of Shareholders. Dividends paid by the Company are required to follow the distribution rules set out in the SOCIMI Act. The Board of Directors (as well as the General Meeting of Shareholders) may distribute amounts on account of the dividends provided that the following conditions are met: (i) there is sufficient liquidity for the distribution; and (ii) the amount to be distributed will not exceed the profit obtained during the current financial year after deducting losses of preceding years, amounts to be contributed to legal or statutory reserves and estimated taxes to be paid on such profits. Shareholders who hold Ordinary Shares on the date agreed by the General Meeting of Shareholders will have the right to participate in such dividends.

The Spanish Companies Act requires that each company allocates at least 10% of its net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of such issued share capital. A company's legal reserve is not available for distribution to its shareholders except upon liquidation. As of the date of this

Informational Document, the Company's legal reserve had not reached the legally-established minimum.

According to the Spanish Companies Act, dividends may only be paid out of profits or distributable reserves (after the compulsory allocation to mandatory reserves, including the legal reserve, inasmuch as the latter does not exceed 20% of its issued share capital, and only if the value of the net worth is not, and as a result of distribution will not be, less than the share capital). The Bylaws do not establish any other reserve that is not available for distribution to its shareholders.

In addition, no profits may be distributed unless the amount of distributable reserves is at least equal to the amount of the research and development expenses recorded as an asset on the balance sheet.

Upon liquidation of the Company, shareholders would be entitled to receive proportionately any assets remaining after the payment of the Company's debts, taxes and expenses of the liquidation.

The Company is not aware of any restriction on the collection of dividends by non-resident shareholders. All holders will receive dividends through Iberclear and its member entities without prejudice to potential withholdings on account of the NRIT (as defined below) tax that may apply. See "*Spanish SOCIMI Regime and Taxation*".

Without prejudice to duties that will apply to the Company under the SOCIMI Act, its ability to distribute dividends in the near future will depend on a number of factors, including (but not limited to) the amount of its distributable profits and reserves and its investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under all applicable laws and compliance with covenants in the Company's debt instruments (see details described under "*Description of Dividend Policy*").

Pre-emptive Rights and Increases of Share Capital

Pursuant to the Spanish Companies Act, shareholders have pre-emptive rights to subscribe for any new Ordinary Shares issued by the Company via monetary contributions and for any new bonds convertible into Ordinary Shares. Such pre-emptive rights may be waived under special circumstances by a resolution passed at a General Meeting of Shareholders or the Board of Directors (when the Company delegates to the Board of Directors the right to increase the share capital or issue convertible bonds and waive pre-emptive rights), in accordance with Articles 308 and 417 of the Spanish Companies Act. As of the date hereof, the Company has no convertible or exchangeable bonds outstanding and have not issued any warrants over its Ordinary Shares. Also, holders of Ordinary Shares have the right of free allotment recognized in the Spanish Companies Act in the event of capital increase against reserves.

Furthermore, the pre-emptive rights, in any event, will not be available in an increase in share capital against non-cash contribution, by means of capitalization of credit rights, or to honor the conversion into shares of convertible bonds or in a merger in which shares are issued as consideration. After the Admission, pre-emptive rights are transferable, may be traded and may be of value to existing shareholders because new shares may be offered for subscription at prices lower than prevailing market prices.

As of the date of this Informational Document, the Board of Directors has been authorized by the General Meeting of Shareholders to issue new ordinary shares up to 50% of the Company's share capital with the capacity to exclude any pre-emptive subscription rights, although such exclusion of the aforementioned rights is subject to and may only be exercised upon the admission to listing of the Company's shares on the Spanish Stock Exchanges. In addition, the Board of Directors has been authorized by its shareholders to issue bonds that are convertible into the Company's shares or other securities which, directly or indirectly, grant the right to subscribe for new ordinary shares, provided that the shares issued to attend conversion rights, together with the shares issued pursuant to the above authorization, do not exceed 50% of the Company's share capital in aggregate, once again with the capacity to exclude any pre-emptive subscription rights although such exclusion is subject to and may only be exercised upon the admission to listing of the Company's shares on the Spanish Stock Exchanges. The capacity to exclude pre-emptive rights is limited, in both cases, to shares, or bonds convertible into shares, representing 20% of the Company's share capital.

Shareholder Actions

Under the Spanish Companies Act, Directors are liable to the Company, the shareholders and the creditors for acts or omissions that are illegal or violate the Bylaws and for failure to carry out their legal duties with diligence. When in violation of the law or of the Bylaws, Directors are presumed to have acted negligently, but this presumption can be rebutted. Directors have such liability even if the transaction in connection with which the acts or omissions occurred is approved or ratified by the shareholders.

The liability of the Directors is joint and several, except to the extent any Director can demonstrate that he or she did not participate in decision-making relating to the transaction at issue, was unaware of its existence or, being aware of it, did all that was possible to mitigate any damages or expressly disagreed with the decision-making relating to the transaction.

Under Spanish law, the competent courts to hear corporate claims brought by a shareholder against the Directors as well as any other actions against us or challenging corporate resolutions are generally the judicial district of the Company's registered address (currently in the city of Madrid, Spain).

Withdrawal rights

In certain circumstances (such as change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to withdraw from the Company. If this right were exercised, the Company would be obliged to purchase the relevant shares at the price of the shares that is agreed between the Company and the relevant shareholder or, in absence of such agreement, at the price that is calculated by an independent expert appointed by the Commercial Registry.

Proportional appointment rights

Under the Spanish Companies Act, shareholders who voluntarily aggregate their Ordinary Shares so that the share capital so aggregated is equal to or greater than the result of dividing the total share capital by the number of Directors have the right, provided there are vacancies on the Board of Directors, to appoint a corresponding proportion of the members of the Board of Directors (disregarding the fractions). Shareholders who exercise this right may not vote on the appointment of other Directors.

3.4. If any, description of a bylaw-mandated condition on the free transfer of shares compatible with trading on the MAB-REIT

According to article 10.1 of the Bylaws, the shares and the economic rights derived from them, including preferred subscription and cost-free allocation rights, are freely transferable by all the means admitted by the Law. New shares may not be transferred until the corresponding capital increase has been registered in the Commercial Registry.

3.5. Shareholders' agreements, among shareholders or between the Company and shareholders, that limit the transfer of shares or that affect voting rights

The Company is not aware of any shareholders' agreements entered into between shareholders of the Company, or between the Company and its shareholders, that limit the transfer of shares or that affect the right to vote in General Meetings of Shareholders.

3.6. Commitments to not sell or transfer or issue, assumed by shareholders or by the Company on the admission to trading on the MAB-REIT

In accordance with article one of the MAB Circular 2/2018 addressing SOCIMIs, the main shareholders Alazady, S.L., PREMAAT, M.P.S., Garganta Construcciones, S.L.U., Siemprelara, Coblilac, S.L., Mutual Médica, M.P.S.I and Liquid Investment, S.L. that have 65.78% of the capital of Millenium as of the date of this Informational Document and the administrators (Mr. Javier Illán Plaza and Remigio Iglesias) are committed not to sell the Company shares and not to perform any transactions equivalent to the sales of shares within the year following the listing of Millenium to

the Market, except those that are the subject of an offer to sell, whether or not is considered a public offer.

3.7. The statutory provisions required by the MAB regulations regarding the obligation to report significant shareholdings, shareholder's agreements, requirements for requesting delisting from trading on the MAB and changes of control of the Company

The literal wording of the statutory provisions required by the MAB regulations and included in the bylaws is the following:

Article 47.- Communication of significant stakes

1. In the event that the Company's shares are admitted to trading on the Alternative Stock Market, shareholders will be obligated to inform the Company of the acquisitions of shares, in any way, directly or indirectly, whereby their total stake reaches, exceeds or falls below 5% of the share capital and consecutive multiples.
2. If the shareholder is a manager or director of the Company, this obligation to report shall refer to 1% of the share capital and consecutive multiples.
3. This information must be reported to the body or person designated by the Company for such purposes, within a maximum of four (4) business days following the date on which the determining event of the report occurred.
4. The Company shall publicize such communications in accordance with the rules of the Alternative Stock Market, from the moment its shares are admitted for trading therein.

Article 48.- Disclosure of Shareholders' Agreements

1. Shareholders must inform the Company of the covenants they subscribe, extend or extinguish, and by virtue of which the transfer of their shares or the voting rights conferred on them are restricted, in accordance with legal provisions.
2. This information must be reported to the body or person designated by the Company for such purposes, within a maximum of four (4) business days following the date on which the determining event of the report occurred.
3. The Company shall publicize such communications in accordance with the rules of the Alternative Stock Market, from the moment its shares are admitted for trading therein.

Article 46.- Delisting

Should the company's shares be listed in the alternative stock market, and should the General Meeting adopt a resolution, not backed by all of the shareholders, to delist its

shares in said market, the company will be obligated to offer to purchase the shares of shareholders who did not vote in favor of the acquisition, at the price resulting from the regulation of takeover bids for securities trading in cases of delisting.

The Company will not be subject to the aforementioned obligation when it agrees to admission to trading of its shares in an official Spanish secondary market, simultaneous to its delisting from the Alternative Stock Market.

Article 10.3 and 10.4- Transfer of shares

3. However, if any shareholder wishes to acquire shares representing over 50% of the capital stock, he/she must, at the same time, make a purchase offer to all the remaining shareholders in the same conditions.

4. If any shareholder receives from a shareholder or a third-party an offer to purchase his/her shares and in view of the conditions of the offer, characteristics of the buyer and concurrent remaining circumstances it can be reasonably concluded that the purpose is for the buyer to hold over 50% of the capital stock, he/she may only transfer the shares that determine that the buyer will exceed that percentage if the potential buyer proves that he/she has offered to all the shareholders to buy their shares in the same conditions.

3.8. Description of the functioning of the Shareholder's Meeting

Pursuant to the Bylaws, the General Meeting of Shareholders Regulations and the Spanish Companies Act, ordinary annual General Meetings of Shareholders are held during the first six months of each financial year on a date fixed by the Board of Directors. Extraordinary General Meetings of Shareholders may be called by the Board of Directors whenever it deems appropriate, or at the request of shareholders representing at least 5% of the share capital. Notices of all General Meetings of Shareholders will be published in the corporate website, at least a month prior to the date when the meeting is to be held, except as discussed in the following paragraph.

Action is taken at ordinary meetings on the following matters: the approval of the management carried out by the Directors, the approval of the financial statements from the previous fiscal year, and the application of the previous fiscal year's income or loss. All other matters can be considered at either an extraordinary meeting or at an ordinary General Meeting of Shareholders if the matter is within the authority of the meeting and is included on the agenda (with certain exceptional items that do not need to be included on the agenda to be validly passed, such as the dismissal of Directors or the decision to bring the liability action against the Company's Directors). The liability action against Directors shall be brought by the Company pursuant to a General Meeting of Shareholders' decision, which may be proposed at the request of any shareholder, even if not included on the agenda. A company's bylaws cannot require qualified majority for the adoption of such resolution. The General Meeting of Shareholders may consent or

waive such action at any time, unless an objection is raised thereto by shareholders representing 5% of the share capital. The decision to bring an action or reach a settlement shall entail the removal of the relevant Directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed or brought.

Each ordinary share entitles the holder to one vote and there is no limit as to the maximum number of voting rights that may be held by each shareholder or by companies of the same group. Shareholders duly registered in the book-entry records maintained by Iberclear, and its member entities, who hold, at least, 1 share of the Company, five days prior to the day on which a General Meeting of Shareholders is scheduled and in the manner provided in the notice for such meeting, are entitled to attend, be represented and vote at such meeting. The notice calling the general shareholders' meeting shall indicate the date on which a shareholder must hold our shares in order for said shareholder to participate in a General Meeting of Shareholders and to vote in respect of his/her shares.

The holder of any share may vote by proxy. Proxies must be granted for each meeting in writing or in electronic form acceptable under the Bylaws, and are valid for a single General Meeting of Shareholders. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to the relevant General Meeting of Shareholders. A proxy may be revoked by giving notice to us prior to the meeting or by the shareholder attending the meeting in person or by remote voting.

The Bylaws of the Company provide that, on the first call of an ordinary or extraordinary General Meeting of Shareholders, the presence in person or by proxy of shareholders representing at least 25% of its voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to the Spanish Companies Act requires no quorum. However, resolutions in a General Meeting of Shareholders to modify the Bylaws of the Company (including increases and reductions of share capital), to cancel the applicability of the SOCIMI Regime, to issue bonds and, where competence is not legally attributed to any other of the Company's corporate bodies, to suppress or limit on the pre-emptive right over new Ordinary Shares, to approve transformations, mergers, spin-offs, global assignments of assets and liabilities or the transfer of the registered address of the Company abroad, require the presence in person or by proxy of shareholders representing at least 50% of the voting capital of the Company on first call, and the presence in person or by proxy of shareholders representing at least 25% of the voting capital of the Company on second call. On second call, and in the event that less than 50% of the voting capital of the Company is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of the Company's capital present or represented at such meeting. The interval between the first and the second call for a General Meeting of Shareholders must be at least 24 hours. Resolutions in all other cases are passed by a majority of the votes corresponding to the share capital present or represented at such meeting.

A resolution passed in a General Meeting of Shareholders is binding on all shareholders, although a resolution which is (i) contrary to Spanish law or the Bylaws of the Company, or (ii) prejudicial to the interest of the Company and is beneficial to one or more shareholders or third parties, may be contested within the period of a year following the passing of the contested resolution (except resolutions that are contrary to public order in respect of which such right does not lapse). Damage to the corporate interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders. The required fraction of the Company's share capital needed to be able to contest is 1/100. The right to contest would apply to shareholders who held such status at the time when the resolution was adopted (provided they hold at least 1% of the share capital), Directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was taken), and any Director or third party.

3.9. Liquidity Provider with which it has entered into the relevant liquidity contract and brief description of its function

On May 10, 2019, the Company formalised a liquidity agreement (hereinafter, the "**Liquidity Agreement**") with the financial broker and market member Renta 4 Banco, S.A. (hereinafter, the "**Liquidity Provider**").

By virtue of such Liquidity Agreement, the Liquidity Provider undertakes to offer liquidity to the holders of shares in the Company by carrying out sale and purchase transactions with Company shares on the MAB in accordance with the system envisaged by Circular 7/2017, of December 20, 2017, on rules governing the acquisition of shares in Developing Companies via the MAB (hereinafter, "**MAB Circular 7/2017**") and its implementing regulations.

"The aim of this liquidity agreement is to encourage transaction liquidity, achieve sufficient trading frequency and reduce any price fluctuations for reasons other than market trends.

The liquidity agreement prohibits the Liquidity Provider from requesting or receiving instructions from Millenium on the time, price and other conditions of the transactions executed under the agreement. Neither will it request or receive relevant information from the Company.

The Liquidity Provider will transfer to the company all information on the execution of the agreement that the latter requires in order to comply with its legal obligations."

The Liquidity Provider will provide a counterparty for the existing seller and buyer positions in the MAB in accordance with its trading rules and within the trading hours envisaged for the Company in view of the number of shareholders that make up its shareholding, said entity not being able to carry out the sale and purchase transactions envisaged in the Liquidity Agreement by means of block trading or special transactions, as envisaged in MAB Circular 7/2017.

The Company undertakes to provide the Liquidity Provider with a combination of EUR 300,000 in cash and the amount of 60,000 shares equivalent to EUR 300,000, exclusively to enable the Liquidity Provider to fulfil the commitments assumed by virtue of the Liquidity Agreement.

The Liquidity Provider will maintain an internal organisational structure that guarantees the independence of the actions of employees responsible for managing the Liquidity Agreement *vis-à-vis* the Company.

The purpose of the supplied funds and shares is exclusively to allow the Liquidity Provider to meet its counterparty commitments, meaning that Millenium will not dispose of them unless they exceed the needs established by MAB rules.

The Liquidity Agreement will have an indefinite duration, entering into force on the date the Company shares are admitted for trading on the MAB and it may be terminated by either of the parties in the event of a breach of the obligations assumed by the other party, or by a unilateral decision of one of the parties, provided it notifies the other party in writing at least 60 days in advance. The Company will notify the MAB of the termination of the Liquidity Agreement.

4. OTHER INFORMATION OF INTEREST

N/A

5. REGISTERED ADVISOR AND OTHER EXPERTS OR ADVISORS

5.1. Information regarding the Registered Advisor, including possible relations and links with the issuer

In compliance with the requirements set out in MAB Circular 2/2018, which makes it mandatory to contract this figure for the process of listing to the MAB, SOCIMIs segment, and maintaining this party while the Company is listed on said market, on October 11, 2018 the Company contracted Renta 4 Corporate, S.A. as a Registered Advisor.

As a result of this appointment, from then onwards, Renta 4 Corporate, S.A. has been assisting the Company to fulfil its obligations in relation to MAB Circular 16/2016.

Renta 4 Corporate, S.A. was authorised by the Board of Directors of the MAB as a Registered Advisor on June 2, 2008, as foreseen in MAB Circular 16/2016; it is included amongst the first thirteen registered advisors approved by the Market.

Renta 4 Corporate, S.A. belongs to Renta 4 Banco, S.A., which was incorporated as Renta 4 Terrasa, S.A. by means of a public deed executed on May 16, 2001, for an indefinite period of time, and is currently recorded at the Commercial Registry of Madrid in Tome 21.918, Folio 11, Section B, Sheet M-390614, holding Fiscal Identification Number (N.I.F.) no. A62585849, with registered address at Paseo de la Habana 74, Madrid. On June 21, 2005 it changed its company name to Renta 4 Planificación Empresarial, S.A.; the same change again took place on June 1, 2007 and the company name is the one it currently holds.

Renta 4 Corporate, S.A. will at all time act further to its duties as Registered Advisor, following the guidelines established in its Internal Code of Conduct.

Additionally, Renta 4 Banco, S.A., that belongs to the same group that Renta 4 Corporate, S.A. will act as Liquidity Provider and Entity Agent of the Company.

The Company, Renta 4 Corporate, S.A. and Renta 4 Banco, S.A. declare that there is no relationship or link between them beyond that constituted by the appointment of Registered Advisor, Liquidity Provider and Entity Agent previously described.

5.2. Should the Document include any expert third-party declaration or report, it should state, including qualifications and, where applicable, any relevant interest of the third party in the issuer

CBRE Valuation Advisory, S.A. has issued an independent valuation report to appraise the assets of the Company as of December 31, 2018. A summary of such valuation

report as of May 29, 2019 is attached hereto as Appendixes V of this Informational Document.

5.3. Information regarding other advisors that have collaborated in the admission process

Apart from the advisors mentioned in other sections of this Informational Document, the following entities have provided advisory services to Millenium in relation to the listing of its shares on the MAB:

- (i) The law firm Uría Menendez Abogados S.L.P. has provided legal and tax advice to the Company, and has issued a legal due diligence report on corporate and real estate/town planning aspects relating to the real estate assets owned by Millenium.
- (ii) The auditing firm EY has provided auditing services in connection with the Consolidated Financial Statements 2018.
- (iii) The auditing firm BDO Auditores, S.L.P. has issued a financial due diligence report in fulfilment of the requisites established by MAB Circular 2/2018.

**APPENDIX I Communication to the Tax Agency on the option to apply the regime for
SOCIMIs**

Recibo de presentación

Datos del asiento registral

Número de asiento registral: RGE659031972017

Fecha: 26-07-2017

Hora: 17:00:30

Vía de entrada: Internet

Datos del trámite

Trámite: GC232 - Presentar solicitud o comunicación

Procedimiento: GC23 - Beneficios fiscales de carácter no rogado

Asunto: Acogimiento al Régimen de SOCIMI

Datos del interesado

NIF: A87846028

Nombre / Razón social: MILLENIUM HOTELS REAL ESTATE I

Datos del representante

NIF: 53002633F

Nombre / Razón social: RIOS MARTINEZ PEDRO

Relación de ficheros anexados

-	Nombre del archivo	Descripción	Tipo	Tamaño (bytes)	Huella electrónica (SHA-1)	Código seguro de verificación (CSV)
1	20170725 Comunicación AEAT régimen SOCIMI.pdf	SOLICITUD DE ACOGIMIENTO REGIMEN SOCIMI	200 - Otros documentos	620052	F1B58BA20E3C1AE75B6FA A579FC93217C6F685AC	BCY4ZGHPG3T9H49E
2	20170725 Certificación JGA Acogimiento Socimi.pdf	CERTIFICACION ACTA DE JUNTA GENERAL	200 - Otros documentos	432484	7592C8D6FEB9B4B7419325 517408E92C69DE6CEB	CPVG982WPUT5PZX8
3	20170606 Escrituras MHRE I, S.A.pdf	ESCRITURA DE CONSTITUCION	200 - Otros documentos	12397829	7283A9A1F818901EA02666 7BD776D0DE3FBF2214	UGFN593QZE35ZVSB

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La emisión de este recibo de presentación no prejuzga la admisión definitiva del escrito si concurriera alguna de las causas de rechazo contenidas en el artículo 29.1 del Real Decreto 1671/2009, de 6 de noviembre.

A LA AGENCIA ESTATAL DE LA ADMINISTRACIÓN TRIBUTARIA
DELEGACIÓN DE MADRID
ADMINISTRACIÓN DE GUZMAN EL BUENO

COMUNICACIÓN DE LA OPCIÓN POR EL RÉGIMEN FISCAL ESPECIAL DE LAS SOCIEDADES ANÓNIMAS COTIZADAS DE INVERSIÓN EN EL MERCADO INMOBILIARIO (SOCIMI)

MILLENIUM HOTELS REAL ESTATE I, S.A., con NIF A87846028, y domicilio fiscal en Madrid (28046), Pº de la Castellana, 102, (en lo sucesivo, **la sociedad**), y en su nombre y representación, D. Francisco-Javier Illan Plaza, con NIF 07495071S, en su calidad de Administrador único de la sociedad.

Dicha representación queda debidamente acreditada en virtud de escritura de constitución autorizada por la Notario de Madrid, Dña. Isabel Estapé Tous, el día 6 de junio de 2017, con el número 2.919 de orden de protocolo, cuya copia se adjunta como **Documento número 1**.

En virtud de lo expuesto anteriormente, como mejor proceda en Derecho,

EXPONE

PRIMERO.- Cumplimiento de los requisitos previstos por la Ley 11/2009, de 26 de octubre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (en adelante, Ley de SOCIMI) para el acogimiento al régimen fiscal especial.

Que en el momento de realizar la presente comunicación, la sociedad cumple con los siguientes requisitos:

(a) Forma jurídica.

La sociedad está válidamente constituida de conformidad con las leyes de España, bajo la forma jurídica de Sociedad Anónima. La sociedad tiene previsto solicitar su cotización en el mercado alternativo bursátil o en el mercado continuo.

La sociedad se encuentra debidamente inscrita en el Registro Mercantil de Madrid, Tomo 36.150, Folio 17, Sección 8, Hoja M-649563.

(b) Objeto social.

“Con carácter principal, la Sociedad tiene por objeto social la realización de las siguientes actividades, ya sea en territorio nacional o en el extranjero:

- a. la adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento, incluyendo la actividad de rehabilitación de edificaciones en los términos establecidos en la Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido;
- b. la tenencia de acciones o participaciones en el capital de Sociedades Anónimas Cotizadas de Inversión Inmobiliaria (en adelante, “SOCIMI”) o en el de otras entidades no residentes en territorio español que tengan el mismo objeto social que aquéllas y que estén sometidas a un régimen

similar al establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios;

- c. la tenencia de acciones o participaciones en el capital de otras entidades, residentes o no en territorio español, que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana para su arrendamiento y que estén sometidas al mismo régimen establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios y cumplan los requisitos de inversión a que se refiere el artículo 3 de la LSOCIMI;
 - d. la tenencia de acciones o participaciones de Instituciones de Inversión Colectiva Inmobiliaria reguladas en la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, o la norma que la sustituya en el futuro.
- II. Junto con la actividad económica derivada del objeto social principal, la Sociedad podrá desarrollar otras actividades accesorias, entendiéndose como tales aquellas que en su conjunto sus rentas representen menos del 20 por 100 de las rentas de la Sociedad en cada período impositivo o aquellas que puedan considerarse accesorias de acuerdo con la ley aplicable en cada momento, entre ellas:
- a. la compra, venta, alquiler, parcelación y urbanización de solares, terrenos y fincas de cualquier naturaleza, pudiendo proceder a la edificación de los mismos y a su enajenación, íntegramente, en forma parcial o en régimen de propiedad horizontal;
 - b. la construcción completa de edificaciones;
 - c. la adquisición, tenencia, disfrute y administración de participaciones sociales, valores mobiliarios nacionales y extranjeros o cualquier tipo de títulos que concedan una participación en sociedades por cuenta propia y sin actividad de intermediación, así como su administración y gestión;
- III. Quedan excluidas todas aquellas actividades para cuyo ejercicio la ley exija requisitos que no pueden ser cumplidos por la Sociedad. Si las disposiciones legales exigiesen para el ejercicio de alguna actividad comprendida en el objeto social algún título profesional, autorización administrativa previa, inscripción en un registro público, o cualquier otro requisito, dicha actividad no podrá iniciarse hasta que se hayan cumplido los requisitos profesionales o administrativos exigidos.
- IV. Las actividades integrantes del objeto social podrán ser desarrolladas total o parcialmente, de forma directa o indirecta, y mediante la participación en otras sociedades con objeto idéntico o análogo.”

(c) Capital Social.

El capital social de la Sociedad queda fijado en la cantidad de SESENTA MIL EUROS (60.000 €), dividido en SESENTA MIL (60.000) acciones nominativas, de UN EURO (1 €) de valor nominal cada una de ellas, pertenecientes a una única clase y serie, iguales, acumulables e indivisibles, numeradas correlativamente de la 1 a la 60.000, ambas inclusive.

Las acciones se encuentran íntegramente suscritas y desembolsadas al veinticinco (25%) de su valor nominal, quedando pendiente de desembolso setenta y cinco céntimos de euros (0,75 €) por acción.

(d) Participaciones.

Existe una única clase de acciones.

(e) Denominación Social.

La sociedad ha acordado que su denominación social sea MILLENIUM HOTELS REAL ESTATE I, S.A.

SEGUNDO.- Acuerdo por el que la sociedad ha optado por el régimen fiscal especial de SOCIMI.

Que, con fecha 25 de julio de 2017, el accionista único de la Sociedad ha adoptado el correspondiente acuerdo de acogimiento de la Sociedad al régimen fiscal especial de las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI), de conformidad con lo dispuesto en el artículo 8.1 de la Ley de SOCIMI. Se adjunta certificación de decisiones del accionista único como **Documento Número 2**.

TERCERO.- Momento temporal de la presente comunicación.

De conformidad con lo dispuesto en el artículo 8.1 de la Ley SOCIMI, tanto el acuerdo citado en el punto SEGUNDO anterior como la presente comunicación, se realiza con anterioridad a los tres últimos meses previos a la conclusión del primer período impositivo en el que le será de aplicación el régimen fiscal especial (01.01.2017 – 31.12.2017).

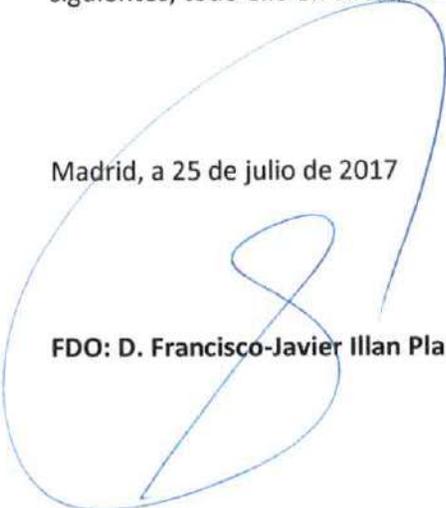
Y en virtud de todo lo anterior,

SOLICITA

Que tenga por presentado el presente escrito, junto con los documentos que le acompañan, por hechas las anteriores manifestaciones, y por comunicado en tiempo y forma el acuerdo de la sociedad de acogimiento al régimen fiscal especial de SOCIMI para el ejercicio fiscal 2017 y siguientes, todo ello en virtud de lo regulado en el artículo 8.2 de la Ley SOCIMI.

Madrid, a 25 de julio de 2017

FDO: D. Francisco-Javier Illan Plaza



**APPENDIX II Consolidated annual accounts together with the directors' report and
audit report for 2018**

**Informe de Auditoría de Cuentas Anuales Consolidadas
emitido por un Auditor Independiente**

**MILLENIUM HOTELS REAL ESTATE I, S.A.
Y SOCIEDADES DEPENDIENTES
Cuentas Anuales Consolidadas e Informe de Gestión Consolidado
correspondientes al ejercicio anual terminado
el 31 de diciembre de 2018**



Building a better
working world

Ernst & Young, S.L.
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28003 Madrid

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INFORME DE AUDITORÍA DE CUENTAS ANUALES CONSOLIDADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de MILLENIUM HOTELS REAL ESTATE I, S.A.:

Opinión

Hemos auditado las cuentas anuales consolidadas de MILLENIUM HOTELS REAL ESTATE I, S.A. (la Sociedad dominante) y sus sociedades dependientes (el Grupo), que comprenden el balance a 31 de diciembre de 2018, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria, todos ellos consolidados, correspondientes al ejercicio anual terminado en dicha fecha.

En nuestra opinión, las cuentas anuales consolidadas adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera del Grupo a 31 de diciembre de 2018, así como de sus resultados y flujos de efectivo, todos ellos consolidados, correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria consolidada) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas* de nuestro informe.

Somos independientes del Grupo de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales consolidadas en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales consolidadas del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales consolidadas en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Valoración de las inversiones inmobiliarias

Descripción El Grupo tiene registrado en el epígrafe de inversiones inmobiliarias del balance al 31 de diciembre de 2018, un importe neto de 72.926.667 euros correspondientes a los inmuebles propiedad del Grupo. El desglose correspondiente a estos activos se detalla en la Nota 6 de la memoria consolidada adjunta.

El Administrador Único del Grupo determina con carácter periódico, el valor razonable de las inversiones inmobiliarias, tomando como valores de referencia la valoración realizada por expertos independientes y dotando las oportunas correcciones por deterioro, cuando el valor de mercado del activo es inferior al valor neto contable del mismo, tal y como se indica en la nota 4.2 de la memoria consolidada adjunta. Dichas valoraciones han sido realizadas por un experto independiente de acuerdo a los estándares de valoración de la Royal Institution of Chartered Surveyors "RICS". El riesgo de que estos activos presenten deterioro y la relevancia de los importes involucrados, nos ha hecho considerar la valoración de las inversiones inmobiliarias como uno de los aspectos más relevantes de la auditoría.

Nuestra respuesta

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- Revisión del modelo de valoración utilizado por el experto independiente, en colaboración con nuestros especialistas en valoraciones, cubriendo el análisis matemático del modelo, el análisis de los flujos de caja proyectados proporcionados por la dirección y la revisión de las tasas de descuento.
- Revisión de los desgloses incluidos en la memoria consolidada de la Sociedad requeridos por la normativa contable aplicable.

Cumplimiento del Régimen fiscal de SOCIMI

Descripción La Sociedad Dominante ha optado por aplicar el régimen fiscal especial para las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario "SOCIMI" desde el 1 de enero de 2017.

La aplicación de este régimen especial requiere que las sociedades acogidas al mismo cumplan con una serie de condiciones que se recogen en la normativa aplicable, tal y como se explica en la Nota 1.1 de la memoria consolidada adjunta.

Hemos considerado este asunto como uno de los más relevantes de nuestra auditoría debido a la importancia que tiene la aplicación de este régimen fiscal especial por su impacto directo la estructura societaria, actividad operativa y cumplimiento legal y normativo del Grupo, así como en la política de retribución a los accionistas de la Sociedad Dominante. Una aplicación indebida del régimen podría llegar a tener un impacto significativo sobre las cuentas anuales del Grupo.

**Nuestra
respuesta**

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- ▶ El entendimiento desde un punto de vista fiscal, de la estructura societaria del Grupo, de su actividad operativa, así como las acciones necesarias para mantener el régimen fiscal de SOCIMI.
- ▶ Adicionalmente hemos revisado si los desgloses incluidos en la memoria de la Sociedad se adecúan a los requeridos por la normativa contable y fiscal.

Otra información: Informe de gestión consolidado

La otra información comprende exclusivamente el informe de gestión consolidado del ejercicio 2018, cuya formulación es responsabilidad del Administrador Único de la Sociedad dominante y no forma parte integrante de las cuentas anuales consolidadas.

Nuestra opinión de auditoría sobre las cuentas anuales consolidadas no cubre el informe de gestión consolidado. Nuestra responsabilidad sobre el informe de gestión consolidado, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión consolidado con las cuentas anuales consolidadas, a partir del conocimiento del Grupo obtenido en la realización de la auditoría de las citadas cuentas y sin incluir información distinta de la obtenida como evidencia durante la misma. Asimismo, nuestra responsabilidad consiste en evaluar e informar de si el contenido y presentación del informe de gestión consolidado son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión consolidado concuerda con la de las cuentas anuales consolidadas del ejercicio 2018 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad del Administrador Único de la Sociedad dominante en relación con las cuentas anuales consolidadas

El Administrador Único de la Sociedad dominante es responsable de formular las cuentas anuales consolidadas adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados consolidados del Grupo, de conformidad con el marco normativo de información financiera aplicable al Grupo en España, que se identifica en la nota 2 de la memoria consolidada adjunta, y del control interno que consideren necesario para permitir la preparación de cuentas anuales consolidadas libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales consolidadas, el Administrador Único de la Sociedad dominante es responsable de la valoración de la capacidad del Grupo para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si el Administrador Único tiene intención de liquidar el Grupo o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales consolidadas

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales consolidadas en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales consolidadas.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- ▶ Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales consolidadas, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- ▶ Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno del Grupo.
- ▶ Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por el Administrador Único de la Sociedad dominante.
- ▶ Concluimos sobre si es adecuada la utilización, por el Administrador Único de la Sociedad dominante, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad del Grupo para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales consolidadas o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que el Grupo deje de ser una empresa en funcionamiento.
- ▶ Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales consolidadas, incluida la información revelada, y si las cuentas anuales consolidadas representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.
- ▶ Obtenemos evidencia suficiente y adecuada en relación con la información financiera de las entidades o actividades empresariales dentro del grupo para expresar una opinión sobre las cuentas anuales consolidadas. Somos responsables de la dirección, supervisión y realización de la auditoría del grupo. Somos los únicos responsables de nuestra opinión de auditoría.

Nos comunicamos con el Administrador Único de la Sociedad dominante en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación al Administrador Único de la Sociedad dominante, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales consolidadas del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.



ERNST & YOUNG, S.L.

2019 Núm. 01/19/07422
SELLO CORPORATIVO: 96,00 EUR
Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional

ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores
de Cuentas con el Nº S0530)

Francisco V. Fernández Romero
(Inscrito en el Registro Oficial de Auditores
de Cuentas con el Nº 2918)

9 de abril de 2019

**MILLENIUM HOTELS REAL ESTATE I, S.A. Y SOCIEDADES
DEPENDIENTES**

Cuentas anuales Consolidadas e informe de gestión consolidado
correspondientes al ejercicio anual terminado el
31 de diciembre de 2018

MILLENIUM HOTELS REAL ESTATE I, S.A Y SOCIEDADES DEPENDIENTES

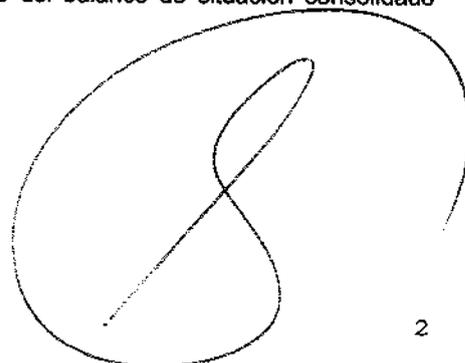
Memoria consolidada correspondiente al ejercicio anual terminado el 31 de diciembre de 2018

Balance de Situación consolidado al 31 de diciembre de 2018

<i>Activo (Euros)</i>	<i>Nota</i>	<i>31 de diciembre 2018</i>
ACTIVO NO CORRIENTE		73.097.873
Inversiones inmobiliarias	6	72.926.667
Inversiones financieras a largo plazo	7	3.426
Activos por Impuesto diferido	14	167.780
ACTIVO CORRIENTE		22.724.752
Existencias	8	34.896
Deudores comerciales y otras cuentas a cobrar	7.1	454.519
Inversiones financieras a corto plazo	7.1	144.767
Otros activos corrientes	7.1	1.161.186
Créditos con Administraciones Públicas	14	420.120
Periodificaciones a corto plazo		13.854
Efectivo y otros activos líquidos equivalentes	9	20.495.410
TOTAL ACTIVO		95.822.625

<i>Pasivo (Euros)</i>	<i>Nota</i>	<i>31 de diciembre 2018</i>
PATRIMONIO NETO	10	58.151.830
Fondos propios	10	58.467.352
Capital	10.1	59.014.000
Reservas		(23.635)
Otras Reservas	10.2	(23.635)
Resultados de ejercicios anteriores	10.2	(374.625)
Reservas en sociedades consolidadas	10.2	(161.093)
Resultado del ejercicio		12.705
Ajustes por cambios de valor	11	(315.522)
PASIVO NO CORRIENTE		35.234.019
Deudas a largo plazo		31.730.618
Deudas con entidades de crédito	12.1	16.853.846
Gastos de formalización de deudas	12.1	(284.358)
Acreedores por arrendamiento financiero	12.1	14.476.767
Derivados	12.2	420.696
Otros pasivos financieros	12.3	263.667
Pasivos por impuesto diferido	14	3.503.401
PASIVO CORRIENTE		2.436.776
Provisiones a corto plazo	12	53.034
Deudas a corto plazo		2.040.948
Deudas con entidades de crédito	12.1	855.147
Acreedores por arrendamiento financiero	12.1	1.081.101
Otras deudas a corto plazo	12.3	104.700
Acreedores comerciales y otras cuentas a pagar		342.794
Proveedores	12.4	83.602
Acreedores varios	12.4	147.061
Otras deudas con las Administraciones Públicas	14	112.131
TOTAL PATRIMONIO NETO Y PASIVO		95.822.625

Las notas 1 a 19 descritas en la memoria consolidada adjunta forman parte del balance de situación consolidado correspondiente al ejercicio finalizado el 31 de diciembre de 2018



MILLENIUM HOTELS REAL ESTATE I, S.A Y SOCIEDADES DEPENDIENTES

Memoria consolidada correspondiente al ejercicio anual terminado el 31 de diciembre de 2018

Cuenta de Pérdidas y Ganancias consolidada correspondiente ejercicio terminado el 31 de diciembre de 2018

<i>Cuenta de Pérdidas y Ganancias Consolidada (Euros)</i>	<i>Nota</i>	<i>2018</i>
Operaciones continuadas		
Importe neto de la cifra de negocios	16.1	2.564.453
Ingresos por arrendamientos		2.564.453
Trabajos realizados por el Grupo para sus activos	16.2	1.324.688
Gastos de personal	16.3	(344.271)
Sueldos y salarios		(315.321)
Seguridad social a cargo de la empresa		(28.950)
Otros gastos de explotación		(2.119.855)
Servicios exteriores	16.4	(1.293.688)
Tributos		(826.168)
Amortización de inmovilizado	6	(552.784)
Deterioro y resultado por enajenaciones y otros		(404.054)
Deterioro y pérdidas	5	(404.054)
Otros resultados		180.927
RESULTADO DE EXPLOTACIÓN		649.104
Ingresos financieros	16.5	314.899
De valores negociables y otros instrumentos financieros		314.899
Gastos financieros	16.5	(719.765)
Por deudas con terceros		(719.765)
RESULTADO FINANCIERO		(404.866)
RESULTADO ANTES DE IMPUESTOS		244.238
Impuestos sobre beneficios	14	(231.533)
RESULTADO DEL EJERCICIO		12.705
Resultado del ejercicio atribuible a la Sociedad Dominante		13.961
Resultado del ejercicio atribuible a socios externos		(1.256)

Las notas 1 a 19 descritas en la memoria consolidada adjunta forman parte de la cuenta de pérdidas y ganancias consolidada correspondiente al ejercicio finalizado el 31 de diciembre de 2018

Estado de ingresos y gastos consolidado correspondiente al ejercicio terminado el 31 de diciembre de 2018

<i>(Euros)</i>	<i>2018</i>
Resultado consolidado del ejercicio (I)	12.705
Ingresos y gastos imputados directamente al patrimonio neto	(23.635)
Total ingresos y gastos imputados directamente en el patrimonio neto (II)	(23.635)
Transferencias a la cuenta de pérdidas y ganancias	(92.553)
Total ingresos y gastos imputados a la cuenta de pérdidas y ganancias (III)	(92.553)
Total ingresos y gastos imputados directamente en el patrimonio neto (I+II+III)	103.483

Las notas 1 a 19 descritas en la memoria consolidada adjunta forman parte del estado de ingresos y gastos reconocidos consolidado correspondiente al ejercicio finalizado el 31 de diciembre de 2018

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Estado total de cambios en el patrimonio neto correspondiente al ejercicio finalizado el 31 de diciembre de 2018

	Capital	Capital no exigido	Reservas	Resultados negativos de ejercicios anter.	Resultado del ejercicio atribuido a la Sociedad dominante	Reservas en sociedades consolidadas	Ajustes por cambios de valor	Socios externos	Total
Saldo al 1 de enero del ejercicio 2018	60.000	(45.000)	-	(374.625)	-	-	-	-	(359.625)
Ingresos y gastos reconocidos	-	-	(23.635)	-	12.705	-	(91.297)	(1.256)	(103.483)
Operaciones con socios o propietarios:	58.954.000	-	-	-	-	-	-	-	58.954.000
Ampliación de capital	58.954.000	-	-	-	-	-	-	-	58.954.000
Otras variaciones de patrimonio neto:	-	45.000	-	-	-	(161.093)	(224.225)	-	(340.318)
Distrib. benef./pérdida del ejerc.	-	-	-	-	-	-	-	-	-
Incorp. al perimetro	-	-	-	-	-	-	(224.225)	1.351.301	1.127.076
Adquisición	-	-	-	-	-	(161.093)	-	(1.350.045)	(1.511.138)
Otros movimientos	-	45.000	-	-	-	-	-	-	45.000
Saldo al 31 de diciembre de 2018	-	-	-	-	-	-	-	-	-
Saldo al 31 de diciembre de 2018	59.014.000	-	(23.635)	(374.625)	12.705	(161.093)	(315.522)	-	58.151.830

Las notas 1 a 19 descritas en la memoria consolidada adjunta forman parte del estado de cambios en el patrimonio neto consolidado correspondiente al ejercicio finalizado el 31 de diciembre de 2018

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Memoria consolidada correspondiente al ejercicio anual terminado el 31 de diciembre de 2018

Estados de flujos de efectivo consolidados correspondientes al ejercicio terminado el 31 de diciembre de 2018

	Notas	2018
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACION		
Resultado del ejercicio antes de impuestos		244.238
Ajustes del resultado		1.361.704
Amortización del inmovilizado (+)	6	552.784
Correcciones valorativas por deterioro	5	404.054
Ingresos financieros (-)	16.5	(314.899)
Gastos financieros (+)	16.5	719.765
Cambios en el capital corriente		1.653.125
(Incremento)/Decremento en Existencias		(19.013)
(Incremento)/Decremento en Deudores y otras cuentas a cobrar		(2.031.259)
Incremento/(Decremento) en Acreedores y otras cuentas a pagar		367.776
Otros activos y pasivos no corrientes (+/-)		3.335.620
Otros flujos de efectivo de las actividades de explotación		(1.235.655)
Pagos de intereses (-)	16.5	(719.765)
Otros pagos (cobros) (-/+)	12.1	(284.358)
Cobros (pagos) por impuesto sobre beneficios (+/-)	14	(231.533)
Flujos de efectivo de las actividades de explotación		2.023.411
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN		
Pagos por inversiones		(51.396.091)
Inversiones inmobiliarias	6	(22.466.441)
Otros activos financieros	8.3	(28.929.650)
Flujos de efectivo de las actividades de inversión		(51.396.091)
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN		
Cobros y pagos por instrumentos de patrimonio		58.975.366
Emisión de instrumentos de patrimonio (+)	10	58.975.366
Cobros y pagos por instrumentos de pasivo financieros		13.462.742
Emisión		(315.522)
Obligaciones y otros valores negociables (+)		13.778.264
Deudas con entidades de crédito		(8.252.000)
Devolución y amortización de		(8.252.000)
Otras deudas (-)		
Flujos de efectivo de las actividades de financiación		64.186.107
Efecto de las variaciones en el tipo de cambio		
AUMENTO / DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES		14.813.428
Efectivo o equivalentes al comienzo del ejercicio, neto		5.681.982
Efectivo o equivalentes al final del ejercicio, neto	7	20.495.410

Las notas 1 a 19 descritas en la memoria consolidada adjunta forman parte del Estado de Flujos de efectivo consolidado correspondiente al ejercicio finalizado el 31 de diciembre de 2018

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1. INTRODUCCIÓN E INFORMACIÓN GENERAL

MILLENIUM HOTELS REAL ESTATE I S.A. (en adelante Millenium) y Sociedades Dependientes (en adelante e Grupo o Grupo Millenium), constituyen un grupo de empresas cuyas actividades principales son:

- a. La adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento, incluyendo la actividad de rehabilitación de edificaciones en los términos establecidos en la Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido;
- b. La tenencia de acciones o participaciones en el capital de Sociedades Anónimas Cotizadas de Inversión Inmobiliaria (en adelante, "SOCIMI") o en el de otras entidades no residentes en territorio español que tengan el mismo objeto social que aquéllas y que estén sometidas a un régimen similar al establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios;
- c. La tenencia de acciones o participaciones en el capital de otras entidades, residentes o no en territorio español, que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana para su arrendamiento y que estén sometidas al mismo régimen establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios y cumplan los requisitos de inversión a que se refiere el artículo 3 de la Ley 11/2009 de 26 de octubre, por la que se regulan las SOCIMIs;
- d. La tenencia de acciones o participaciones de Instituciones de Inversión Colectiva Inmobiliaria reguladas en la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, o la norma que la sustituya en el futuro.
- e. Otras actividades accesorias a las anteriores, entendiéndose como tales aquellas que en su conjunto sus rentas representen menos del 20 por 100 de rentas de la Sociedad en cada periodo impositivo.

Estas actividades se realizan en España.

La Sociedad Dominante del Grupo es MILLENIUM HOTELS REAL ESTATE I S.A. (en adelante la Sociedad Dominante o Millenium) y fue constituida el 6 de junio de 2017 como Sociedad Anónima, con el número 2.919 de orden de protocolo y tiene su domicilio social y fiscal en PS CASTELLANA, 102, 2, 28046, MADRID, MADRID.

Con fecha 22 de diciembre de 2017 la Sociedad Dominante adquirió el 50% de las participaciones de la sociedad Varia Pza Magdalena, S.L. (en adelante, Varia Plaza) vía suscripción de aumento de capital. En dicha operación no se tomó el control de la sociedad, el cual estaba ejercido por el otro socio.

Con fecha 6 de septiembre de 2018 la Sociedad Dominante adquirió el restante 50% de Varia Plaza, pasando a tener el control de dicha sociedad. En esta adquisición se generó una operación de combinación de negocios, tal y como se explica en la Nota 5 de la presente memoria consolidada.

Asimismo, con fecha 31 de julio de 2018 la Sociedad Dominante adquirió el 92,86% de las participaciones de la sociedad Millenium Hotels C220, S.L. (en adelante, C220), a través de la

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adquisición a los antiguos socios, pasando a ejercer el control sobre dicha sociedad. El 11 de octubre de 2018, la Sociedad Dominante ha adquirido el restante 7,14% de dicha sociedad. En dichas adquisiciones se generó una operación de combinación de negocios, tal y como se explica en la Nota 5 de la presente memoria consolidada.

En el siguiente cuadro se reflejan las sociedades que forman parte del perímetro de consolidación a 31 de diciembre de 2018:

Sociedad	Domicilio	Actividad	Sociedad del Grupo titular	%Partic.directa	Auditor	Método de consolidación	Moneda funcional
Millenium Hotels C220, S.L.U.	Madrid	(*)	Millenium Hotels Real Estate I, S.A.	100%	Ernst&Young, S.L.	Integración Global	Euro
Varia Pza Magdalena, S.L.U.	Madrid	(*)	Millenium Hotels Real Estate I, S.A.	100%	Ernst&Young, S.L.	Integración Global	Euro

(*) Compra, venta, alquiler, parcelación y urbanización de solares, terrenos y fincas de cualquier naturaleza. Compra, suscripción, tenencia, permuta y venta de valores mobiliarios, nacionales y extranjeros, acciones y participaciones sociales, por cuenta propia y sin actividad de intermediación.

El 25 de julio de 2017, el hasta el momento Accionista Único de la Sociedad Dominante, D. Francisco Javier Illán Plaza, aprobó solicitar el acogimiento de la Sociedad Dominante al Régimen Fiscal Especial de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI) de aplicación a partir del momento de su constitución (ver Nota 1.a). Dicha comunicación se presentó ante la Administración Tributaria el 26 de julio de 2017.

Dada la actividad a la que se dedica, el Grupo no tiene gastos, activos, provisiones ni contingencias de naturaleza medioambiental que pudieran ser significativos en relación con el patrimonio, la situación financiera y los resultados de la misma. Por este motivo no se incluyen desgloses específicos al respecto en las presentes cuentas anuales consolidadas.

Las presentes cuentas consolidadas se presentan en euros por ser ésta la moneda del entorno económico principal en el que opera el Grupo.

1.1 Régimen SOCIMI

El 26 de julio de 2017 la Sociedad Dominante solicitó la incorporación al Régimen Fiscal SOCIMI. La Sociedad ha procedido a registrar desde el ejercicio 2017, el correspondiente impuesto de sociedades teniendo en consideración la normativa aplicable a dicho Régimen fiscal de SOCIMIs.

La Disposición Transitoria Primera de la Ley SOCIMIs permite la aplicación del Régimen fiscal de SOCIMIs en los términos establecidos en el artículo 8 de la Ley de SOCIMIs, aun cuando no se cumplan los requisitos exigidos en la misma a la fecha de incorporación, a condición de que tales requisitos se cumplan en los dos años siguientes a la fecha en la que se opta por aplicar dicho Régimen. En opinión del Administrador, la Sociedad cumplirá plenamente con los mencionados requisitos con anterioridad a la finalización del periodo transitorio.

La Sociedad se encuentra por tanto regulada por la Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario. El artículo 3 de dicha Ley, modificado por la nueva Ley, establece los requisitos de inversión de este tipo de Sociedades:

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1. Las SOCIMI deberán tener invertido, al menos, el 80 por ciento del valor del activo en bienes inmuebles de naturaleza urbana destinados al arrendamiento, en terrenos para la promoción de bienes inmuebles que vayan a destinarse a dicha finalidad siempre que la promoción se inicie dentro de los tres años siguientes a su adquisición, así como en participaciones en el capital o patrimonio de otras entidades a que se refiere el apartado 1 del artículo 2 de la mencionada Ley.

El valor del activo se determinará según la media de los balances individuales trimestrales del ejercicio, pudiendo optar la Sociedad, para calcular dicho valor, por sustituir el valor contable por el de mercado de los elementos integrantes de tales balances, el cual se aplicaría en todos los balances del ejercicio. A estos efectos no se computarán, en su caso, el dinero o derechos de crédito procedente de la transmisión de dichos inmuebles o participaciones que se haya realizado en el mismo ejercicio o anteriores siempre que, en este último caso, no haya transcurrido el plazo de reinversión a que se refiere el artículo 6 de esta Ley.

2. Asimismo, al menos el 80 por ciento de las rentas del período impositivo correspondientes a cada ejercicio, excluidas las derivadas de la transmisión de las participaciones y de los bienes inmuebles afectos ambos al cumplimiento de su objeto social principal, una vez transcurrido el plazo de mantenimiento a que se refiere el apartado siguiente, deberá provenir del arrendamiento de bienes inmuebles y de dividendos o participaciones en beneficios procedentes de dichas participaciones.

Este porcentaje se calculará sobre el resultado consolidado en el caso de que la sociedad sea dominante de un grupo según los criterios establecidos en el artículo 42 del Código de Comercio, con independencia de la residencia y de la obligación de formular cuentas anuales consolidadas. Dicho grupo estará integrado exclusivamente por las SOCIMI y el resto de las entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.

3. Los bienes inmuebles que integren el activo de la Sociedad deberán permanecer arrendados durante al menos tres años. A efectos del cómputo se sumará el tiempo que los inmuebles hayan estado ofrecidos en arrendamiento, con un máximo de un año. El plazo se computará:

a) En el caso de bienes inmuebles que figuren en el patrimonio de la Sociedad antes del momento de acogerse al régimen, desde la fecha de inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará a lo dispuesto en la letra siguiente.

b) En el caso de bienes inmuebles promovidos o adquiridos con posterioridad por la sociedad, desde la fecha en que fueron arrendados u ofrecidos en arrendamiento por primera vez.

c) En el caso de acciones o participaciones de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley, deberán mantenerse en el activo de la sociedad al menos durante tres años desde su adquisición o, en su caso, desde el inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley.

Tal y como establece la Disposición transitoria primera de la Ley 11/2009, de 26 de Octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, podrá optarse por la aplicación del régimen fiscal especial en los términos establecidos en el artículo 8 de dicha Ley, aun cuando no se cumplan los requisitos exigidos en la misma, a condición de que tales requisitos se cumplan

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dentro de los dos años siguientes a la fecha de la opción por aplicar dicho régimen.

El incumplimiento de tal condición supondrá que la Sociedad pase a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio periodo impositivo en que se manifieste dicho incumplimiento, salvo que se subsane en el ejercicio siguiente. Además, la Sociedad estará obligada a ingresar, junto con la cuota de dicho periodo impositivo, la diferencia entre la cuota que por dicho impuesto resulte de aplicar el régimen general y la cuota ingresada que resultó de aplicar el régimen fiscal especial en los periodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

Adicionalmente a lo anterior, la modificación de la Ley 11/2009, de 26 de octubre, con la 16/2012, de 27 de diciembre de 2012 establece las siguientes modificaciones específicas:

- Flexibilización de los criterios de entrada y mantenimiento de inmuebles: no hay límite inferior en cuanto a número de inmuebles a aportar en la constitución de la SOCIMI salvo en el caso de viviendas, cuya aportación mínima serán 8. Los inmuebles ya no deberán permanecer en balance de la sociedad durante 7 años, sino sólo un mínimo de 3.
- Disminución de necesidades de capital y libertad de apalancamiento: el capital mínimo exigido se reduce de 15 a 5 millones de euros, eliminándose la restricción en cuanto al endeudamiento máximo del vehículo de inversión inmobiliaria.
- Disminución de reparto de dividendos: hasta la entrada en vigor de esta Ley, la distribución del beneficio obligatoria era del 90%, pasando a ser esta obligación desde el 1 de enero de 2013 al 80%.

El tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0%. No obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

A 31 de diciembre de 2018 la Sociedad Dominante cumple parcialmente con los requisitos establecidos en dicha Ley. No obstante, en opinión del Administrador Único, se han puesto en marcha los procesos necesarios para que el cumplimiento de la totalidad de los requisitos se produzca antes del periodo máximo establecido.

2. BASES DE PRESENTACIÓN DE LAS CUENTAS ANUALES CONSOLIDADAS

2.1 Marco Normativo de Información financiera aplicable a la Sociedad

Las cuentas anuales consolidadas del ejercicio se han preparado de acuerdo con la legislación mercantil vigente, con las normas establecidas en el plan general de contabilidad aprobado por el Real Decreto 1514/2007 de 16 de noviembre de 2016, el cual fue modificado en 2016 por el Real Decreto 602/2016 de 2 de diciembre y en el Real Decreto 1159/2010, de 17 de septiembre, por el que se aprueban las normas para la formulación de las cuentas anuales consolidadas. Las cuentas anuales consolidadas han sido formuladas por el Administrador Único de la Sociedad Dominante para su sometimiento a la aprobación de la Junta General de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

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2.2 Imagen fiel

Las cuentas anuales consolidadas se han preparado a partir de los registros auxiliares de contabilidad de las Sociedades incluidas en el perímetro de consolidación, habiéndose aplicado las disposiciones legales vigentes en materia contable con el objeto de mostrar la imagen fiel del patrimonio consolidado y de la situación financiera consolidada y de los resultados consolidados de sus operaciones, de los cambios en el patrimonio neto consolidado y de los flujos de efectivo consolidados correspondientes al periodo terminado en dicha fecha.

2.3 Aspectos críticos de la valoración y estimación de la incertidumbre

La preparación de las cuentas anuales consolidadas requiere la aplicación de estimaciones contables relevantes y la realización de juicios, estimaciones e hipótesis que afectan al proceso de aplicación de las políticas contables del Grupo y a los saldos de activos, pasivos, ingresos y gastos y al desglose de activos y pasivos contingentes a la fecha de emisión de las presentes cuentas anuales consolidadas. Las estimaciones y las hipótesis relacionadas están basadas en la mejor información disponible a la fecha de formulación de las presentes cuentas anuales consolidadas y en otros factores diversos que son entendidos como razonables de acuerdo con las circunstancias, cuyos resultados constituyen la base para establecer los juicios sobre los valores contables de los activos y pasivos que no son fácilmente disponibles mediante otras fuentes. Las estimaciones e hipótesis respectivas son revisadas de forma continuada; los efectos de las revisiones de las estimaciones contables son reconocidos en el período en el cual se realizan, si éstas afectan sólo a ese período, o en el período de la revisión y futuros, si éstas afectan a ambos

Los supuestos clave acerca del futuro, así como otros datos relevantes sobre la estimación de la incertidumbre en la fecha de cierre del ejercicio, que llevan asociados un riesgo importante de suponer cambios significativos en el valor de los activos o pasivos en el próximo ejercicio son los siguientes:

- Cumplimiento del Régimen fiscal de SOCIMI (ver Nota 4.7 y 14).
- Deterioro de las inversiones inmobiliarias (ver Nota 4.2).
- Definición de las transacciones realizadas por el Grupo como una combinación de negocios acorde a las normas de registro y valoración 19 o como una adquisición de activos (ver Nota 5).
- Vidas útiles de las inversiones inmobiliarias (ver Nota 4.2).

En la elaboración de las cuentas anuales consolidadas correspondientes al ejercicio 2018 se han determinado estimaciones e hipótesis en función de la mejor información disponible a 31 de diciembre de 2018 sobre los hechos analizados. Es posible que acontecimientos que puedan tener lugar en el futuro obliguen a modificarlas (al alza o a la baja) en próximos ejercicios lo que se haría de forma prospectiva, reconociendo los efectos del cambio de estimación en las correspondientes cuentas anuales consolidadas futuras.

2.4 Comparación de la información

Al ser el primer año de consolidación en 2018, el Grupo no compara la situación del ejercicio con

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el ejercicio anterior.

El ejercicio terminado el 31 de diciembre de 2018 corresponde al ejercicio anual 2018 de la Sociedad Dominante, e incluye el efecto de las combinaciones de negocio mencionadas en la Nota 5.

Estas circunstancias deberán ser tenidas en cuenta en cuanto a la adecuada comprensión de las cifras.

2.5 Principios de consolidación

Las principales normas de consolidación y valoración utilizados por el Grupo para la elaboración de sus cuentas anuales consolidadas han sido los siguientes:

1. Las cuentas anuales consolidadas se han preparado a partir de los registros de contabilidad de MILLENIUM HOTELS REAL ESTATE I, S.A. y de las sociedades controladas por la misma. El control se considera ostentado por la Sociedad Dominante cuando ésta tiene el control efectivo de acuerdo con lo que se indica en el punto 6 siguiente.
2. Los resultados del periodo de las sociedades dependientes se incluyen dentro del resultado consolidado desde la fecha efectiva de adquisición o constitución.
3. Todas las cuentas a cobrar y a pagar y otras transacciones entre sociedades consolidadas han sido eliminadas en el proceso de consolidación.
4. Cuando es necesario, las cuentas anuales de las sociedades dependientes se ajustan con el objetivo de que las políticas contables utilizadas sean homogéneas con las utilizadas por la Sociedad Dominante del Grupo.
5. La participación de los socios minoritarios se establece en la proporción de los valores razonables de los activos y pasivos identificables reconocidos. La participación de los minoritarios en:
 - a. El patrimonio de sus participadas: se presenta en el capítulo "socios externos" del estado de situación financiera consolidado, dentro del epígrafe "Patrimonio Neto".
 - b. Los resultados del periodo: se presentan en el capítulo "Resultado global atribuido a socios externos" del estado de resultado consolidado.
6. El criterio seguido para determinar el método de consolidación aplicable a las sociedades que componen el Grupo, ha sido:

Integración global.

- Se consolidan por el método de integración global las sociedades dependientes, entendidas como toda entidad sobre la que el Grupo tiene poder para dirigir las políticas financieras y de explotación que, generalmente viene acompañado de una participación superior a la mitad de los derechos de voto. A la hora de evaluar si el Grupo controla otra entidad se considera la existencia y el efecto de los derechos potenciales de voto que puedan ser ejercitados o convertidos a la fecha de cierre.

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- La contabilización de las sociedades dependientes se realiza por el método de adquisición. El coste de adquisición es el valor razonable de los activos entregados, de los instrumentos de patrimonio emitidos y de los pasivos incurridos o asumidos en la fecha de intercambio. Los activos identificables adquiridos y los pasivos y contingencias identificables asumidos en una combinación de negocios se valoran inicialmente por su valor razonable en la fecha de adquisición, con independencia del alcance de los intereses minoritarios. El exceso de costes de adquisición sobre el valor razonable de la participación del Grupo en los activos netos identificables adquiridos se reconoce como fondo de comercio. Si el coste de adquisición es menor al valor razonable de los activos netos de la sociedad dependiente adquirida, la diferencia se reconoce directamente en la cuenta de resultado global consolidado del periodo.

A 31 de diciembre de 2018 todas las sociedades dependientes consolidan por el método de integración global.

3. APLICACIÓN DE RESULTADOS

La propuesta de distribución del resultado del ejercicio 2018, formulada por el Administrador Único de la Sociedad Dominante y que se espera sea aprobada por los Accionistas, es la siguiente:

(Euros)	2018
Base de reparto	
Resultado del Ejercicio 2018	(309.790)
Distribución	
Resultados ejercicios anteriores	(309.790)

4. NORMAS DE REGISTRO Y VALORACIÓN

Durante el ejercicio 2018 se han aplicado los siguientes criterios contables:

4.1 Combinaciones de negocios

El Grupo ha aplicado la norma de registro y valoración 19ª Combinaciones de negocios del Plan General de Contabilidad. En las combinaciones de negocios, el Grupo aplica el método de adquisición. El coste de adquisición es la suma de la contraprestación transferida, valorada al valor razonable en la fecha de adquisición. Para cada combinación de negocios, el Grupo elige si valora los socios externos de la adquirida al valor razonable o por la parte proporcional de los activos netos identificables de la adquirida. Los costes de adquisición relacionados se contabilizan cuando se incurren.

Cuando el Grupo adquiere un negocio, evalúa los activos financieros y los pasivos financieros asumidos para su adecuada clasificación en base a los acuerdos contractuales, condiciones económicas y otras condiciones pertinentes que existan en la fecha de adquisición.

La fecha de adquisición es aquella en la que el Grupo obtiene el control del negocio adquirido.

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La contraprestación entregada por la combinación de negocios se determina en la fecha de adquisición por la suma de los valores razonables de los activos entregados, los pasivos incurridos o asumidos, los instrumentos de patrimonio neto emitidos y cualquier contraprestación contingente que dependa de hechos futuros o del cumplimiento de ciertas condiciones a cambio del control del negocio adquirido.

4.2 Inversiones inmobiliarias

El Grupo clasifica como inversiones inmobiliarias aquellos activos no corrientes que sean inmuebles y que posea para obtener rentas, plusvalías o ambas, en lugar de para su uso en la producción o suministros de bienes o servicios, o bien para fines administrativos, o su venta en el curso ordinario de las operaciones. También calificará así aquellos terrenos y edificios cuyos usos futuros no estén determinados en el momento de su incorporación al patrimonio de la Sociedad.

Se valoran inicialmente por su coste, ya sea éste el precio de adquisición o el coste de producción. Después del reconocimiento inicial, se valorará por su coste, menos la amortización acumulada y, en su caso, el importe acumulado de las correcciones por deterioro registradas.

En el coste de aquellos activos que necesitan más de un año para estar en condiciones de uso, se incluyen los gastos financieros devengados antes de la puesta en condiciones de funcionamiento del inmovilizado que cumplen con los requisitos para su capitalización.

Asimismo, forma parte del valor de la inversión inmobiliaria como un componente de la misma la estimación inicial del valor actual de las obligaciones asumidas derivadas del desmantelamiento o retiro y otras asociadas al activo, tales como costes de rehabilitación, cuando estas obligaciones dan lugar al registro de provisiones.

Las reparaciones que no representan una ampliación de la vida útil y los costes de mantenimiento son cargados en la cuenta de pérdidas y ganancias en el ejercicio en que se producen. Los costes de renovación, ampliación o mejora que dan lugar a un aumento de la capacidad productiva o a un alargamiento de la vida útil de los bienes, son incorporados al activo como mayor valor del mismo, dándose de baja, en su caso, el valor contable de los elementos sustituidos.

Los costes relacionados con grandes reparaciones de los elementos de las inversiones inmobiliarias, con independencia de que los elementos afectados sean sustituidos o no, se identifican como un componente del coste del activo en la fecha en que se produzca la incorporación del mismo al patrimonio de la empresa y se amortizan durante el periodo que media hasta la siguiente gran reparación.

La amortización de sus elementos se realiza, desde el momento en el que están disponibles para su puesta en funcionamiento, de forma lineal durante su vida útil que se estima que sea de 30-50 años.

El valor razonable de las inversiones inmobiliarias se determina tomando como valores de referencia las valoraciones realizadas por terceros expertos independientes a la fecha de realización de las presentes cuentas consolidadas (CBRE Valuation Advisory S.A. en este caso), de forma que al cierre de cada período el valor de razonable refleja las condiciones de mercado de los elementos de las inversiones inmobiliarias a dicha fecha. Los informes de valoración de los expertos independientes sólo contienen las advertencias y/o limitaciones habituales sobre el

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alcance de los resultados de las valoraciones efectuadas, que se refieren a la aceptación como completa y correcta de la información proporcionada por la Sociedad y que se ha realizado de acuerdo con los Profesional Standards de Valoración de la Royal Institution of Chartered Surveyors.

La principal metodología utilizada para determinar el valor de mercado de las inversiones inmobiliarias del Grupo durante el ejercicio 2018 es la que consiste en el descuento de flujos de caja, que se basa en la estimación de los flujos de efectivo futuros esperados de las Inversiones inmobiliarias utilizando una tasa de descuento apropiada para calcular el valor actual de esos flujos de efectivo. Dicha tasa considera las condiciones actuales de mercado y refleja todas las previsiones y riesgos asociados al flujo de tesorería y a la inversión. Para calcular el valor residual del activo del último año de la proyección de los flujos de caja se aplica una yield neta de salida.

El detalle de las yields netas de salida consideradas, para el ejercicio terminado el 31 de diciembre de 2018, es el siguiente:

Yields netas de salida (%)	31 de diciembre de 2018
Hoteles valorados por Descuento de Flujos de Caja (Yield neta de salida-Renta Fija)	5,25% - 6,0%

La variación de un cuarto de punto en las yield netas de salida, así como la variación de un 10% en los incrementos de renta considerados tiene el siguiente impacto sobre las valoraciones utilizadas por la Sociedad para la determinación del valor de sus activos (Hoteles) registrados en el epígrafe "Inversiones inmobiliarias" del estado de situación financiera consolidado adjunto:

Sensibilidad de la valoración a modificaciones de un cuarto de punto en las yield netas de salida	Miles de Euros		
	Valoración	Disminución de un cuarto de punto	Aumento de un cuarto de punto
Ejercicio 2018			
Hotel Via Castellana	38.100.000	39.900.000	36.500.000
Hotel Eurostars Lucentum	23.900.000	25.000.000	23.000.000
Hotel Plaza de la Magdalena	12.500.000	12.613.313	12.332.020

Arrendamientos

Los contratos se califican como arrendamientos financieros cuando de sus condiciones económicas se deduce que se transfieren al arrendatario sustancialmente todos los riesgos y beneficios inherentes a la propiedad del activo objeto del contrato. En caso contrario, los contratos se clasifican como arrendamientos operativos.

Sociedad como arrendatario

Los activos adquiridos mediante arrendamiento financiero se registran de acuerdo con su naturaleza, por el menor entre el valor razonable del activo y el valor actual al inicio del

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arrendamiento de los pagos mínimos acordados, incluida la opción de compra, contabilizándose un pasivo financiero por el mismo importe. No se incluye en el cálculo de los pagos mínimos acordados las cuotas de carácter contingente, el coste de los servicios y los impuestos repercutibles por el arrendador. Los pagos realizados por el arrendamiento se distribuyen entre los gastos financieros y la reducción del pasivo. La carga financiera total del contrato se imputa a la cuenta de pérdidas y ganancias del ejercicio en que se devenga, aplicando el método del tipo de interés efectivo. A los activos se les aplican los mismos criterios de amortización, deterioro y baja que al resto de activos de su naturaleza.

La Sociedad del Grupo C220, constituyó en 2010 un contrato de arrendamiento financiero inmobiliario con la entidad CAIXABANK, vigente a 31 de diciembre de 2018, para financiar el inmueble que forma parte de las inversiones inmobiliarias de dicha sociedad (Notas 6 y 12.1).

Las amortizaciones por arrendamientos operativos se registran como gastos en la cuenta de pérdidas y ganancias cuando se pagan.

Sociedad como arrendador

Los ingresos derivados de los arrendamientos operativos se registran en la cuenta de pérdidas y ganancias cuando se devengan. Los costes directos imputables al contrato se incluyen como mayor valor del activo arrendado y se reconocen como gasto durante el plazo del contrato, aplicando el mismo criterio utilizado para el reconocimiento de los ingresos del arrendamiento.

A 31 de diciembre de 2018 el Grupo tiene arrendados los inmuebles hoteleros de Paseo de la Castellana de Madrid (propiedad de C220) y de Avenida Alfonso el Sabio, nº 11 de Alicante (propiedad de la Sociedad Dominante). En ambos contratos de arrendamiento operativo el Grupo ocupa la posición de arrendador (Nota 16.1).

4.3 Activos financieros

Clasificación y valoración

Los activos financieros que posee el Grupo se clasifican en la siguiente categoría:

Inversiones mantenidas hasta el vencimiento

Incluyen los valores representativos de deuda con una fecha de vencimiento fijada, con cobros de cuantía determinada o determinable, que se negocian en un mercado activo y para los que la Sociedad tiene la intención efectiva y la capacidad financiera de conservarlos hasta su vencimiento.

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación entregada más los costes de transacción que les sean directamente atribuibles.

Tras su reconocimiento inicial, estos activos financieros se valoran a su coste amortizado.

Cancelación

Los activos financieros se dan de baja del balance del Grupo cuando han expirado los derechos contractuales sobre los flujos de efectivo del activo financiero o cuando se transfieren, siempre

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que en dicha transferencia se transmitan sustancialmente los riesgos y beneficios inherentes a su propiedad.

Si el Grupo no ha cedido ni retenido sustancialmente los riesgos y beneficios del activo financiero, éste se da de baja cuando no se retiene el control. Si mantiene el control del activo, continua reconociéndolo por el importe al que está expuesta por las variaciones de valor del activo cedido, es decir, por su implicación continuada, reconociendo el pasivo asociado.

La diferencia entre la contraprestación recibida neta de los costes de transacción atribuibles, considerando cualquier nuevo activo obtenido menos cualquier pasivo asumido, y el valor en libros del activo financiero transferido, más cualquier importe acumulado que se haya reconocido directamente en el patrimonio neto, determina la ganancia o pérdida surgida al dar de baja el activo financiero y forma parte del resultado del ejercicio en que se produce.

Deterioro del valor de los activos financieros

El valor en libros de los activos financieros se corrige con cargo a la cuenta de pérdidas y ganancias cuando existe una evidencia objetiva de que se ha producido una pérdida por deterioro.

Para determinar las pérdidas por deterioro de los activos financieros, la Sociedad evalúa las posibles pérdidas tanto de los activos individuales, como de los grupos de activos con características de riesgo similares.

En el caso de los activos financieros valorados a su coste amortizado, el importe de las pérdidas por deterioro es igual a la diferencia entre su valor en libros y el valor actual de los flujos de efectivo futuros que se estima van a generar, descontados al tipo de interés efectivo existente en el momento del reconocimiento inicial del activo. Para los activos financieros a tipo de interés variable se utiliza el tipo de interés efectivo a la fecha de cierre de las cuentas anuales. El Grupo considera para los instrumentos cotizados el valor de mercado de los mismos como sustituto del valor actual de los flujos de efectivo futuros, siempre que sea suficientemente fiable.

La reversión del deterioro se reconoce como un ingreso en la cuenta de pérdidas y ganancias y tiene como límite el valor en libros del activo financiero que estaría registrado en la fecha de reversión si no se hubiese registrado el deterioro de valor.

4.4 Pasivos financieros

Clasificación y valoración

Débitos y partidas a pagar

Incluyen los pasivos financieros originados por la compra de bienes y servicios por operaciones de tráfico del Grupo y los débitos por operaciones no comerciales que no son instrumentos derivados.

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación recibida ajustado por los costes de transacción que les sean directamente atribuibles.

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Tras su reconocimiento inicial, estos pasivos financieros se valoran por su coste amortizado. Los intereses devengados se contabilizan en la cuenta de pérdidas y ganancias, aplicando el método del tipo de interés efectivo.

No obstante, los débitos por operaciones comerciales con vencimiento no superior a un año y que no tengan un tipo de interés contractual, así como los desembolsos exigidos por terceros sobre participaciones, cuyo importe se espera pagar en el corto plazo, se valoran por su valor nominal, cuando el efecto de no actualizar los flujos de efectivo no es significativo.

La diferencia entre el valor razonable y el importe recibido de las fianzas por arrendamientos operativos se considera un cobro anticipado por el arrendamiento y se imputa a la cuenta de pérdidas y ganancias durante el periodo del arrendamiento. Para el cálculo del valor razonable de las fianzas se toma como periodo remanente el plazo contractual mínimo comprometido.

Cancelación

El Grupo da de baja un pasivo financiero cuando la obligación se ha extinguido.

Cuando se produce un intercambio de instrumentos de deuda con un prestamista, siempre que éstos tengan condiciones sustancialmente diferentes, se registra la baja del pasivo financiero original y se reconoce el nuevo pasivo financiero que surge. De la misma forma se registra una modificación sustancial de las condiciones actuales de un pasivo financiero.

La diferencia entre el valor en libros del pasivo financiero, o de la parte del mismo que se haya dado de baja, y la contraprestación pagada, incluidos los costes de transacción atribuibles, y en la que se recoge asimismo cualquier activo cedido diferente del efectivo o pasivo asumido, se reconoce en la cuenta de pérdidas y ganancias del ejercicio en que tenga lugar.

Cuando se produce un intercambio de instrumentos de deuda que no tengan condiciones sustancialmente diferentes, el pasivo financiero original no se da de baja del balance, registrando el importe de las comisiones pagadas como un ajuste de su valor contable. El nuevo coste amortizado del pasivo financiero se determina aplicando el tipo de interés efectivo, que es aquel que iguala el valor en libros del pasivo financiero en la fecha de modificación con los flujos de efectivo a pagar según las nuevas condiciones.

4.5 Instrumentos financieros derivados

El Grupo realiza operaciones de cobertura de flujos de efectivo de los préstamos recibidos a tipo de interés variable.

Sólo se designan como operaciones de cobertura aquellas que eliminan eficazmente algún riesgo inherente al elemento o posición cubierta durante todo el plazo previsto de cobertura, lo que implica que desde su contratación se espera que ésta actúe con un alto grado de eficacia (eficacia prospectiva) y que exista una evidencia suficiente de que la cobertura ha sido eficaz durante la vida del elemento o posición cubierta (eficacia retrospectiva).

Las operaciones de cobertura se documentan de forma adecuada, incluyendo la forma en que se espera conseguir y medir su eficacia, de acuerdo con la política de gestión de riesgos del Grupo.

El Grupo para medir la eficacia de las coberturas realiza pruebas para verificar que las diferencias producidas por las variaciones del valor de los flujos del elemento cubierto y su cobertura se mantienen dentro de un rango de variación del 80% al 125% a lo largo de la vida de las

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operaciones, cumpliendo así las previsiones establecidas en el momento de la contratación.

Cuando en algún momento deja de cumplirse esta relación, las operaciones de cobertura dejan de ser tratadas como tales y son reclasificadas a derivados de negociación.

El Grupo, con estas coberturas de flujos de efectivo, cubre la exposición al riesgo de la variación en los flujos de efectivo atribuibles a cambios en los tipos de interés de los préstamos recibidos. Para cambiar los tipos variables por tipos fijos se contratan permutas financieras. La parte de la ganancia o la pérdida del instrumento de cobertura, que se ha determinado como cobertura eficaz, se reconoce transitoriamente en el patrimonio neto, imputándose a la cuenta de pérdidas y ganancias en el ejercicio o ejercicios en los que la operación cubierta afecta al resultado (Nota 12).

4.6 Efectivo y otros activos líquidos equivalentes

Este epígrafe incluye el efectivo en caja, las cuentas corrientes bancarias y los depósitos y adquisiciones temporales de activos que cumplen con todos los siguientes requisitos:

- Son convertibles en efectivo.
- En el momento de su adquisición su vencimiento no era superior a tres meses.
- No están sujetos a un riesgo significativo de cambio de valor.
- Forman parte de la política de gestión normal de tesorería del Grupo.

4.7 Impuesto sobre Beneficios

La Sociedad Dominante, Millenium, optó por aplicar desde el 1 de enero de 2017, el Régimen Fiscal especial propio de las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMIs), comunicando dicha opción a la Administración el 26 de julio de 2017.

El gasto o ingreso por impuesto sobre beneficios comprende la parte relativa al gasto o ingreso por el impuesto corriente y la parte correspondiente al gasto o ingreso por impuesto diferido.

El impuesto corriente es la cantidad que la Sociedad satisface como consecuencia de las liquidaciones fiscales del impuesto sobre el beneficio relativas a un ejercicio. Las deducciones y otras ventajas fiscales en la cuota del impuesto, excluidas las retenciones y pagos a cuenta, así como las pérdidas fiscales compensables de ejercicios anteriores y aplicadas efectivamente en éste, dan lugar a un menor importe del impuesto corriente.

El gasto o el ingreso por impuesto diferido se corresponde con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Éstos incluyen las diferencias temporarias que se identifican como aquellos importes que se prevén pagaderos o recuperables derivados de las diferencias entre los importes en libros de los activos y pasivos y su valor fiscal, así como las bases imponibles negativas pendientes de compensación y los créditos por deducciones fiscales no aplicadas fiscalmente. Dichos importes se registran aplicando a la diferencia temporaria o crédito que corresponda el tipo de gravamen al que se espera recuperarlos o liquidarlos.

El tipo impositivo general aplicable en el ejercicio 2018 es del 25 por ciento, mientras que el tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0 por ciento. No

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obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

Se reconocen pasivos por impuestos diferidos para todas las diferencias temporarias imponibles, excepto aquellas derivadas del reconocimiento inicial de fondos de comercio o de otros activos y pasivos en una operación que no afecta ni al resultado fiscal ni al resultado contable y no es una combinación de negocios, así como las asociadas a inversiones en empresas dependientes, asociadas y negocios conjuntos en las que el Grupo puede controlar el momento de la reversión y es probable que no reviertan en un futuro previsible.

Por su parte, los activos por impuestos diferidos sólo se reconocen en la medida en que se considere probable que el Grupo vaya a disponer de ganancias fiscales futuras contra las que poder hacerlos efectivos, siempre y cuando el Régimen SOCIMI lo permita.

Los activos y pasivos por impuestos diferidos, originados por operaciones con cargos o abonos directos en cuentas de patrimonio, se contabilizan también con contrapartida en patrimonio neto.

En cada cierre contable se reconsideran los activos por impuestos diferidos registrados, efectuándose las oportunas correcciones a los mismos en la medida en que existan dudas sobre su recuperación futura. Asimismo, en cada cierre se evalúan los activos por impuestos diferidos no registrados en balance de situación y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación en ejercicios fiscales futuros.

Los activos y pasivos por impuesto diferido se valoran a los tipos de gravamen esperados en el momento de su reversión, según la normativa vigente aprobada, y de acuerdo con la forma en que racionalmente se espera recuperar o pagar el activo o pasivo por impuesto diferido.

Los activos y pasivos por impuesto diferido no se descuentan y se clasifican como activos y pasivos no corrientes.

Según la disposición transitoria primera de la Ley 11/2009 por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, podrá optarse por la aplicación del régimen fiscal especial en los términos establecidos en el artículo 8 de esta Ley, aun cuando no se cumplan los requisitos exigidos en la misma, a condición de que tales requisitos se cumplan dentro de los dos años siguientes a la fecha de la opción de la aplicación de dicho régimen. La Sociedad Dominante Millenium, cumple parcialmente los requisitos establecidos en la anterior Ley a fecha de las presentes cuentas anuales consolidadas, no obstante, en opinión del Administrador Único se han puesto en marcha los procesos necesarios que el cumplimiento de la totalidad de los requisitos se produzca antes del período máximo establecido.

4.8 Clasificación de los activos y pasivos entre corrientes y no corrientes

Los activos y pasivos se presentan en el balance clasificados entre corrientes y no corrientes. A estos efectos, los activos y pasivos se clasifican como corrientes cuando están vinculados al ciclo normal de explotación del Grupo y se esperan vender, consumir, realizar o liquidar en el transcurso del mismo, son diferentes a los anteriores y su vencimiento, enajenación o realización se espera que se produzca en el plazo máximo de un año; se mantienen con fines de negociación

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o se trata de efectivo y otros activos líquidos equivalentes cuya utilización no está restringida por un periodo superior a un año. En caso contrario se clasifican como activos y pasivos no corrientes.

4.9 Información financiera por segmentos

Un segmento de explotación es un componente del Grupo que desarrolla actividades de negocio de las que puede obtener ingresos ordinarios e incurrir en gastos, cuyos resultados de explotación son revisados de forma regular por la máxima autoridad en la toma de decisiones de explotación del Grupo, para decidir sobre los recursos que deben asignarse al segmento, evaluar su rendimiento, y en relación con el cual se dispone de información financiera diferenciada.

4.10 Ingresos y gastos

De acuerdo con el principio de devengo, los ingresos y gastos se registran cuando ocurren, con independencia de la fecha de su cobro o de su pago.

Ingresos por ventas y prestaciones de servicios

Los ingresos se reconocen cuando es probable que el Grupo reciba los beneficios o rendimientos económicos derivados de la transacción y el importe de los ingresos y de los costes incurridos o a incurrir pueden valorarse con fiabilidad. Los ingresos se valoran al valor razonable de la contrapartida recibida o por recibir, deduciendo los descuentos, rebajas en el precio y otras partidas similares que el Grupo pueda conceder, así como, en su caso, los intereses incorporados al nominal de los créditos. Los impuestos indirectos que gravan las operaciones y que son repercutibles a terceros no forman parte de los ingresos.

Los ingresos por alquileres se reconocen linealmente en el periodo de duración del contrato.

4.11 Transacciones con partes vinculadas

Las transacciones con partes vinculadas se contabilizan de acuerdo con las normas de valoración detalladas anteriormente, excepto para las siguientes transacciones:

Las aportaciones no dinerarias de un negocio a una empresa del grupo se valoran, en general, por el valor contable de los elementos patrimoniales entregados en las cuentas anuales consolidadas en la fecha en la que se realiza la operación.

En las operaciones de fusión y escisión de un negocio, los elementos adquiridos se valoran, en general, por el importe que corresponde a los mismos, una vez realizada la operación, en las cuentas anuales consolidadas. Las diferencias que se originan se registran en reservas.

Los precios de las operaciones realizadas con partes vinculadas se encuentran adecuadamente soportados, por lo que los Administradores del Grupo consideran que no existen riesgos que pudieran originar pasivos fiscales significativos en el futuro.

5. COMBINACIÓN DE NEGOCIOS

Las adquisiciones de las sociedades Millenium Hotels C220, S.L.U. y Varia Plaza Magdalena, S.L.U. han generado operaciones de combinaciones de negocio.

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Adquisición Millenium Hotels C220, S.L.U.

El 31 de julio de 2018 la Sociedad realizó la compraventa del 92,86% de las participaciones de la Sociedad Millenium Hotels C220, S.L.U. por un importe de 17.867 miles de euros.

Los activos y pasivos resultantes de dicha adquisición y su consolidación en las cuentas anuales consolidadas a 31 de diciembre de 2018 han sido los siguientes:

(Miles de Euros)	Valor en libros	Valor razonable	Total Valor de mercado reconocido en la adquisición
Inversión Inmobiliaria	28.298	9.802	38.100
Activos por Impuesto diferido	257	-	257
Inversiones financieras a largo plazo	3	-	3
Deudores comerciales y otras cuentas a cobrar	29	-	29
Tesorería	164	-	164
Total Activo	28.751	9.802	38.553
Acreeedores por arrendamiento financiero a corto y largo plazo	(15.994)		(15.994)
Derivados	(224)		(224)
Pasivos por impuesto diferido	(666)	(2.451)	(3.117)
Otros pasivos financieros	(270)		(270)
Acreeedores comerciales y otras cuentas a pagar	(23)		(55)
Minoritarios	-	(1.351)	(1.351)
Total Pasivo	(17.177)	(3.802)	(21.870)
Total activos netos a valor de mercado	11.574	6.000	17.574
Fondo de comercio	-	-	293
Importe pagado			17.867

En el momento de la adquisición, C220 era titular de la totalidad de los bienes y derechos que integraban su patrimonio y en particular relacionado con la actividad hotelera del Hotel sito en Paseo de la Castellana, Madrid (en adelante, Hotel Vía Castellana).

Como resultado de esta adquisición, se generó un fondo de comercio en la toma de control, en el momento de la adquisición del 92,86% de las participaciones por importe de 9.802 miles de euros, los cuales han sido asignados a mayor valor de las inversiones inmobiliarias. Asimismo, derivado de esta transacción surge un pasivo por impuesto diferido por la diferencia entre los valores de mercado y fiscales de los activos inmobiliarios por importe de 2.451 miles de euros.

El fondo de comercio que se ha generado por importe de 293 miles de euros ha sido deteriorado a 31 de diciembre de 2018.

Posteriormente, el 11 de octubre de 2018 la Sociedad adquirió el restante 7,14%, por un importe de 1.511 miles de euros, lo que generó unas reservas en sociedades consolidadas de 161 miles de euros así como un resultado negativo de 1 miles de euros.

Adquisición Varia Plaza Magdalena, S.L.U.

La Sociedad Dominante forma parte de capital social de la Sociedad Varia Plaza Magdalena, S.L.U. desde el 22 de diciembre de 2017, fecha en la que se produjo una ampliación de capital en dicha Sociedad por 2.500 miles de euros, que fue íntegramente asumida y desembolsada por la

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Sociedad Dominante. Por lo que con dicha operación, se convirtió en titular del 50% de las participaciones sociales de Varia Plaza.

Con fecha 6 de septiembre de 2018 la Sociedad realizó la compraventa del 50% de las participaciones de la Sociedad Varia Plaza Magdalena, S.L.U. por importe de 3.010 miles de euros, por lo que la compra agregada del 100% de esta Sociedad ha ascendido a 5.510 miles de euros.

Los activos y pasivos resultantes de dicha adquisición y su consolidación en las cuentas anuales consolidadas a 31 de diciembre de 2018 han sido los siguientes:

(Miles de Euros)	Valor en libros	Valor razonable	Total Valor de mercado reconocido en la adquisición
Inversión Inmobiliaria	10.952	1.120	12.072
Activos por impuesto diferido	5	-	5
Existencias	2	-	2
Deudores comerciales y otras cuentas a cobrar	153	-	153
Inversiones financieras a corto plazo	3	-	3
Tesorería	150	-	150
Total Activo	11.265	1.120	12.385
Deudas con entidades de crédito	(5.000)	-	(5.000)
Provisiones a corto plazo	(53)	-	(53)
Otros pasivos financieros	(1.559)	-	(1.559)
Pasivos por impuesto diferido	-	(280)	(280)
Acreedores comerciales y otras cuentas a pagar	(93)	-	(93)
Total Pasivo	(6.705)	(280)	(6.985)
Total activos netos a valor de mercado	4.560	840	5.400
Fondo de comercio			111
Importe pagado			5.510

En el momento de la adquisición, Varia Plaza era titular de la totalidad de los bienes y derechos que integraban su patrimonio y en particular relacionado con la actividad hotelera de un edificio sito en Sevilla para el cual se están realizando obras para la construcción de un Hotel (Hotel Plaza de la Magdalena).

Como resultado de esta adquisición, se generó un fondo de comercio por importe de 1.120 miles de euros, los cuales han sido asignados a mayor valor de las inversiones inmobiliarias. Asimismo, derivado de esta transacción surge un pasivo por impuesto diferido por la diferencia entre los valores de mercado y fiscales de los activos inmobiliarios por importe de 280 miles de euros.

El fondo de comercio que se ha generado por importe de 111 miles de euros ha sido deteriorado a 31 de diciembre de 2018.

6. INVERSIONES INMOBILIARIAS

El desglose de las inversiones inmobiliarias a 31 de diciembre es el siguiente:

(Euros)	Saldo Inicial	Combinación de negocios (Nota 5)	Altas	31.12.2018
Coste	-	55.756.228	23.307.894	79.064.122
Amortización	-	(5.584.672)	(552.784)	(6.137.455)

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Deterioro	-	-	-	-
Total	-	50.171.556	22.755.111	72.926.667

A 31 de diciembre de 2018, el Grupo mantiene, principalmente, las siguientes inversiones inmobiliarias:

- Hotel sito en el Paseo de la Castellana Madrid (Hotel Vía Castellana) propiedad de la Sociedad C220.
- Edificio sito en Plaza de la Magdalena, nº 1 de Sevilla, (Hotel Plaza de la Magdalena) adquirido con fecha 17 de julio de 2017 propiedad de la Sociedad Varia Pza.
- Hotel sito en Avenida Alfonso el Sabio, nº 11 de Alicante (Hotel Eurostars Lucentum), adquirido el 16 febrero de 2018 propiedad de la Sociedad Dominante.

Durante 2018 se han dado de alta 22.466.440 euros correspondientes a la compra del Hotel EUROSTARS LUCENTUM de Alicante, adquirido por la Sociedad Dominante el 16 de febrero de 2018. Se incluyen en dicha partida también los gastos asociados a la adquisición y se han contabilizado amortizaciones por importe de 265.808 euros. El resto de amortizaciones por importe de 286.976 euros proceden de C220 tras su incorporación al perímetro de consolidación.

El resto de altas del ejercicio 2018 constituyen los gastos de adquisición y los gastos activados por el desarrollo de la obra de reforma del Hotel Plaza de la Magdalena desde la incorporación del mismo al perímetro de consolidación, por importe de 841.454 euros.

El valor de mercado de los inmuebles calculado en función de las valoraciones realizadas por un experto independiente (CB Richard Ellis Valuation) en base a la metodología RICS, asciende a 74.500 miles de euros. Las valoraciones han sido realizadas de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña. Para el cálculo de dicho valor razonable, se han utilizado tasas de descuento aceptables para un potencial inversor, y consensuadas con las aplicadas por el mercado para bienes de similares características y ubicaciones.

Las inversiones inmobiliarias por valor neto contable de 72.926 miles de euros se encuentran por un lado hipotecadas con diferentes entidades financieras como garantía de préstamos hipotecarios por importe de 17.425 miles de euros para la Sociedad Dominante y la Sociedad Varia Plaza, y por otro lado, la Sociedad C220 tiene contratado un arrendamiento financiero. En la nota 12.1 se describe la relación de las deudas vinculadas a dichas hipotecas.

Todos los inmuebles disponen de cobertura con pólizas de seguro que cubren el valor de reconstrucción a nuevo de las inversiones inmobiliarias.

Todos los inmuebles se encuentran situados en España.

6.1 Arrendamientos operativos

El detalle ingresos por arrendamientos operativos que genera el Grupo es como sigue:

- Arrendamiento del Hotel Eurostars Lucentum Alicante por un plazo inicial que finaliza en el ejercicio 2020 más una posible prórroga adicional de 5 años. La renta de arrendamiento se compone de una parte fija estipulada en el contrato.

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- Arrendamiento del Hotel Vía Castellana Madrid, por un plazo inicial que finaliza en 2024. La renta de arrendamiento se compone de una parte fija y otra variable referenciada a la cifra neta de facturación del hotel arrendado.
- En relación al Hotel Plaza de la Magdalena, durante el ejercicio 2018 la sociedad del grupo Varia Plaza ha firmado un contrato de arrendamiento operativo sobre su inmueble con una duración de 20 años, que comenzará a devengar rentas cuando se ponga a disposición del arrendatario el inmueble terminado. Las rentas de arrendamiento del Hotel se componen de una parte fija y una parte variable referenciada al resultado operativo obtenido por el Hotel arrendado.

El detalle de los cobros futuros mínimos de los contratos de arrendamiento operativo no cancelables a 31 de diciembre son los siguientes (sin incluir el contrato relativo al Hotel Plaza de la Magdalena):

(Euros)	2018
Hasta un año	3.232.659
Entre uno y cinco años	9.550.793
Más de cinco años	263.448
Total	13.046.899

El Hotel Vía Castellana está compuesto de 15.451 metros cuadrados, de los cuales 1.863 son subterráneos. De los mismos, se encuentra arrendado el 100% del Hotel más 42 plazas de garaje. Asimismo, el Hotel Eurostars Lucentum se compone de 9.790 metros cuadrados, de los cuales 1.847 metros son subterráneos. De este Hotel, el 100% se encuentra arrendado a 31 de diciembre de 2018.

7. ACTIVOS FINANCIEROS POR CATEGORÍAS

La composición de los activos financieros al 31 de diciembre de 2018 por categorías y clases es la siguiente:

(Euros)	2018
Activos financieros a largo plazo	
Inversiones financieras a largo plazo	3.426
Activos financieros a corto plazo	
Deudores comerciales y otras cuentas a cobrar (Nota 8.1)	1.615.705
Inversiones financieras a corto plazo (Nota 8.1)	144.767
Total	1.763.898

El valor contable de los activos financieros no difiere significativamente de su valor razonable.

7.1 Activos financieros a corto plazo

El detalle es el siguiente:

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(Euros)	2018
Deudores comerciales	
Clientes por ventas y prestaciones de servicios	454.519
Otros deudores	1.161.186
Total	1.615.705
Inversiones financieras corto plazo	
Depósitos	93.923
Fianzas	50.844
Total	144.767

Clientes por ventas y prestaciones de servicios

El saldo de "Clientes por ventas y prestaciones de servicios" se corresponde en su mayoría con la factura pendiente de emitir por la Sociedad C220 por la renta variable devengada por el Hotel arrendado y por el Impuesto de bienes Inmuebles repercutido del ejercicio 2018, por un importe conjunto de 450.632 miles de euros.

Fianzas

El importe registrado en este epígrafe recoge principalmente las cantidades depositadas ante los correspondientes Organismos Públicos, en relación a las obras realizadas en algunos inmuebles.

Deudores

El importe registrado en otros deudores proviene de cantidades a cobrar por la Sociedad C220 en 2019.

8. ANTICIPOS A PROVEEDORES

El saldo de 34.896 euros corresponde a anticipos entregados a acreedores por servicios a facturar en 2019.

9. EFECTIVO Y OTROS ACTIVOS LÍQUIDOS EQUIVALENTES

Este epígrafe recoge las cuentas corrientes que posee el Grupo las cuales devengan tipos de interés de mercado. El importe de las mismas a 31 de diciembre de 2018 es 20.495.410 euros.

Con carácter general el Grupo mantiene su tesorería y activos líquidos en entidades financieras de alto nivel crediticio. No hay restricciones a la disponibilidad de estos saldos.

10. FONDOS PROPIOS

La composición y el movimiento del patrimonio neto se presentan en el estado de cambios en el patrimonio neto consolidado.

10.1 Constitución

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La Sociedad Dominante se constituyó el 6 de junio de 2017 con un total de 60.000 acciones de valor nominal 1 euro cada una de ellas, numeradas del 1 al 60.000 ambos inclusive. Las acciones se encontraban al inicio del ejercicio, suscritas y desembolsadas íntegramente al 25% de su valor nominal, quedando pendiente de desembolso 75 céntimos de euro por acción por un total de 45.000 euros.

El 12 de marzo de 2018, el hasta ese momento Accionista Único de la Sociedad Dominante ha desembolsado los 45.000 euros pendientes de capital, hecho que fue inscrito en el Registro Mercantil el 28 de mayo de 2018.

Ampliaciones de capital

- Con fecha 12 de marzo de 2018 fue elevada a público una ampliación de capital por importe de 12.590.000 euros con cargo a aportaciones dinerarias mediante la creación de 12.590.000 acciones ordinarias de un euro valor nominal cada una numeradas de la 60.001 a la 12.650.000 ambas inclusive. Dicha ampliación fue inscrita en el Registro Mercantil de Madrid el 11 de abril de 2018.
- Con fecha 11 de mayo de 2018 se realizó una segunda ampliación de capital por 9.070.000 euros de los cuales 8.350.000 euros se realizaron mediante la compensación de créditos y mediante la creación de 8.350.000 acciones de un euro de valor nominal cada una numeradas de la 12.650.000 a la 21.000.000 ambas inclusive y 720.000 euros se realizaron con cargo a aportaciones dinerarias mediante la creación de 720.000 acciones de un euro de valor nominal cada una numeradas de la 21.000.001 a la 21.720.000 ambas inclusive. Dicha ampliación fue inscrita en el Registro Mercantil de Madrid el 22 de junio de 2018.
- Con fecha 27 de julio de 2018 fue elevada a público una tercera ampliación de capital por importe de 25.397.000 euros con cargo a aportaciones dinerarias mediante la creación de 25.397.000 acciones de un euro de valor nominal cada una numeradas de la 21.720.001 a la 47.117.000 ambas inclusive e inscrita en el Registro Mercantil de Madrid el 29 de agosto de 2018.
- Con fecha 28 de diciembre de 2018 fueron elevadas a público una cuarta y una quinta ampliación de capital por un importe conjunto de 11.897.000 euros con cargo a aportaciones dinerarias mediante la creación de 11.897.000 acciones de un euro de valor nominal cada una numeradas de la 47.117.001 a la 59.014.000 ambas inclusive y que a fecha de cierre de ejercicio se encuentran pendientes de inscripción en el Registro Mercantil (ver Nota 19)

10.2 Reservas en sociedades consolidadas

No hay reservas constituidas a fecha de cierre ni se han repartido dividendos durante el ejercicio.

El importe negativo registrado en reservas corresponde con los gastos asociados a las ampliaciones de capital realizadas. Así mismo, no han existido negocios sobre acciones propias.

Los movimientos en las reservas en sociedades consolidadas han sido los siguientes:

(Miles de Euros)	Saldo Inicial	Altas	Bajas/Traspasos	Saldo final
Millenium Hotels C220, S.L.U.	-	(161)	-	(161)
Total	-	(161)	-	(161)

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Las altas del ejercicio corresponden con la combinación de negocios explicada en Nota 5.

10.3 Distribución de resultados y gestión de capital

Las SOCIMI se hayan reguladas por el régimen fiscal especial establecido en la Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario. Estarán obligadas a distribuir en forma de dividendos a sus Accionistas, una vez cumplidas las obligaciones mercantiles que correspondan, el beneficio obtenido en el ejercicio, debiéndose acordar su distribución dentro de los seis meses posteriores a la conclusión de cada ejercicio, en la forma siguiente:

- a) El 100 por 100 de los beneficios procedentes de dividendos o participaciones en beneficios distribuidos por las participaciones mantenidas en otras SOCIMI u otras participaciones que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana.
- b) Al menos el 50 por ciento de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones a que se refiere el apartado 1 del artículo 2 de esta Ley, realizadas una vez transcurridos los plazos a que se refiere el apartado 3 del artículo 3 de esta Ley, afectos al cumplimiento de su objeto social principal. El resto de estos beneficios deberá reinvertirse en otros inmuebles o participaciones afectos al cumplimiento de dicho objeto, en el plazo de los tres años posteriores a la fecha de transmisión. En su defecto, dichos beneficios deberán distribuirse en su totalidad conjuntamente con los beneficios, en su caso, que procedan del ejercicio en que finaliza el plazo de reinversión. Si los elementos objeto de reinversión se transmiten antes del plazo de mantenimiento, aquellos beneficios deberán distribuirse en su totalidad conjuntamente con los beneficios, en su caso, que procedan del ejercicio en que se han transmitido. La obligación de distribuir, no alcanza, en su caso, a la parte de estos beneficios imputables a ejercicios en los que la Sociedad no tributara por el régimen fiscal especial establecido en dicha Ley.
- c) Al menos el 80 por ciento del resto de los beneficios obtenidos.

Cuando la distribución de dividendos se realice con cargo a reservas procedentes de beneficios de un ejercicio en el que haya sido aplicado el régimen fiscal especial, su distribución se adoptará obligatoriamente con el acuerdo a que se refiere el apartado anterior.

La reserva legal de las sociedades que hayan optado por la aplicación del régimen fiscal especial establecido en esta Ley no podrá exceder del 20 por ciento del capital social. Los estatutos de estas sociedades no podrán establecer ninguna otra reserva de carácter indisponible distinta de la anterior.

11. PATRIMONIO NETO - AJUSTES POR CAMBIO DE VALOR

Este epígrafe recoge el importe neto de las variaciones de valor de los derivados financieros.

El detalle y los movimientos de los ajustes por cambios de valor a 31 de diciembre de 2018 son los siguientes:

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(Miles de euros)	Saldo inicial	Incor. por importe conso (Nota 5)	Otros movimientos	Saldo final
Ejercicio 2018				
Cobertura de flujos de efectivo	-	224.225	91.297	315.522
	-	224.225	91.297	315.522

12. PASIVOS FINANCIEROS

La clasificación de los pasivos financieros por categorías y clases se describe a continuación:

(Euros)	Nota	2018
Pasivos financieros a largo plazo		
Deudas con entidades de crédito	12.1	16.853.846
Gastos de formalización de deudas	12.1	(284.358)
Acreedores por arrendamiento financiero largo plazo	12.1	14.476.767
Derivados	12.2	420.696
Otros pasivos financieros	12.3	263.667
Pasivos financieros a corto plazo		
Deudas con entidades de crédito	12.1	855.147
Acreedores por arrendamiento financiero corto plazo	12.1	1.081.101
Otras deudas a corto plazo	12.3	154.700
Proveedores	12.4	33.345
Acreedores comerciales y otras cuentas a pagar	12.4	147.061
Total		34.002.229

El valor contable de los pasivos financieros no difiere significativamente de su valor razonable.

12.1 Deudas con entidades de crédito y arrendamientos financieros a largo plazo

El detalle de las deudas con entidades de crédito al 31 de diciembre de 2018 es el siguiente:

(Euros)	Activos pignoralos	Moneda	Tipo nominal	Gasto devengado (Nota 16.5)	Año de vencimiento	Valor nominal	No corriente	Corriente
Deudas con entidades de crédito								
Millenium Hotels Real Estate, S.L.U.	Hotel Eurostars Lucentum	Euro	2,25%	291.907	2030	12.414.885	11.569.488	845.397
Varia Plaza Mag., S.L.U.	Hotel Plaza de la Magdalena	Euro	2,7%	57.126	2025	5.009.750	5.000.000	9.750
Acreedores por arrendamiento financiero								
Millenium Hotels C220, S.L.U.	Hotel Vía Castellana	Euro	Euribor +1,25%	182.151	2025	15.557.868	14.476.767	1.081.101
TOTAL				531.184		32.982.503	31.046.255	1.936.248

El detalle de dichas deudas por vencimientos es como sigue:

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Ejercicio 2018	(Euros)							Total
	Corriente	No corriente					Total no corriente	
	Menor de 1 año	Entre 1 y 2 años	Entre 2 y 3 años	Entre 3 y 4 años	Entre 4 y 5 años	Mayor de 5 años		
Préstamos con terceros y arrendamiento financiero	1.926.497	2.065.261	2.299.431	2.354.490	2.411.419	22.200.012	31.330.613	33.257.110
Intereses	9.751	-	-	-	-	-	-	9.751
Gastos de formalización de deudas	-	(70.233)	(32.008)	(29.862)	(27.661)	(124.594)	(284.358)	(284.358)
Total	1.936.248	1.995.028	2.267.423	2.324.628	2.383.758	22.075.420	31.046.255	32.982.503

12.2 Derivados

El Grupo ha cancelado el 20 de diciembre de 2018 un derivado de cobertura (Contrato de permuta financiera de tipos de interés) vigente desde 2014 y modificado en 2015, sin producir liquidación alguna.

A su vez, ha firmado un nuevo derivado de cobertura el mismo día 20 de diciembre de 2018 que cubre el nominal pendiente del contrato de arrendamiento financiero de la Sociedad C220. Dicho contrato, cuyos efectos se despliegan el día 30 de diciembre de 2018 y cuyo vencimiento es el 29 de abril de 2025, hace fijo el tipo de interés de la operación principal al 0,97% más diferencial con un floor al 0%.

El Grupo ha procedido a valorar el derivado de cobertura a fecha 31 de diciembre de 2018 en la cantidad de 420.696 euros. A su vez, reconoce ajustes por cambio de valor por la cantidad de 315.522 euros en su Patrimonio Neto y un gasto financiero asociado por importe de 188.581 euros (Nota 16.5).

12.3 Otros pasivos financieros

A largo plazo

Dentro de los pasivos financieros a largo plazo, se incluye la fianza recibida del arrendatario del inmueble sito en Paseo de la Castellana por importe de 263.667 euros. El periodo de vencimiento de dicha fianza coincide con el vencimiento del contrato de arrendamiento.

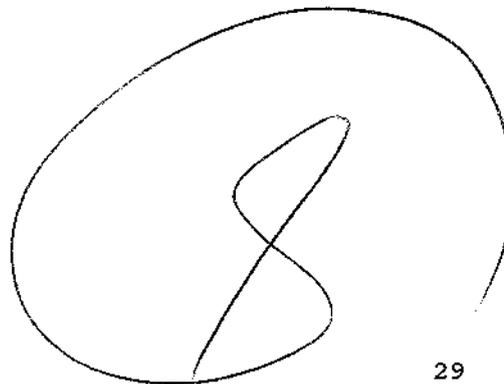
A corto plazo

El importe de 104.700 euros registrado en el corto plazo corresponde con intereses pendientes de pago por parte de la Sociedad Dominante por préstamos, que durante el ejercicio han sido capitalizados en mayo de 2018 con diversos acreedores. A 31 de diciembre de 2018 dichos intereses se encuentran pendientes de pago.

12.4 Acreedores comerciales y otras cuentas a pagar

El detalle del epígrafe es como sigue:

(Euros)	2018
Acreedores comerciales	
Proveedores	83.602



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Otros acreedores	147.061
Total	230.663

Dentro del epígrafe de acreedores se encuentra registrado por importe de 46 miles de euros el gasto por la comisión de gestión con la Sociedad Gestión de Inversiones Millenium, S.L.

13. OPERACIONES CON PARTES VINCULADAS

Las partes vinculadas con las que la Sociedad ha realizado transacciones durante el ejercicio 2018, así como la naturaleza de dicha vinculación, es la siguiente:

Nombre de la sociedad	Naturaleza de la vinculación
Gestión de inversiones Millenium, S.L.U.	Gestora/Parte Vinculada

El detalle de accionistas a 31 de diciembre de 2018 es el siguiente:

Accionista	% TOTAL
Alazady España, S.L.	16,96%
Garganta Construcciones, S.L.	11,87%
Coblilac, S.L.	8,48%
Mutua Médica MPS	8,48%
Liquid Investments, S.L.	6,79%
Otros accionistas con participación menor al 5%	47,42%
Total	100%

El detalle de las transacciones realizadas con sociedades vinculadas a 31 de diciembre de 2018 es el siguiente:

(Euros)	Parte Vinculada
Servicios de profesionales independientes	45.980
Total	45.980

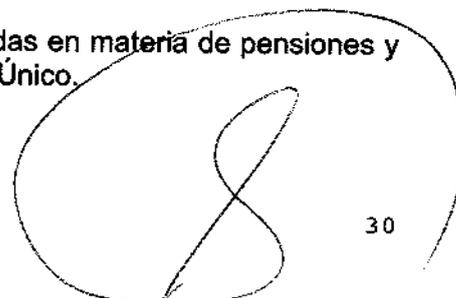
El saldo con partes vinculadas registrado a 31 de diciembre de 2018 asciende a 46 miles de euros y corresponde con el saldo pendiente por la comisión de gestión (ver Nota 16.4).

Retribución del Accionista Único y alta dirección

Al 31 de diciembre de 2018 el Administrador Único no ha devengado remuneración alguna.

La remuneración devengada por los directivos durante el ejercicio 2018 en concepto de sueldos, dietas y prestación de servicios ha sido de 315 miles de euros (ver Nota 16.3).

Al 31 de diciembre de 2018 el Grupo no tenía obligaciones contraídas en materia de pensiones y de seguros de vida respecto a su Alta Dirección ni al Administrador Único.



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Al 31 de diciembre de 2018 no existían anticipos ni créditos concedidos al Administrador Único ni al personal de alta dirección, ni había obligaciones asumidas por cuenta de ellos a título de garantía.

En relación con el artículo 229 de la Ley de Sociedades de Capital (LSC), a continuación se indican las situaciones de conflicto con el interés de la Sociedad comunicadas por el Administrador Único de la misma:

Administrador o persona vinculada	Actividad realizada	Cargo	Sociedad
JAVIER ILLAN PLAZA	ARRENDAMIENTO DE INMUEBLES PARA ESTABLECIMIENTOS HOTELEROS	MIEMBRO DEL CONSEJO DE ADMINISTRACION	MILLENIUM LUZ PALACIO, SL

Durante el ejercicio 2017, el Administrador Único de la Sociedad era miembro del Consejo de Administración de la compañía Millenium Hotels C220, S.L. La Sociedad Dominante es a día de hoy Socio Único de dicha compañía.

Durante el ejercicio 2018 no se han satisfecho primas de seguros de responsabilidad civil del Administrador Único por daños ocasionados en el ejercicio.

14. SITUACIÓN FISCAL

El detalle de los saldos relativos a activos fiscales y pasivos fiscales al 31 de diciembre es el siguiente:

(Euros)	2018
Créditos con las Administraciones Públicas	
Activos por impuesto diferido	167.780
IVA	420.120
TOTAL	587.900
Otras deudas con las Administraciones Públicas	
Pasivos por impuesto diferido	3.503.401
IRPF / IVA	107.806
Seguridad Social	4.325
TOTAL	3.615.531

Según las disposiciones legales vigentes, las liquidaciones de impuestos no pueden considerarse definitivas hasta que no hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción, actualmente establecido en cuatro años. En opinión del Administrador Único de la Sociedad dominante, así como de sus asesores fiscales, no existen contingencias fiscales de importes significativos que pudieran derivarse, en caso de inspección, de posibles interpretaciones diferentes de la normativa fiscal aplicable a las operaciones realizadas por la Sociedad dominante.

De acuerdo con la legislación vigente, el plazo disponible para compensar las bases imponibles negativas no tiene límite de años. El Grupo ha registrado el activo por impuesto diferido correspondiente a las bases imponibles negativas pendientes de compensar de la Sociedad C220 para las que considera probable la generación de suficientes beneficios fiscales futuros.

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Tal y como se menciona en la Nota 1, la Sociedad Dominante se encuentra bajo la aplicación del régimen especial previsto en la Ley 11/2009 de 26 de octubre para las SOCIMI. El Administrador Único y los asesores fiscales de la Sociedad consideran que la Sociedad cumple con todos los requisitos mínimos exigidos para la aplicación de este régimen fiscal especial en el presente ejercicio. De acuerdo con el régimen fiscal especial de SOCIMI los rendimientos derivados de su actividad que cumplan los requisitos exigidos están exentos para la Sociedad Dominante.

14.1 Cálculo del Impuesto sobre Sociedades

La conciliación entre el importe neto de los ingresos y gastos del ejercicio y la base imponible (resultado fiscal) del Impuesto sobre Sociedades es la siguiente:

(Miles de euros)	Cuenta de pérdidas y ganancias			Ingresos y gastos directamente imputados al patrimonio neto		
	Aumentos	Disminuciones	Total	Aumentos	Disminuciones	Total
Ejercicio 2018						
Saldo de ingresos y gastos del ejercicio	-	-	12.705	-	-	(114.931)
Impuesto sobre Sociedades	-	-	231.533	-	-	-
Saldo de ingresos y gastos del ejercicio antes de impuestos			244.238			(114.931)
Diferencias permanentes	(179.048)	-	(179.048)	-	-	23.635
Diferencias temporarias	-	(427.072)	(427.072)	-	-	-
Compensación de bases imponibles negativas de ejercicios anteriores	-	-	(526.251)	-	-	-
Base imponible (resultado fiscal)			(889.133)			(91.296)

El Grupo ha incorporado en 2018 diferencias temporarias por importe de 427 miles de euros negativos, correspondientes a amortizaciones aceleradas de inversiones inmobiliarias de la Sociedad C220. Las diferencias permanentes, corresponden a gastos no deducibles.

La conciliación entre el gasto / (ingreso) por impuesto sobre beneficios y el resultado de multiplicar los tipos de gravámenes aplicables al total de ingresos y gastos reconocidos es la siguiente:

(Euros)	2018
Resultado consolidado	12.705
Procedente soc. dominante (Tributación 0%) + Aj. Consolidación	636.349
Resultado consolidado (Tributación 25%)	649.055
Cuota (25%)	162.264
Regularizaciones	69.269
Contabilizado por Impuesto de Sociedades	231.533

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14.2 Activos y pasivos por impuesto diferido

El detalle y los movimientos de las distintas partidas que componen los activos y pasivos por impuesto diferido son los siguientes:

(Euros)	Altas por combinaciones de negocio (Nota 5)	Variaciones reflejadas en		Saldo final
		Cuenta de pérdidas y ganancias	Patrimonio neto	
Ejercicio 2018				
Activos por impuesto diferido				
Cobertura de flujos de efectivo	74.742	-	30.432	105.174
Bases imponible negativas	187.371	(124.765)	-	62.606
	262.113	(124.765)	30.432	167.780
Pasivos por impuesto diferido				
Coste inversiones inmobiliarias	2.730.389	-	-	2.730.389
Amortización inversiones inmobiliarias	666.210	106.802	-	773.012
	3.396.599	106.802	-	3.503.401

En 2018 el Grupo presenta activos por impuesto diferido por importe de 167.780 euros, de los cuales 62.606 euros corresponden a bases imponible negativas y 105.174 euros a diferencias temporarias deducibles por el efecto fiscal de la valoración del derivado contratado.

Los pasivos por impuesto diferido de 2018 se corresponden a diferencias de amortización contable y fiscal, por importe de 772.978 euros, a revertir en ejercicios posteriores, (106.768 euros de ellos incorporados en 2018) correspondientes con amortización acelerada de la Sociedad C220, más 2.730 miles de euros provenientes de la combinación de negocios descrita en la Nota 5.

Al 31 de diciembre, el detalle de las bases imponible pendientes de compensar, (las procedentes de 2016 de la Sociedad C220 y las de 2017 y 2018 de la Sociedad varia) después de deducir las aplicadas en el ejercicio, es el siguiente:

(Euros)	
Ejercicio de generación	2018
2016	202.296
2017	20.936
2018	27.192
	250.424

Al proceder las Bases Imponible negativas a los periodos 2016 y siguientes no se fija límite temporal para su compensación.

Exigencias informativas derivadas de la condición de SOCIMI de la Sociedad Dominante. Ley 11/2009, modificada por ley 16/2012

De conformidad con lo dispuesto en el artículo 3 de la Ley SOCIMI, el Grupo está formado por la Sociedad Dominante, en su condición de entidad que tributa de conformidad con el régimen fiscal especial de la Ley SOCIMI, y las Sociedades dependientes, que a 31 de diciembre de 2018 no aplican el régimen fiscal especial pero cumplen con los requisitos establecidos en el apartado 1 del artículo 2 de la Ley SOCIMI. La información de este apartado se corresponde con la Sociedad Dominante y las Sociedades Dependientes, a pesar de que la Sociedad Dominante es la única que a la fecha ostenta la condición de SOCIMI.

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- a) Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificada con la ley 16/2012.

La Sociedad Dominante y las Sociedades Dependientes no cuentan con reservas positivas de ejercicios anteriores a la opción por el régimen fiscal especial de la Ley SOCIMI.

- b) Reservas procedentes de ejercicios en los que se haya aplicado el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

La Sociedad Dominante y las Sociedades Dependientes no cuentan con reservas positivas de ejercicios anteriores a la opción por el régimen fiscal especial de la Ley SOCIMI.

- c) Dividendos distribuidos con cargo a beneficios de cada ejercicio en el que ha resultado de aplicable el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de las rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

La Sociedad Dominante y las Sociedades Dependientes no han distribuido dividendos con cargo a beneficios correspondiente al resultado del ejercicio terminado el 31 de diciembre de 2018 en aplicación de la Ley SOCIMI.

- d) En caso de distribución de dividendos con cargo a reservas, designación del ejercicio del que procede la reserva aplicada y si las mismas han estado gravadas al tipo de gravamen del cero por ciento, del 19 por ciento o al tipo general.

La Sociedad Dominante y las Sociedades Dependientes no han distribuido dividendos con cargo a beneficios correspondiente al resultado del ejercicio terminado el 31 de diciembre de 2018 en aplicación de la Ley SOCIMI.

- e) Fecha de acuerdo de distribución de dividendos a que se refiere las letras c) y d) anteriores.

No se ha producido ningún acuerdo de distribución de dividendos.

- f) Fecha de adquisición de los inmuebles destinados a arrendamiento que producen rentas acogidas a este régimen especial.

Fecha adq.	Clasif. Activo	Identificación	Dirección	Población	Uso
16/02/2018	Activo Propiedad de la Sociedad	Edificio	Avenida Alfonso X el Sabio, nº 11	Alicante	Hotelero

- g) Fecha de adquisición de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.

Sociedad	Fecha de adquisición	Ejercicio acogimiento régimen SOCIMI
Varia Pza Magdalena, S.L.U.	6 de septiembre de 2018	No acogida al régimen fiscal de SOCIMI
Millenium Hotels C220, S.L.U.	31 de julio de 2018	No acogida al régimen fiscal de SOCIMI

- h) Identificación del activo que computa dentro del 80% por ciento a que se refiere el apartado 1 del artículo 3 de esta Ley.

Ver punto f)

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- i) Reservas procedentes de ejercicios en que ha resultado aplicable al régimen fiscal especial establecido en esta Ley que se hayan dispuesto en el periodo impositivo, que no sea para su distribución o para compensar pérdidas, identificando el ejercicio del que proceden las reservas.

En el ejercicio no se ha dispuesto de reservas.

Esta información corresponde únicamente a la Sociedad Dominante al ser la única que a la fecha ostenta la condición de SOCIMI.

15. INFORMACIÓN FINANCIERA POR SEGMENTOS

El Grupo centra sus actividades en las actividades de inversión en propiedades de uso hotelero siendo este el único segmento en el que realiza sus actividades de inversión y es por tanto el que utiliza el Grupo para analizar el desempeño financiero. El mercado geográfico en el que opera el Grupo es España, y los ingresos por mercados geográficos se detallan en la Nota 16.

16. INGRESOS Y GASTOS

16.1 Ingresos por arrendamiento

El importe registrado en este epígrafe corresponde en su totalidad a las rentas recibidas por el arrendamiento de los Hoteles propiedad del Grupo desde su adquisición hasta el 31 de diciembre de 2018.

Su distribución por mercados geográficos es la siguiente:

(Euros)	2018
Madrid	1.198.193
Alicante	1.366.260
Sevilla	-
TOTAL	2.564.453

16.2 Trabajos realizados para el inmovilizado

El Grupo ha registrado un importe de 1.324.688 euros correspondientes a trabajos activados para el inmovilizado del Hotel Plaza de la Magdalena y del Hotel Eurostars Lucentum.

16.3 Gastos de personal

El desglose a 31 de diciembre es el siguiente:

(Euros)	2018
Sueldos y salarios (Nota 13)	315.321
Seguridad Social a cargo de la empresa	28.950
TOTAL	344.271

A continuación se detalla la plantilla media de trabajadores, agrupados por categorías y sexos en 2018:

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CATEGORIA PROFESIONAL	Tipo de contrato	Nº MEDIO	HOMBRES	MUJERES
ALTA DIRECCIÓN	Fijo	2	2	-

A cierre de ejercicio no hay personas empleadas con discapacidad mayor o igual al 33%.

El detalle de la plantilla a cierre de ejercicio es como sigue, agrupados por categorías y sexos:

CATEGORIA PROFESIONAL	Tipo de contrato	Nº TOTAL	HOMBRES	MUJERES
ALTA DIRECCIÓN	Fijo	3	2	1

16.4 Servicios exteriores

El detalle de servicios exteriores es el siguiente:

(Euros)	2018
Arrendamientos y cánones	60.378
Servicios de profesionales independientes	783.450
Transportes	18
Servicios bancarios y similares	2.689
Publicidad, propaganda y RRPP	29.767
Suministros	44.406
Otros servicios	372.979
TOTAL	1.293.688

Los gastos registrados dentro de este epígrafe corresponden principalmente a los relacionados con la compra del Hotel por la Sociedad Dominante.

Con fecha 2 de diciembre de 2018, la Sociedad firmó un contrato de gestión con la Sociedad Gestión de Inversiones Millenium, S.L., con el objeto de delegar a esta Sociedad la gestión ordinaria del Grupo. Dentro de los servicios profesionales independientes se encuentra registrado por importe de 38 miles de euros la parte de la comisión de gestión. La duración del contrato es de un año, prorrogable tácitamente por periodos de un año (ver Nota 13).

16.5 Ingresos y gastos financieros

El detalle de los ingresos y gastos financieros es el siguiente:

(euros)	2018
Ingresos de valores negociables y otros inst. financieros	314.899
TOTAL	314.899
(euros)	2018
Intereses con entidades de crédito (Nota 12.1)	(531.184)
Intereses de derivados (Nota 12.2)	(188.581)
TOTAL	(719.765)

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16.6 Resultado por Sociedad

La aportación de cada sociedad incluida en el perímetro de consolidación a los resultados consolidados del periodo ha sido la siguiente:

(Euros)	2018
Millenium Hotels Real Estate, S.L.	(254.569)
Millenium Hotels C220, S.L.	12.738
Varia Pza Magdalena, S.L.U.	254.536
Total	12.705

17. POLÍTICAS DE GESTIÓN DEL RIESGO

El Grupo gestiona el capital y su estructura financiera con el fin de asegurar que es capaz de hacer frente a sus pagos corrientes, compromisos de inversión, deudas y a maximizar el retorno a sus Accionistas.

Las políticas de gestión del riesgo financiero dentro del sector en el que opera el Grupo, vienen determinadas fundamentalmente por el análisis de los proyectos de inversión, la gestión en la ocupación de los inmuebles y por la situación de los mercados financieros:

- **Riesgo de crédito:** el riesgo de crédito del Grupo proviene principalmente del riesgo de impago de las rentas contratadas con los inquilinos. La Sociedad gestiona dicho riesgo mediante la selección de los inquilinos, los contratos que se suscriben.
- **Riesgo de liquidez:** se produce por la posibilidad de que el Grupo no pueda disponer de fondos líquidos, o acceder a ellos, en la cuantía suficiente y al coste adecuado, para hacer frente en todo momento a sus obligaciones de pago. A la presente fecha, el Grupo dispone de liquidez suficiente para hacer frente a pagos futuros.
- **Riesgo de mercado:** uno de los principales riesgos a los que está expuesta la Sociedad es al de riesgo de mercado por posibles desocupaciones de inmuebles o renegociaciones a la baja de contratos de arrendamiento cuando expiran los contratos de alquiler. Este riesgo disminuiría los ingresos del Grupo y afectaría de forma negativa a la valoración de los activos. En función de la situación de los inmuebles, la antigüedad de los contratos de arrendamiento, y el bajo ratio financiación / valor del activo, el Administrador Único entiende que el riesgo es moderado.
- **Riesgo de tipo de interés:** a 31 de diciembre de 2018, el Grupo dispone de financiación externa a tipo variable referenciada al Euribor (Nota 12.1). Al 31 de diciembre de 2018 el importe dispuesto en dicha financiación se encuentra cubierto con cobertura de flujos de efectivo que cubrirían la totalidad del mismo.

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18. OTRA INFORMACIÓN

18.1 Honorarios de auditoría

Los honorarios devengados durante el ejercicio por los servicios prestados por el auditor de cuentas se detallan a continuación:

(Miles de euros)	2018
Servicios de auditoría	54.089
Otros servicios no auditoría	17.935
Total	72.024

18.2 Información sobre el periodo medio de pago a proveedores. Disposición adicional tercera. «Deber de información» de la ley 15/2010, de 5 de julio

A continuación, se detalla el periodo medio de pago a los proveedores:

(Días)	2018
Periodo medio de pago a proveedores	2,05
Ratio de operaciones pagadas	99%
Ratio de operaciones pendientes de pago	1%
(Miles de euros)	
Total pagos realizados	26.405.160,41
Total pagos pendientes	191.592,20

19. HECHOS POSTERIORES AL CIERRE

Con fecha 21 de enero de 2019, las escrituras de aumento de capital aludidas en la Nota 10 que estaban pendientes de inscribir a cierre del ejercicio se han inscrito en el Registro Mercantil de Madrid.

Con fecha 27 de marzo de 2019, la sociedad ha adquirido por 23.500.000 euros un inmueble sito en la calle Gran Vía Don Diego López de Haro, nº 4 de Bilbao. La Sociedad se encuentra en trámite de obtención de licencia de obra para la transformación del inmueble en un Hotel de cinco estrellas, para el que ya tiene un contrato de arrendamiento firmado con una cadena internacional cuyo inicio está previsto a la finalización de las obras de reposicionamiento.

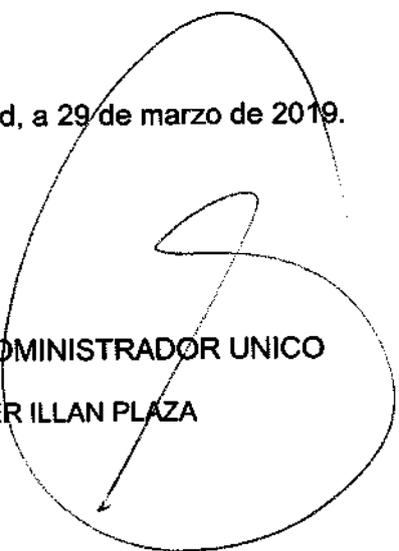
Asimismo, la Sociedad ha formalizado el 27 de marzo de 2019 un préstamo hipotecario por importe de 12.000.000 de euros al objeto de financiar el inmueble adquirido en Bilbao.

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Con fecha 28 de marzo de 2019 fueron elevadas dos ampliaciones de capital por un importe conjunto de 16.500.000 euros con cargo a aportaciones dinerarias mediante la creación de 16.500.000 acciones de un euro de valor nominal cada una numeradas de la 59.014.000 a la 75.514.000 ambas inclusive y que a fecha de la formulación de las presentes Cuentas Anuales Consolidadas se encuentran pendientes de inscripción en el Registro Mercantil.

Madrid, a 29 de marzo de 2019.



EL ADMINISTRADOR UNICO
JAVIER ILLAN PLAZA

MILLENIUM HOTELS REAL ESTATE I, S.A. Y SOCIEDADES DEPENDIENTES
Informe de Gestión Consolidado
Ejercicio 2018

Evolución de los negocios y situación del Grupo

Las cuentas anuales consolidadas del ejercicio se han preparado de acuerdo con la legislación mercantil vigente, con las normas establecidas en el plan general de contabilidad aprobado por el Real Decreto 1514/2007 de 16 de noviembre de 2016, el cual fue modificado en 2016 por el Real Decreto 602/2016 de 2 de diciembre y en el Real Decreto 1159/2010, de 17 de septiembre, por el que se aprueban las normas para la formulación de las cuentas anuales consolidadas.

Las cuentas anuales consolidadas han sido formuladas por el Administrador Único de la Sociedad Dominante para su sometimiento a la aprobación de la Junta General de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

Las adquisiciones de las sociedades Millenium Hotels C220, S.L.U. y Varia Plaza Magdalena, S.L.U. han generado operaciones de combinaciones de negocio (ver nota de la memoria sobre combinaciones de negocio).

En el ejercicio 2018 el Grupo ha generado una cifra de negocios de 2.564.453 euros, con unos beneficios en el resultado de explotación de 649.104 euros. El resultado consolidado neto de este ejercicio refleja un beneficio de 12.705 euros, por el impacto del resultado financiero y el gasto por impuesto de sociedades.

Al 31 de diciembre 2018 el Grupo presenta un fondo de maniobra de 20.287.976 euros. Al 31 de diciembre 2018 el Grupo cuenta con una tesorería de aproximadamente 20.495.410 euros.

El período medio de pago a proveedores de las sociedades que conforman el Grupo asciende a 2,05 días.

Hechos posteriores

No existen hechos posteriores adicionales a los mencionados en la memoria consolidada.

Actividad en materia de desarrollo.

El Grupo no ha realizado actividades de investigación y desarrollo durante el ejercicio 2018.

Acciones propias.

El Grupo no ha realizado actividades con las acciones propias durante el ejercicio 2018.

Uso de instrumentos financieros.

El Grupo realiza operaciones de cobertura de flujos de efectivo de los préstamos recibidos a tipo de interés variable (ver nota de la memoria sobre instrumentos financieros derivados).

MILLENIUM HOTELS REAL ESTATE I, S.A. Y SOCIEDADES DEPENDIENTES
Informe de Gestión Consolidado
Ejercicio 2018

Descripción de los principales riesgos e Incertidumbres a los que se presenta el Grupo.

El Administrador Único de la Sociedad Dominante manifiesta la existencia de determinados riesgos relativos en particular al análisis de los proyectos de inversión, la gestión en la ocupación de los inmuebles y por la situación de los mercados financieros.

Estos factores de riesgo que pueden afectar al Grupo se detallan a continuación, así como las políticas para mitigarlos:

- **Riesgo de crédito:** el riesgo de crédito del Grupo proviene principalmente del riesgo de impago de las rentas contratadas con los inquilinos. La Sociedad gestiona dicho riesgo mediante la selección de los inquilinos, los contratos que se suscriben.

- **Riesgo de liquidez:** se produce por la posibilidad de que el Grupo no pueda disponer de fondos líquidos, o acceder a ellos, en la cuantía suficiente y al coste adecuado, para hacer frente en todo momento a sus obligaciones de pago. A la presente fecha, el Grupo dispone de liquidez suficiente para hacer frente a pagos futuros.

- **Riesgo de mercado:** uno de los principales riesgos a los que está expuesto el Grupo es al de riesgo de mercado por posibles desocupaciones de inmuebles o renegociaciones a la baja de contratos de arrendamiento cuando expiran los contratos de alquiler. Este riesgo disminuiría los ingresos del Grupo y afectaría de forma negativa a la valoración de los activos. En función de la situación de los inmuebles, la antigüedad de los contratos de arrendamiento, y el bajo ratio financiación / valor del activo, el Administrador Único entiende que el riesgo es moderado.

- **Riesgo de tipo de interés:** a 31 de diciembre de 2018, el Grupo dispone de financiación externa a tipo variable referenciada al Euribor. Al 31 de diciembre de 2018 el importe dispuesto en dicha financiación se encuentra cubierto con cobertura de flujos de efectivo que cubrirían la totalidad del mismo. (ver nota de la memoria sobre instrumentos financieros derivados).

Madrid, a 29 de marzo de 2019.

EL ADMINISTRADOR UNICO
JAVIER ILLAN PLAZA

APPENDIX III Individual annual accounts together with the directors' report and audit report for 2018

**Informe de Auditoría de Cuentas Anuales
emitido por un Auditor Independiente**

**MILLENIUM HOTELS REAL ESTATE I, S.A.
Cuentas Anuales e Informe de Gestión
correspondientes al ejercicio anual terminado
el 31 de diciembre de 2018**

INFORME DE AUDITORÍA DE CUENTAS ANUALES EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de MILLENIUM HOTELS REAL ESTATE I, S.A.:

Opinión

Hemos auditado las cuentas anuales de MILLENIUM HOTELS REAL ESTATE I, S.A. (la Sociedad), que comprenden el balance a 31 de diciembre de 2018, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio anual terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2018, así como de sus resultados y flujos de efectivo correspondientes al ejercicio anual terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales* de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Valoración de las Inversiones Inmobiliarias

Descripción La Sociedad tiene registrado en el epígrafe de inversiones inmobiliarias del balance al 31 de diciembre de 2018, un importe neto de 22.200.632 euros correspondiente a un inmueble propiedad de la Sociedad. El desglose correspondiente a este activo se detalla en la Nota 5 de la memoria adjunta.

El Administrador Único de la Sociedad determina con carácter periódico, el valor razonable de las inversiones inmobiliarias, tomando como valores de referencia la valoración realizada por expertos independientes y dotando las oportunas correcciones por deterioro, cuando el valor de mercado del activo es inferior al valor neto contable del mismo, tal y como se indica en la nota 4.1 de la memoria adjunta. Dichas valoraciones han sido realizadas por un experto independiente de acuerdo a los estándares de valoración de la Royal Institution of Chartered Surveyors "RICS". El riesgo de que estos activos presenten deterioro y la relevancia de los importes involucrados, nos ha hecho considerar la valoración de las inversiones inmobiliarias como uno de los aspectos más relevantes de la auditoría.

Nuestra respuesta

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- Revisión del modelo de valoración utilizado por el experto independiente, en colaboración con nuestros especialistas en valoraciones, cubriendo el análisis matemático del modelo, el análisis de los flujos de caja proyectados proporcionados por la dirección y la revisión de las tasas de descuento.
- Revisión de los desgloses incluidos en la memoria de la Sociedad requeridos por la normativa contable aplicable.

Valoración de las participaciones en empresas del grupo

Descripción La Sociedad cuenta con inversiones en el patrimonio de empresas del grupo, multigrupo y asociadas al 31 de diciembre de 2018 por un valor neto de 25.972.417 euros, que incluyen un deterioro de valor por importe de 77.495 euros. Los desgloses correspondientes a las mencionadas participaciones y deterioros se encuentran en la Nota 6 de la memoria adjunta.

El Administrador Único de la Sociedad evalúa si hay indicios de deterioro al cierre del ejercicio y, en su caso, estima el valor recuperable. Este análisis tiene como objetivo concluir sobre la necesidad de registrar un deterioro de valor sobre las mencionadas participaciones, cuando su valor contable es mayor que su valor recuperable. Para determinar el valor recuperable, el Administrador Único de la Sociedad realiza un análisis del posible deterioro, basándose fundamentalmente en el Patrimonio Neto de las Sociedades participadas y las plusvalías existentes al cierre del ejercicio de las participaciones.

El elevado riesgo de que estas participaciones presenten deterioro, la relevancia de los importes involucrados y el hecho de que el análisis del Administrador Único de la Sociedad requiere de la realización de estimaciones y juicios sobre los activos de las filiales, nos han hecho considerar la valoración de esta partida como un aspecto más relevante de nuestra auditoría.

**Nuestra
respuesta**

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- ▶ La revisión del análisis realizado por la Sociedad en la identificación de los indicios de deterioro de las participaciones en empresas del grupo.
- ▶ La revisión de las plusvalías latentes existentes al cierre del ejercicio.
- ▶ Hemos revisado los desgloses e información incluidos en la memoria adjunta requeridos por la normativa contable.

Cumplimiento del Régimen fiscal de SOCIMI

Descripción La Sociedad ha optado por aplicar el régimen fiscal especial para las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario "SOCIMI" desde el 1 de enero de 2017.

La aplicación de este régimen especial requiere que las sociedades acogidas al mismo cumplan con una serie de condiciones que se recogen en la normativa aplicable, tal y como se explica en la Nota 1a de la memoria adjunta.

Hemos considerado este asunto como uno de los más relevantes de nuestra auditoría debido a la importancia que tiene la aplicación de este régimen fiscal especial por su impacto directo la estructura societaria, actividad operativa y cumplimiento legal y normativo de la Sociedad, así como en la política de retribución a los accionistas. Una aplicación indebida del régimen podría llegar a tener un impacto significativo sobre las cuentas anuales de la Sociedad.

**Nuestra
respuesta**

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros:

- ▶ El entendimiento desde un punto de vista fiscal, de la estructura societaria de la Sociedad, así como del Grupo al que pertenece, de su actividad operativa, así como las acciones necesarias para mantener el régimen fiscal de SOCIMI.
- ▶ Adicionalmente hemos revisado si los desgloses incluidos en la memoria de la Sociedad se adecúan a los requeridos por la normativa contable y fiscal.

Otra Información: Informe de gestión

La otra información comprende exclusivamente el informe de gestión del ejercicio 2018, cuya formulación es responsabilidad del Administrador Único de la Sociedad y no forma parte integrante de las cuentas anuales.

Nuestra opinión de auditoría sobre las cuentas anuales no cubre el informe de gestión. Nuestra responsabilidad sobre el informe de gestión, de conformidad con lo exigido por la normativa reguladora de la actividad de auditoría de cuentas, consiste en evaluar e informar sobre la concordancia del informe de gestión con las cuentas anuales, a partir del conocimiento de la entidad obtenido en la realización de la auditoría de las citadas cuentas y sin incluir información distinta de la obtenida como evidencia durante la misma. Asimismo, nuestra responsabilidad consiste en evaluar e informar de si el contenido y presentación del informe de gestión son conformes a la normativa que resulta de aplicación. Si, basándonos en el trabajo que hemos realizado, concluimos que existen incorrecciones materiales, estamos obligados a informar de ello.

Sobre la base del trabajo realizado, según lo descrito en el párrafo anterior, la información que contiene el informe de gestión concuerda con la de las cuentas anuales del ejercicio 2018 y su contenido y presentación son conformes a la normativa que resulta de aplicación.

Responsabilidad del Administrador Único en relación con las cuentas anuales

El Administrador Único es responsable de formular las cuentas anuales adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, que se identifica en la nota 2 de la memoria adjunta, y del control interno que consideren necesario para permitir la preparación de cuentas anuales libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales, el Administrador Único es responsable de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si el Administrador Único tiene intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede verse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

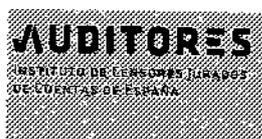
- Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.

- ▶ Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad.
- ▶ Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por el Administrador Único.
- ▶ Concluimos sobre si es adecuada la utilización, por el Administrador Único, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Sociedad para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que la Sociedad deje de ser una empresa en funcionamiento.
- ▶ Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales, incluida la información revelada, y si las cuentas anuales representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.

Nos comunicamos con el Administrador Único de la entidad en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación al Administrador Único de la entidad, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.



ERNST & YOUNG, S.L.

2019 Núm. 01/19/07423

SELLO CORPORATIVO: 96,00 EUR

Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional

ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores
de Cuentas con el N° S0530)

Francisco V. Fernández Romero
(Inscrito en el Registro Oficial de Auditores
de Cuentas con el N° 2918)

9 de abril de 2019

MILLENIUM HOTELS REAL ESTATE I, S.A.

Cuentas anuales e informe de gestión correspondientes al ejercicio anual terminado el 31 de diciembre de 2018

MILLENIUM HOTELS REAL ESTATE I S.A.

Balance de Situación al 31 de diciembre de 2018

Euros	Nota	2018	2017
A) ACTIVO NO CORRIENTE			
Inversiones inmobiliarias	5	22.200.632	-
Terrenos		7.211.727	-
Construcciones		14.988.905	-
Inversiones en empresas del grupo y asociadas a largo plazo	6	25.972.417	2.320.727
B) ACTIVO CORRIENTE		22.783.000	5.702.377
Existencias		33.870	15.883
Anticipo a proveedores	8.1	33.870	15.883
Deudores comerciales y otras cuentas a cobrar		225.794	4.511
Clientes por ventas y prestaciones de servicios	8	3.887	-
Otros créditos con las Administraciones Públicas	11	221.908	4.511
Inversiones en empresas del grupo y asociadas a corto plazo	8.2 y 14	2.006.299	-
Inversiones financieras a corto plazo	8.3	93.923	-
Efectivo y otros activos líquidos equivalentes	7	20.423.114	5.681.982
TOTAL ACTIVO (A+B)		70.956.049	8.023.103
A) PATRIMONIO NETO			
Fondos propios		58.305.950	-359.625
Capital		59.014.000	15.000
Capital escriturado	10	59.014.000	60.000
(Capital no exigido)		-	-45.000
Reservas		-23.635	-
Otras reservas		-23.635	-
Resultados de ejercicios anteriores		-374.625	-
Resultado del ejercicio	3	-309.790	-374.625
B) PASIVO NO CORRIENTE		11.569.488	-
Deudas a largo plazo		11.569.488	-
Deudas con entidades de crédito	9.1	11.569.488	-
C) PASIVO CORRIENTE		1.080.611	8382728
Deudas a corto plazo		950.057	8.354.831
Deudas con entidades de crédito	9.1	845.357	131
Otras deudas a corto plazo	9.2	104.700	8.354.700
Acreedores comerciales y otras cuentas a pagar		130.554	27.897
Proveedores	9	50.040	16.851
Acreedores varios	9	33.993	-
Otras deudas con las Administraciones Públicas	11	46.521	11.046
TOTAL PATRIMONIO NETO Y PASIVO (A+B+C)		70.956.049	8.023.103

Las Notas 1 a 16 descritas en la memoria adjunta forman parte integrante del balance de situación correspondiente al ejercicio finalizado el 31 de diciembre de 2018

Cuenta de Pérdidas y Ganancias

Euros	Nota	2018	2017 (*)
PÉRDIDAS Y GANANCIAS			
Importe neto de la cifra de negocios	12.1	1.366.260	-
Ingresos por arrendamientos		1.366.260	-
Trabajos realizados por la empresa para su activo	12.2	483.234	-
Aprovisionamientos		-	(13.766)
Gastos de personal	12.3	(344.271)	(26.739)
Sueldos y salarios		(315.321)	25.556
Seguridad social a cargo de la empresa		(28.950)	1.184
Otros gastos de explotación	12.4	(1.390.465)	(52.146)
Servicios exteriores		(891.519)	-
Tributos		(498.946)	-
Amortización de las inversiones inmobiliarias	5	(265.808)	-
RESULTADO DE EXPLOTACIÓN		(151.050)	(92.652)
Ingresos financieros	12.5	31.389	-
Con empresas del grupo		31.334	-
Con terceros		55	-
Gastos financieros	12.5	(291.907)	(102.700)
Con terceros		(291.907)	(102.700)
Deterioro y resultado por enajenaciones de instrumentos financieros	6	101.779	(179.273)
RESULTADO FINANCIERO		(158.740)	(281.973)
RESULTADO ANTES DE IMPUESTOS		(309.790)	(374.625)
RESULTADO DEL EJERCICIO		(309.790)	(374.625)

(*) periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

Las Notas 1 a 16 descritas en la memoria adjunta forman parte integrante de la cuenta de pérdidas y ganancias correspondiente al ejercicio finalizado el 31 de diciembre de 2018

Estado total de cambios en el patrimonio neto correspondiente al ejercicio finalizado el 31 de diciembre de 2018

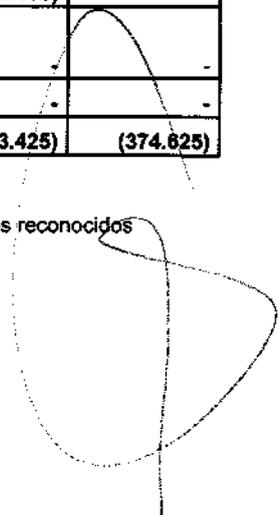
	Nota	Capital Escriturado	Capital no exigido	Reservas	Resultados de ejercicios anteriores	Resultado del ejercicio	TOTAL
SALDO AJUSTADO 6 DE JUNIO DE 2017							
Total ingresos y gastos reconocidos		-	-	-	-	(374.625)	(374.625)
Operaciones con socios o propietarios		60.000	-	-	-	-	60.000
Aumentos de capital		60.000	-	-	-	-	60.000
Otras variaciones del patrimonio neto		-	(45.000)	-	-	-	(45.000)
SALDO, FINAL DEL EJERCICIO 2017		60.000	(45.000)	-	-	(374.625)	(359.625)
SALDO AJUSTADO, INICIO DEL EJERCICIO 2018		60.000	(45.000)	-	-	(374.625)	(359.625)
Total ingresos y gastos reconocidos	3	-	-	(23.635)	-	(309.790)	(333.425)
Operaciones con socios o propietarios		58.954.000	-	-	-	-	58.954.000
Aumentos de capital	10	58.954.000	-	-	-	-	58.954.000
Otras variaciones del patrimonio neto	10	-	45.000	-	(374.625)	374.625	45.000
SALDO, FINAL DEL EJERCICIO 2018		59.014.000	-	(23.635)	(374.625)	(309.790)	58.305.950

Las Notas 1 a 16 descritas en la memoria adjunta forman parte integrante del Estado de Cambios en el patrimonio neto correspondiente al ejercicio finalizado el 31 de diciembre de 2018

Estado de ingresos y gastos reconocidos correspondiente al ejercicio finalizado el 31 de diciembre de 2018

(Euros)	Nota	2018	2017
Resultado de la cuenta de pérdidas y ganancias (I)	3	(309.790)	(374.625)
Ingresos y gastos imputados directamente al patrimonio neto		(23.635)	-
Total ingresos y gastos imputados directamente en el patrimonio neto (II)		(23.635)	-
Transferencias a la cuenta de pérdidas y ganancias		-	-
Total ingresos y gastos imputados a la cuenta de pérdidas y ganancias (III)		-	-
Total ingresos y gastos imputados directamente en el patrimonio neto (I+II+III)		(333.425)	(374.625)

Las Notas 1 a 16 descritas en la memoria adjunta forman parte integrante del estado de ingresos y gastos reconocidos correspondiente al ejercicio finalizado el 31 de diciembre de 2018



MILLENIUM HOTELS REAL ESTATE I S.A.

Memoria correspondiente al ejercicio anual finalizado el 31 de diciembre de 2018

Estado de flujos de efectivo del ejercicio terminado el 31 de diciembre de 2018

	Notas	2018	2017 (*)
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE EXPLOTACIÓN			
Resultado del ejercicio antes de impuestos	3	(309.790)	(374.625)
Ajustes del resultado		424.547	282.104
Amortización del inmovilizado (+)	5	265.808	-
Correcciones valorativas por deterioro	6	(101.779)	179.273
Ingresos financieros (-)	12.5	(31.389)	-
Gastos financieros (+)	12.5	291.907	102.831
Cambios en el capital corriente		(132.690)	7.503
(Incremento)/Decremento en Existencias	8.1	(17.987)	(15.883)
(Incremento)/Decremento en Deudores y otras cuentas a cobrar	11	(221.229)	(4.511)
Incremento/(Decremento) en Acreedores y otras cuentas a pagar	9, 11	106.526	27.897
Otros flujos de efectivo de las actividades de explotación		(291.907)	(102.831)
Pagos de intereses (-)	9.1	(291.907)	(102.831)
Flujos de efectivo de las actividades de explotación		(309.839)	(187.849)
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE INVERSIÓN			
Pagos por inversiones		(48.085.239)	(2.500.000)
Empresas del grupo y asociadas	6 y 8.2	(25.524.876)	(2.500.000)
Inversiones inmobiliarias	5	(22.466.440)	-
Otros activos financieros	8.3	(93.923)	-
Flujos de efectivo de las actividades de inversión		(48.085.239)	(2.500.000)
FLUJOS DE EFECTIVO DE LAS ACTIVIDADES DE FINANCIACIÓN			
Cobros y pagos por instrumentos de patrimonio		58.975.365	15.000
Emisión de instrumentos de patrimonio (+)	10	58.975.365	15.000
Cobros y pagos por instrumentos de pasivo financieros			
Emisión		12.412.845	131
Deudas con entidades de crédito (+)	9.1	12.697.203	131
Otros pagos (cobros) (-/+)	9	(284.358)	
Devolución y amortización de		(8.252.000)	8.354.700
Otras deudas (-)	9.2	(8.252.000)	8.354.700
Flujos de efectivo de las actividades de financiación		63.136.210	8.369.831
AUMENTO / DISMINUCIÓN NETA DEL EFECTIVO O EQUIVALENTES		14.741.132	5.681.982
Efectivo o equivalentes al comienzo del ejercicio, neto	7	5.681.982	
Efectivo o equivalentes al final del ejercicio, neto	7	20.423.114	5.681.982

Las Notas 1 a 16 descritas en la memoria adjunta forman parte integrante del estado de flujos de efectivo correspondiente al ejercicio finalizado el 31 de diciembre de 2018

(*) No auditado

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1. INTRODUCCIÓN E INFORMACIÓN GENERAL

La Sociedad MILLENIUM HOTELS REAL ESTATE I S.A., en adelante "la Sociedad", se constituyó el 6 de junio de 2017 como Sociedad Anónima, con el número 2.919 de orden de protocolo y tiene su domicilio social y fiscal en PS CASTELLANA, 102, 2, 28046, MADRID, MADRID.

Con carácter principal, la Sociedad tiene por objeto social la realización de las siguientes actividades:

- a. La adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento, incluyendo la actividad de rehabilitación de edificaciones en los términos establecidos en la Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido;
- b. La tenencia de acciones o participaciones en el capital de Sociedades Anónimas Cotizadas de Inversión Inmobiliaria (en adelante, "SOCIMI") o en el de otras entidades no residentes en territorio español que tengan el mismo objeto social que aquellas y que estén sometidas a un régimen similar al establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios;
- c. La tenencia de acciones o participaciones en el capital de otras entidades, residentes o no en territorio español, que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana para su arrendamiento y que estén sometidas al mismo régimen establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios y cumplan los requisitos de inversión a que se refiere el artículo 3 de la LSOCIMI;
- d. La tenencia de acciones o participaciones de Instituciones de Inversión Colectiva Inmobiliaria reguladas en la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, o la norma que la sustituya en el futuro.
- e. Otras actividades accesorias a las anteriores, entendiéndose como tales aquellas que en su conjunto sus rentas representen menos del 20 por 100 de rentas de la Sociedad en cada periodo impositivo.

Estas actividades se realizan en España.

El 25 de julio de 2017, el Accionista Único de la Sociedad, D. Francisco Javier Illán Plaza, aprobó solicitar el acogimiento de la Sociedad al Régimen Fiscal Especial de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI) de aplicación a partir del momento de su constitución (ver Nota 1.a). Dicha comunicación se presentó ante la Administración Tributaria el 26 de julio de 2017.

La Sociedad es propietaria desde febrero de 2018 de un Hotel ubicado en Alicante (ver Nota 5).

Todas las operaciones societarias producidas en 2018 y 2017 se detallan en las notas correspondientes (Nota 6, Nota 10 y Nota 14).

La Sociedad es la matriz desde el presente ejercicio 2018 del grupo de empresas que conforma con dos sociedades dependientes de las que posee el 100% de las participaciones sociales. Las

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cuentas anuales consolidadas del Grupo y el informe de gestión consolidado del ejercicio 2018 serán formuladas en tiempo y forma y depositadas, junto con el correspondiente informe de auditoría, en el Registro Mercantil en los plazos establecidos legalmente. Las presentes cuentas anuales se presentan en euros por ser ésta la moneda del entorno económico principal en el que opera la Sociedad.

1.a) Régimen SOCIMI

El 26 de julio de 2017 se solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI. La Sociedad ha procedido a registrar a 31 de diciembre de 2018 y 2017, el correspondiente impuesto de sociedades teniendo en consideración la normativa aplicable a dicho Régimen fiscal de SOCIMIs.

La Disposición Transitoria Primera de la Ley SOCIMIs permite la aplicación del Régimen fiscal de SOCIMIs en los términos establecidos en el artículo 8 de la Ley de SOCIMIs, aun cuando no se cumplan los requisitos exigidos en la misma a la fecha de incorporación, a condición de que tales requisitos se cumplan en los dos años siguientes a la fecha en la que se opta por aplicar dicho Régimen. En opinión del Administrador, la Sociedad cumplirá plenamente con los mencionados requisitos con anterioridad a la finalización del periodo transitorio.

La Sociedad se encuentra por tanto regulada por la Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario. El artículo 3 de dicha Ley, modificado por la nueva Ley, establece los requisitos de inversión de este tipo de Sociedades:

1. Las SOCIMI deberán tener invertido, al menos, el 80 por ciento del valor del activo en bienes inmuebles de naturaleza urbana destinados al arrendamiento, en terrenos para la promoción de bienes inmuebles que vayan a destinarse a dicha finalidad siempre que la promoción se inicie dentro de los tres años siguientes a su adquisición, así como en participaciones en el capital o patrimonio de otras entidades a que se refiere el apartado 1 del artículo 2 de la mencionada Ley.

El valor del activo se determinará según la media de los balances individuales trimestrales del ejercicio, pudiendo optar la Sociedad, para calcular dicho valor, por sustituir el valor contable por el de mercado de los elementos integrantes de tales balances, el cual se aplicaría en todos los balances del ejercicio. A estos efectos no se computarán, en su caso, el dinero o derechos de crédito procedente de la transmisión de dichos inmuebles o participaciones que se haya realizado en el mismo ejercicio o anteriores siempre que, en este último caso, no haya transcurrido el plazo de reinversión a que se refiere el artículo 6 de esta Ley.

2. Asimismo, al menos el 80 por ciento de las rentas del período impositivo correspondientes a cada ejercicio, excluidas las derivadas de la transmisión de las participaciones y de los bienes inmuebles afectos ambos al cumplimiento de su objeto social principal, una vez transcurrido el plazo de mantenimiento a que se refiere el apartado siguiente, deberá provenir del arrendamiento de bienes inmuebles y de dividendos o participaciones en beneficios procedentes de dichas participaciones.

Este porcentaje se calculará sobre el resultado consolidado en el caso de que la sociedad sea dominante de un grupo según los criterios establecidos en el artículo 42 del Código de Comercio, con independencia de la residencia y de la obligación de formular cuentas anuales consolidadas. Dicho grupo estará integrado exclusivamente por las SOCIMI y el resto de las entidades a que se

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refiere el apartado 1 del artículo 2 de esta Ley.

3. Los bienes inmuebles que integren el activo de la Sociedad deberán permanecer arrendados durante al menos tres años. A efectos del cómputo se sumará el tiempo que los inmuebles hayan estado ofrecidos en arrendamiento, con un máximo de un año. El plazo se computará:

- a) En el caso de bienes inmuebles que figuren en el patrimonio de la Sociedad antes del momento de acogerse al régimen, desde la fecha de inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará a lo dispuesto en la letra siguiente.
- b) En el caso de bienes inmuebles promovidos o adquiridos con posterioridad por la sociedad, desde la fecha en que fueron arrendados u ofrecidos en arrendamiento por primera vez.
- c) En el caso de acciones o participaciones de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley, deberán mantenerse en el activo de la sociedad al menos durante tres años desde su adquisición o, en su caso, desde el inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley.

Tal y como establece la Disposición transitoria primera de la Ley 11/2009, de 26 de Octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, podrá optarse por la aplicación del régimen fiscal especial en los términos establecidos en el artículo 8 de dicha Ley, aun cuando no se cumplan los requisitos exigidos en la misma, a condición de que tales requisitos se cumplan dentro de los dos años siguientes a la fecha de la opción por aplicar dicho régimen.

El incumplimiento de tal condición supondrá que la Sociedad pase a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio periodo impositivo en que se manifieste dicho incumplimiento, salvo que se subsane en el ejercicio siguiente. Además, la Sociedad estará obligada a ingresar, junto con la cuota de dicho periodo impositivo, la diferencia entre la cuota que por dicho impuesto resulte de aplicar el régimen general y la cuota ingresada que resultó de aplicar el régimen fiscal especial en los periodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

Adicionalmente a lo anterior, la modificación de la Ley 11/2009, de 26 de octubre, con la 16/2012, de 27 de diciembre de 2012 establece las siguientes modificaciones específicas:

- Flexibilización de los criterios de entrada y mantenimiento de inmuebles: no hay límite inferior en cuanto a número de inmuebles a aportar en la constitución de la SOCIMI salvo en el caso de viviendas, cuya aportación mínima serán 8. Los inmuebles ya no deberán permanecer en balance de la sociedad durante 7 años, sino sólo un mínimo de 3.
- Disminución de necesidades de capital y libertad de apalancamiento: el capital mínimo exigido se reduce de 15 a 5 millones de euros, eliminándose la restricción en cuanto al endeudamiento máximo del vehículo de inversión inmobiliaria.
- Disminución de reparto de dividendos: hasta la entrada en vigor de esta Ley, la distribución del beneficio obligatoria era del 90%, pasando a ser esta obligación desde el 1 de enero de 2013 al 80%.

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El tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0%. No obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

2. BASES DE PRESENTACIÓN DE LAS CUENTAS ANUALES

2.1 Marco Normativo de Información financiera aplicable a la Sociedad

Las cuentas anuales se han preparado de acuerdo con el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre, el cual fue modificado en 2016 por el Real Decreto 602/2016, de 2 de diciembre, y en particular, la Adaptación Sectorial del Plan General de Contabilidad de las Empresas Inmobiliarias aprobada por Orden del 28 de diciembre de 1994 en todo lo que no contradiga al Plan General de Contabilidad, así como con el resto de la legislación mercantil vigente.

Las cuentas anuales han sido formuladas por el Administrador Único de la Sociedad para su sometimiento a la aprobación de la Junta General de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

2.2 Imagen fiel

Las cuentas anuales se han preparado a partir de los registros contables, habiéndose aplicado las disposiciones legales vigentes en materia contable con el objeto de mostrar la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad.

2.3 Aspectos críticos de la valoración y estimación de la incertidumbre

La preparación de las cuentas anuales requiere la aplicación de estimaciones contables relevantes y la realización de juicios, estimaciones e hipótesis que afectan al proceso de aplicación de las políticas contables de la Sociedad y a los saldos de activos, pasivos, ingresos y gastos y al desglose de activos y pasivos contingentes a la fecha de emisión de las presentes cuentas anuales. Las estimaciones y las hipótesis relacionadas están basadas en la mejor información disponible a la fecha de formulación de las presentes cuentas anuales y en otros factores diversos que son entendidos como razonables de acuerdo con las circunstancias, cuyos resultados constituyen la base para establecer los juicios sobre los valores contables de los activos y pasivos que no son fácilmente disponibles mediante otras fuentes. Las estimaciones e hipótesis respectivas son revisadas de forma continuada; los efectos de las revisiones de las estimaciones contables son reconocidos en el período en el cual se realizan, si éstas afectan sólo a ese período, o en el período de la revisión y futuros, si éstas afectan a ambos.

Los supuestos clave acerca del futuro, así como otros datos relevantes sobre la estimación de la incertidumbre en la fecha de cierre del ejercicio, que llevan asociados un riesgo importante de suponer cambios significativos en el valor de los activos o pasivos en el próximo ejercicio son los siguientes:

- Cumplimiento del Régimen fiscal de SOCIMI (ver Nota 4.5 y Nota 11).
- La valoración y el deterioro de las inversiones en Instrumentos de Patrimonio (ver Nota 6).

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- Deterioro y vidas útiles de las inversiones inmobiliarias (ver Nota 5).

En la elaboración de las cuentas anuales correspondientes al ejercicio 2018 se han determinado estimaciones e hipótesis en función de la mejor información disponible a 31 de diciembre de 2018 sobre los hechos analizados. Es posible que acontecimientos que puedan tener lugar en el futuro obliguen a modificarlas (al alza o a la baja) en próximos ejercicios lo que se haría de forma prospectiva, reconociendo los efectos del cambio de estimación en las correspondientes cuentas anuales futuras.

2.4 Principio de empresa en funcionamiento

La Sociedad presenta a 31 de diciembre de 2018 fondo de maniobra positivo de 21.702.389 euros (negativo por importe de 2.680.352 euros a 31 de diciembre de 2017).

Las presentes cuentas anuales han sido preparadas de acuerdo con el principio de empresa en funcionamiento ya que el Administrador Único estima que la evolución de la Sociedad en el ejercicio 2018 y siguientes permitirá hacer frente a los pasivos corrientes.

2.5 Comparación de la información

De acuerdo con la legislación mercantil, se presenta, a efectos comparativos, con cada una de las partidas del balance, de la cuenta de pérdidas y ganancias, del estado de cambios en el patrimonio neto, del estado de ingresos y gastos y del estado de flujos de efectivo, además de las cifras del ejercicio 2018, las correspondientes al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017. Asimismo, tal y como se indica en la Nota 5, en el ejercicio 2018 la Sociedad ha adquirido un inmueble y en consecuencia está desarrollando el alquiler del mismo.

Estas circunstancias deberán ser tenidas en cuenta en la comparación de la información. En la memoria también se incluye información cuantitativa del ejercicio anterior, salvo cuando una norma contable específicamente establece que no es necesario.

3. APLICACIÓN DE RESULTADOS

La propuesta de distribución del resultado del ejercicio 2018, formulada por el Administrador Único de la Sociedad y que se espera sea aprobada por la Junta General de Accionistas, es la siguiente:

(Euros)	2018
Base de reparto	
Resultado del Ejercicio 2018	(309.790)
Distribución	
Resultados de ejercicios anteriores	(309.790)
Total	

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4. NORMAS DE REGISTRO Y VALORACIÓN

Se han aplicado los siguientes criterios contables:

4.1 Inversiones inmobiliarias

La Sociedad clasifica como inversiones inmobiliarias aquellos activos no corrientes que sean inmuebles y que posea para obtener rentas, plusvalías o ambas, en lugar de para su uso en la producción o suministros de bienes o servicios, o bien para fines administrativos, o su venta en el curso ordinario de las operaciones. También califica así aquellos terrenos y edificios cuyos usos futuros no estén determinados en el momento de su incorporación al patrimonio de la Sociedad.

Se valoran inicialmente por su coste, ya sea éste el precio de adquisición o el coste de producción. Después del reconocimiento inicial, se valorará por su coste, menos la amortización acumulada y, en su caso, el importe acumulado de las correcciones por deterioro registradas.

En el coste de aquellos activos que necesitan más de un año para estar en condiciones de uso, se incluyen los gastos financieros devengados antes de la puesta en condiciones de funcionamiento del inmovilizado que cumplen con los requisitos para su capitalización.

Asimismo, forma parte del valor de la inversión inmobiliaria como un componente de la misma la estimación inicial del valor actual de las obligaciones asumidas derivadas del desmantelamiento o retiro y otras asociadas al activo, tales como costes de rehabilitación, cuando estas obligaciones dan lugar al registro de provisiones.

Las reparaciones que no representan una ampliación de la vida útil y los costes de mantenimiento son cargados en la cuenta de pérdidas y ganancias en el ejercicio en que se producen. Los costes de renovación, ampliación o mejora que dan lugar a un aumento de la capacidad productiva o a un alargamiento de la vida útil de los bienes, son incorporados al activo como mayor valor del mismo, dándose de baja, en su caso, el valor contable de los elementos sustituidos.

Los costes relacionados con grandes reparaciones de los elementos de las inversiones inmobiliarias, con independencia de que los elementos afectados sean sustituidos o no, se identifican como un componente del coste del activo en la fecha en que se produzca la incorporación del mismo al patrimonio de la empresa y se amortizan durante el periodo que media hasta la siguiente gran reparación.

La amortización de sus elementos se realiza, desde el momento en el que están disponibles para su puesta en funcionamiento, de forma lineal durante su vida útil que se estima que sea de 50 años.

Con fecha 16 de febrero de 2018 la Sociedad ha adquirido un inmueble en el que se ubica el HOTEL EUROSTARS LUCENTUM de Alicante, sito en la Avenida Alfonso X el Sabio, nº 11 de Alicante por un importe de 22.466.440 euros incluidos gastos de adquisición asociados. Como consecuencia de dicha operación, la Sociedad se subroga en calidad de arrendador al contrato de arrendamiento sobre el inmueble vigente en dicha fecha. En consecuencia, las rentas devengadas a partir de dicha fecha corresponderán a la Sociedad (ver Nota 5).

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La Sociedad compara, periódicamente, el valor neto contable de los distintos elementos de las inversiones inmobiliarias con el valor de mercado obtenido a través de valoraciones de expertos independientes, y se dotan los correspondientes deterioros de las inversiones inmobiliarias cuando el valor de mercado es inferior al valor neto contable. El valor de mercado se determina al 31 de diciembre de cada ejercicio, tomando como valores de referencia las valoraciones realizadas por un experto independiente (CBRE Valuation Advisory S.A. en este caso). Los informes de valoración de los expertos independientes sólo contienen las advertencias y/o limitaciones habituales sobre el alcance de los resultados de las valoraciones efectuadas, que se refieren a la aceptación como completa y correcta de la información proporcionada por la Sociedad y que se ha realizado de acuerdo con los Profesional Standards de Valoración de la Royal Institution of Chartered Surveyors.

El inmueble se ha valorado considerando el contrato de arrendamiento vigente al cierre del ejercicio.

La principal metodología utilizada para determinar el valor de mercado de las inversiones inmobiliarias de la Sociedad durante el ejercicio 2018 es la que consiste en el descuento de flujos de caja, que se basa en la estimación de los flujos de efectivo futuros esperados de las Inversiones inmobiliarias utilizando una tasa de descuento apropiada para calcular el valor actual de esos flujos de efectivo. Dicha tasa considera las condiciones actuales de mercado y refleja todas las previsiones y riesgos asociados al flujo de tesorería y a la inversión. Para calcular el valor residual del activo del último año de la proyección de los flujos de caja se aplica una yield neta de salida.

El detalle de las yields netas de salida consideradas, para el ejercicio terminado el 31 de diciembre 2018 es el siguiente:

<i>Yields netas de salida (%)</i>	31 de diciembre de 2018
Hoteles valorados por Descuento de Flujos de Caja (Yield neta de salida-Renta Fija)	6%

La variación de un cuarto de punto en las yield netas de salida, así como la variación de un 10% en los incrementos de renta considerados tiene el siguiente impacto sobre las valoraciones utilizadas por la Sociedad para la determinación del valor de sus activos (Hoteles) registrados en el epígrafe "Inversiones inmobiliarias" del estado de situación financiera consolidado adjunto:

Sensibilidad de la valoración a modificaciones de un cuarto de punto en las yield netas de salida	Miles de Euros		
	Valoración	Disminución de un cuarto de punto	Aumento de un cuarto de punto
Ejercicio 2018 Hoteles	23.900	25.000	23.000

Sensibilidad de la la variación de un 10% en los incrementos de renta	Miles de Euros		
	Valoración	Disminución de 10%	Aumento de 10%
Ejercicio 2018 Hoteles	23.900	21.400	26.500

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Arrendamientos

Los contratos se califican como arrendamientos financieros cuando de sus condiciones económicas se deduce que se transfieren al arrendatario sustancialmente todos los riesgos y beneficios inherentes a la propiedad del activo objeto del contrato. En caso contrario, los contratos se clasifican como arrendamientos operativos.

Sociedad como arrendatario

Los activos adquiridos mediante arrendamiento financiero se registran de acuerdo con su naturaleza, por el menor entre el valor razonable del activo y el valor actual al inicio del arrendamiento de los pagos mínimos acordados, incluida la opción de compra, contabilizándose un pasivo financiero por el mismo importe. No se incluye en el cálculo de los pagos mínimos acordados las cuotas de carácter contingente, el coste de los servicios y los impuestos repercutibles por el arrendador. Los pagos realizados por el arrendamiento se distribuyen entre los gastos financieros y la reducción del pasivo. La carga financiera total del contrato se imputa a la cuenta de pérdidas y ganancias del ejercicio en que se devenga, aplicando el método del tipo de interés efectivo. A los activos se les aplican los mismos criterios de amortización, deterioro y baja que al resto de activos de su naturaleza.

Las amortizaciones por arrendamientos operativos se registran como gastos en la cuenta de pérdidas y ganancias cuando se pagan.

Sociedad como arrendador

Los ingresos derivados de los arrendamientos operativos se registran en la cuenta de pérdidas y ganancias cuando se devengan. Los costes directos imputables al contrato se incluyen como mayor valor del activo arrendado y se reconocen como gasto durante el plazo del contrato, aplicando el mismo criterio utilizado para el reconocimiento de los ingresos del arrendamiento.

A 31 de diciembre de 2018, la Sociedad arrienda el inmueble sito en la Avenida Alfonso X el Sabio, nº 11 de Alicante mediante un contrato de arrendamiento operativo (Nota 5).

4.2 Activos financieros

Clasificación y valoración

Los activos financieros que posee la Sociedad se clasifican en las siguientes categorías:

Inversiones en el patrimonio de empresas del grupo, multigrupo y asociadas

Incluyen las inversiones en el patrimonio de las empresas sobre las que se tiene control (empresas del grupo), se tiene control conjunto mediante acuerdo estatutario o contractual con uno o más socios (empresas multigrupo) o se ejerce una influencia significativa (empresas asociadas).

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación entregada más los costes de transacción que les sean directamente atribuibles.

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Para las inversiones en empresas del grupo se consideran, cuando resultan aplicables, los criterios incluidos en la norma relativa a operaciones entre empresas del grupo (Nota 4.8).

Cuando una inversión pasa a calificarse como empresa del grupo, multigrupo o asociada, se considerará como coste de dicha inversión el valor contable que debiera tener la misma inmediatamente antes de que la empresa pase a tener dicha calificación. En su caso, los ajustes valorativos previos asociados a dicha inversión contabilizados directamente en el patrimonio neto, se mantendrán en éste hasta que dicha inversión se enajene o deteriore.

Tras su reconocimiento inicial, estos activos financieros se valoran a su coste, menos, en su caso, el importe acumulado de las correcciones valorativas por deterioro.

Cancelación

Los activos financieros se dan de baja del balance de la Sociedad cuando han expirado los derechos contractuales sobre los flujos de efectivo del activo financiero o cuando se transfieren, siempre que en dicha transferencia se transmitan sustancialmente los riesgos y beneficios inherentes a su propiedad.

Si la Sociedad no ha cedido ni retenido sustancialmente los riesgos y beneficios del activo financiero, éste se da de baja cuando no se retiene el control. Si la Sociedad mantiene el control del activo, continúa reconociéndolo por el importe al que está expuesta por las variaciones de valor del activo cedido, es decir, por su implicación continuada, reconociendo el pasivo asociado.

La diferencia entre la contraprestación recibida neta de los costes de transacción atribuibles, considerando cualquier nuevo activo obtenido menos cualquier pasivo asumido, y el valor en libros del activo financiero transferido, más cualquier importe acumulado que se haya reconocido directamente en el patrimonio neto, determina la ganancia o pérdida surgida al dar de baja el activo financiero y forma parte del resultado del ejercicio en que se produce.

Deterioro del valor de los activos financieros

El valor en libros de los activos financieros se corrige por la Sociedad con cargo a la cuenta de pérdidas y ganancias cuando existe una evidencia objetiva de que se ha producido una pérdida por deterioro.

Para determinar las pérdidas por deterioro de los activos financieros, la Sociedad evalúa las posibles pérdidas tanto de los activos individuales, como de los grupos de activos con características de riesgo similares.

En el caso de los activos financieros valorados a su coste amortizado, el importe de las pérdidas por deterioro es igual a la diferencia entre su valor en libros y el valor actual de los flujos de efectivo futuros que se estima van a generar, descontados al tipo de interés efectivo existente en el momento del reconocimiento inicial del activo. Para los activos financieros a tipo de interés variable se utiliza el tipo de interés efectivo a la fecha de cierre de las cuentas anuales. La Sociedad considera para los instrumentos cotizados el valor de mercado de los mismos como sustituto del valor actual de los flujos de efectivo futuros, siempre que sea suficientemente fiable.

La reversión del deterioro se reconoce como un ingreso en la cuenta de pérdidas y ganancias y tiene como límite el valor en libros del activo financiero que estaría registrado en la fecha de reversión si no se hubiese registrado el deterioro de valor.

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4.3 Pasivos financieros

Clasificación y valoración

Débitos y partidas a pagar

Incluyen los pasivos financieros originados por la compra de bienes y servicios por operaciones de tráfico de la Sociedad y los débitos por operaciones no comerciales que no son instrumentos derivados.

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación recibida ajustado por los costes de transacción que les sean directamente atribuibles.

Tras su reconocimiento inicial, estos pasivos financieros se valoran por su coste amortizado. Los intereses devengados se contabilizan en la cuenta de pérdidas y ganancias, aplicando el método del tipo de interés efectivo.

No obstante, los débitos por operaciones comerciales con vencimiento no superior a un año y que no tengan un tipo de interés contractual, así como los desembolsos exigidos por terceros sobre participaciones, cuyo importe se espera pagar en el corto plazo, se valoran por su valor nominal, cuando el efecto de no actualizar los flujos de efectivo no es significativo.

La diferencia entre el valor razonable y el importe recibido de las fianzas por arrendamientos operativos se considera un cobro anticipado por el arrendamiento y se imputa a la cuenta de pérdidas y ganancias durante el periodo del arrendamiento. Para el cálculo del valor razonable de las fianzas se toma como periodo remanente el plazo contractual mínimo comprometido.

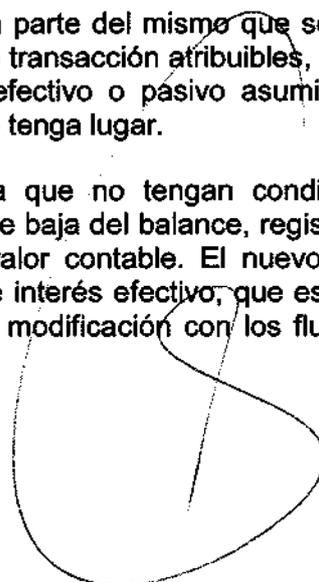
Cancelación

La Sociedad da de baja un pasivo financiero cuando la obligación se ha extinguido.

Cuando se produce un intercambio de instrumentos de deuda con un prestamista, siempre que éstos tengan condiciones sustancialmente diferentes, se registra la baja del pasivo financiero original y se reconoce el nuevo pasivo financiero que surge. De la misma forma se registra una modificación sustancial de las condiciones actuales de un pasivo financiero.

La diferencia entre el valor en libros del pasivo financiero, o de la parte del mismo que se haya dado de baja, y la contraprestación pagada, incluidos los costes de transacción atribuibles, y en la que se recoge asimismo cualquier activo cedido diferente del efectivo o pasivo asumido, se reconoce en la cuenta de pérdidas y ganancias del ejercicio en que tenga lugar.

Cuando se produce un intercambio de instrumentos de deuda que no tengan condiciones sustancialmente diferentes, el pasivo financiero original no se da de baja del balance, registrando el importe de las comisiones pagadas como un ajuste de su valor contable. El nuevo coste amortizado del pasivo financiero se determina aplicando el tipo de interés efectivo, que es aquel que iguala el valor en libros del pasivo financiero en la fecha de modificación con los flujos de efectivo a pagar según las nuevas condiciones.



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4.4 Efectivo y otros activos líquidos equivalentes

Este epígrafe incluye el efectivo en caja, las cuentas corrientes bancarias y los depósitos y adquisiciones temporales de activos que cumplen con todos los siguientes requisitos:

- Son convertibles en efectivo.
- En el momento de su adquisición su vencimiento no era superior a tres meses.
- No están sujetos a un riesgo significativo de cambio de valor.
- Forman parte de la política de gestión normal de tesorería de la Sociedad.

4.5 Impuesto sobre Beneficios

El gasto o ingreso por impuesto sobre beneficios comprende la parte relativa al gasto o ingreso por el impuesto corriente y la parte correspondiente al gasto o ingreso por impuesto diferido.

El impuesto corriente es la cantidad que la Sociedad satisface como consecuencia de las liquidaciones fiscales del impuesto sobre el beneficio relativas a un ejercicio. Las deducciones y otras ventajas fiscales en la cuota del impuesto, excluidas las retenciones y pagos a cuenta, así como las pérdidas fiscales compensables de ejercicios anteriores y aplicadas efectivamente en éste, dan lugar a un menor importe del impuesto corriente.

El gasto o el ingreso por impuesto diferido se corresponde con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Éstos incluyen las diferencias temporarias que se identifican como aquellos importes que se prevén pagaderos o recuperables derivados de las diferencias entre los importes en libros de los activos y pasivos y su valor fiscal, así como las bases imponibles negativas pendientes de compensación y los créditos por deducciones fiscales no aplicadas fiscalmente. Dichos importes se registran aplicando a la diferencia temporaria o crédito que corresponda el tipo de gravamen al que se espera recuperarlos o liquidarlos.

El tipo impositivo general aplicable en el ejercicio 2018 es del 25 por ciento, mientras que el tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0 por ciento. No obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

Se reconocen pasivos por impuestos diferidos para todas las diferencias temporarias imponibles, excepto aquellas derivadas del reconocimiento inicial de fondos de comercio o de otros activos y pasivos en una operación que no afecta ni al resultado fiscal ni al resultado contable y no es una combinación de negocios, así como las asociadas a inversiones en empresas dependientes, asociadas y negocios conjuntos en las que la Sociedad puede controlar el momento de la reversión y es probable que no reviertan en un futuro previsible.

Por su parte, los activos por impuestos diferidos sólo se reconocen en la medida en que se considere probable que la Sociedad vaya a disponer de ganancias fiscales futuras contra las que poder hacerlos efectivos, siempre y cuando el Régimen SOCIMI lo permita.

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Los activos y pasivos por impuestos diferidos, originados por operaciones con cargos o abonos directos en cuentas de patrimonio, se contabilizan también con contrapartida en patrimonio neto.

En cada cierre contable se reconsideran los activos por impuestos diferidos registrados, efectuándose las oportunas correcciones a los mismos en la medida en que existan dudas sobre su recuperación futura. Asimismo, en cada cierre se evalúan los activos por impuestos diferidos no registrados en balance de situación y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación en ejercicios fiscales futuros.

Los activos y pasivos por impuesto diferido se valoran a los tipos de gravamen esperados en el momento de su reversión, según la normativa vigente aprobada, y de acuerdo con la forma en que racionalmente se espera recuperar o pagar el activo o pasivo por impuesto diferido.

Los activos y pasivos por impuesto diferido no se descuentan y se clasifican como activos y pasivos no corrientes.

Según la disposición transitoria primera de la Ley 11/2009 por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, podrá optarse por la aplicación del régimen fiscal especial en los términos establecidos en el artículo 8 de esta Ley, aun cuando no se cumplan los requisitos exigidos en la misma, a condición de que tales requisitos se cumplan dentro de los dos años siguientes a la fecha de la opción de la aplicación de dicho régimen. La Sociedad forma parte del grupo de fiscal SOCIMI que encabeza y de acuerdo a la información disponible, dicho grupo cumple parcialmente con los requisitos establecidos en la anterior Ley a la fecha de las presentes cuentas anuales. No obstante, en opinión del Administrador Único se han puesto en marcha los procesos necesarios para que el cumplimiento de la totalidad de los requisitos se produzca antes del periodo máximo establecido.

4.6 Clasificación de los activos y pasivos entre corrientes y no corrientes

Los activos y pasivos se presentan en el balance clasificados entre corrientes y no corrientes. A estos efectos, los activos y pasivos se clasifican como corrientes cuando están vinculados al ciclo normal de explotación de la Sociedad y se esperan vender, consumir, realizar o liquidar en el transcurso del mismo, son diferentes a los anteriores y su vencimiento, enajenación o realización se espera que se produzca en el plazo máximo de un año; se mantienen con fines de negociación o se trata de efectivo y otros activos líquidos equivalentes cuya utilización no está restringida por un periodo superior a un año. En caso contrario se clasifican como activos y pasivos no corrientes.

4.7 Ingresos y gastos

De acuerdo con el principio de devengo, los ingresos y gastos se registran cuando ocurren, con independencia de la fecha de su cobro o de su pago.

Ingresos por ventas y prestaciones de servicios

Los ingresos se reconocen cuando es probable que la Sociedad reciba los beneficios o rendimientos económicos derivados de la transacción y el importe de los ingresos y de los costes incurridos o a incurrir pueden valorarse con fiabilidad. Los ingresos se valoran al valor razonable de la contrapartida recibida o por recibir, deduciendo los descuentos, rebajas en el precio y otras partidas similares que la Sociedad pueda conceder, así como, en su caso, los intereses incorporados al nominal de los créditos. Los impuestos indirectos que gravan las operaciones y

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que son repercutibles a terceros no forman parte de los ingresos.

Los ingresos por alquileres se reconocen linealmente en el periodo de duración del contrato.

4.8 Transacciones entre partes vinculadas

Las transacciones con partes vinculadas se contabilizan de acuerdo con las normas de valoración detalladas anteriormente, excepto para las siguientes transacciones:

- Las aportaciones no dinerarias de un negocio a una empresa del grupo se valoran, en general, por el valor contable de los elementos patrimoniales entregados en las cuentas anuales consolidadas en la fecha en la que se realiza la operación.
- En las operaciones de fusión y escisión de un negocio, los elementos adquiridos se valoran, en general, por el importe que corresponde a los mismos, una vez realizada la operación, en las cuentas anuales consolidadas. Las diferencias que se originan se registran en reservas.

Los precios de las operaciones realizadas con partes vinculadas se encuentran adecuadamente soportados, y las operaciones se realizan a valor de mercado, por lo que el Administrador Único de la Sociedad considera que no existen riesgos que pudieran originar pasivos fiscales significativos en el futuro.

4.9 Estado de flujos de efectivo (método indirecto)

En el estado de flujos de efectivo, se utilizan las siguientes expresiones en los siguientes sentidos:

- Flujos de efectivo: entradas y salidas de dinero en efectivo y de activos financieros equivalentes, entendiéndose por éstos las inversiones corrientes de gran liquidez y bajo riesgo de alteraciones en su valor.
- Actividades de explotación: actividades típicas de la explotación, así como otras actividades que no pueden ser calificadas como de inversión o de financiación.
- Actividades de inversión: las de adquisición, enajenación o disposición por otros medios de activos no corrientes y otras inversiones no incluidas en el efectivo y medios equivalentes.
- Actividades de financiación: actividades que producen cambios en el tamaño y composición del patrimonio neto y de los pasivos que no forman parte de las actividades de explotación.

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5. INVERSIONES INMOBILIARIAS

El detalle y los movimientos de las partidas que componen este epígrafe son los siguientes:

(Euros)	Saldo inicial	Altas o Dotaciones	31.12.2018
Inversiones inmobiliarias			
Terrenos	-	7.211.727	7.211.727
Construcciones	-	15.254.713	15.254.713
Total Coste	-	22.466.440	22.466.440
Amortización	-	(265.808)	(265.808)
Total	-	22.200.632	22.200.632

(Euros)	Saldo Inicial	Altas o Dotaciones	31.12.2017
Inversiones inmobiliarias			
Coste	-	-	-
Amortización	-	-	-
Total	-	-	-

La partida en el balance de 22.466.440 euros, corresponde al HOTEL EUROSTARS LUCENTUM de Alicante, sito en la Avenida Alfonso X el Sabio, nº 11 de Alicante, adquirido por la Sociedad el 16 de febrero de 2018. Se incluyen en dicha partida también los gastos asociados a la adquisición y se han contabilizado amortizaciones por importe de 265.808 euros.

El valor razonable neto de las inversiones inmobiliarias de la Sociedad calculado en función de la valoración realizada a 31 de diciembre de 2018 por un experto independiente no vinculado a la Sociedad asciende a un total de 23.900.000 euros.

La valoración ha sido realizada de acuerdo con los Estándares de Valoración y Tasación publicados por la Royal Institute of Chartered Surveyors (RICS) de Gran Bretaña. Para el cálculo de dicho valor razonable, se han utilizado tasas de descuento aceptables para un potencial inversor, y consensuadas con las aplicadas por el mercado para bienes de similares características y ubicaciones. De acuerdo con las valoraciones de los expertos independientes no hay activos cuyo valor recuperable sea inferior al valor neto en libros.



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Arrendamientos operativos

El detalle de los cobros futuros mínimos de los contratos de arrendamiento operativo no cancelables al 31 de diciembre es el siguiente:

	31 de diciembre de 2018
Hasta un año	1.562.500
Entre uno y cinco años	1.200.000
Más de cinco años	-
Total	2.762.500

La Sociedad tiene arrendado el inmueble hotelero por un plazo inicial que finaliza el 31 de agosto de 2020 más una posible prórroga adicional de 5 años. La renta de arrendamiento se compone de una parte fija estipulada en el contrato.

Las pólizas de seguro cubren el valor de reconstrucción a nuevo de las inversiones inmobiliarias.

Las inversiones inmobiliarias de la compañía por valor neto contable de 22.201 miles de euros en 2018 se encuentran hipotecadas al 31 de diciembre de 2018 como garantía de un préstamo hipotecario por importe de 12.697 miles de euros (Nota 9).

6. INVERSIONES EN EL PATRIMONIO DE EMPRESAS DEL GRUPO, MULTIGRUPO Y ASOCIADAS

El detalle y los movimientos de las distintas partidas que componen este epígrafe son los siguientes:

(Euros)	2018	2017
Inversiones en empresas del grupo y asociadas a largo plazo		
Instrumentos de patrimonio	25.972.417	2.320.727
Total	25.972.417	2.320.727

El desglose de los instrumentos de patrimonio a largo plazo a 31 de diciembre de 2018 es el siguiente:

(Euros)	Saldo inicial	Altas o Dotaciones	31.12.2018
Instrumentos de patrimonio a largo plazo			
Coste	2.500.000	23.549.912	26.049.912
Deterioro	(179.273)	101.778	(77.495)
Total	2.320.727	23.651.690	25.972.417

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El desglose de los instrumentos de patrimonio a largo plazo a 31 de diciembre de 2017 era el siguiente:

(Euros)	Saldo Inicial a 6 de junio de 2017	Altas o Dotaciones	31 de diciembre de 2017
Instrumentos de patrimonio a largo plazo			
Coste	-	2.500.000	2.500.000
Deterioro	-	(179.273)	(179.273)
Total	-	2.320.727	2.320.727

La totalidad de las empresas del Grupo y asociadas se dedican a la adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento o gestión.

Movimientos del ejercicio 2017

A 31 de diciembre de 2017, el saldo registrado en este epígrafe correspondía con el aumento de capital de la Sociedad Varia Pza Magdalena, S.L. (en adelante, Varia Plaza) por importe de 2.500.000 euros que fueron íntegramente asumidos y desembolsados por la Sociedad. De esta forma, el 22 de diciembre de 2017, la Sociedad entró a formar parte del capital social de la Sociedad Varia Plaza Magdalena, S.L., entidad propietaria de un edificio sito en Plaza Magdalena, nº 1 de Sevilla.

Movimientos del ejercicio 2018

El 6 de septiembre de 2018, la Sociedad ha adquirido el 50% restante de las participaciones de la Sociedad Varia Plaza por importe de 3.010.299 euros que fueron íntegramente asumidos y desembolsados por la Sociedad. De esta forma, la Sociedad pasa a tener el 100% del capital social de la Sociedad Varia Plaza.

Asimismo, durante el ejercicio 2018, la Sociedad ha adquirido la totalidad de las participaciones sociales de la Sociedad Millenium Hotels C220 S.L. (en adelante C220) por importe de 20.539.612 euros, entidad que gestiona en arrendamiento el Hotel Vía Castellana de Madrid., sito en Paseo de la Castellana, 218-220 de Madrid.

La información relativa a las empresas del grupo y asociadas a 31 de diciembre de 2018 es la siguiente:

(Euros)	Valor neto contable	Porcentaje de participación directa	Capital	Prima de emisión	Beneficios (pérdidas) del ejercicio	Total patrimonio neto	Resultado de explotación	Dividendos recibidos en el ejercicio
Ejercicio 2018								
Varia Plaza	5.432.805	100%	505.400	4.494.600	261.393	4.902.846	606.105	-
M.Hotels C220	20.539.612	100%	60.120	9.146.257	714.993	12.725.440	1.280.120	-
	25.972.417		565.520	13.640.857	976.386	17.628.286	1.886.224	-

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(Euros)	Valor neto contable	Porcentaje de participación directa	Capital	Prima de emisión	Beneficios (pérdidas) del ejercicio	Total patrimonio neto	Resultado de explotación	Dividendos recibidos en el ejercicio
Ejercicio 2017								
Varia Plaza	2.320.727	50%	505.400	4.494.600	(385.547)	4.641.453	(478.062)	-
	2.320.727		505.400	4.494.600	(385.547)	4.641.453	(478.062)	-

Al 31 de diciembre de 2018, la participación en la Sociedad Varia Plaza se encuentra deteriorada en 77 miles de euros (en 2017 la participación presentaba un deterioro de 179 miles de euros). El Administrador Único ha considerado adecuado el deterioro registrado en base al análisis de la estimación del valor actual de los flujos de efectivo que se espera sean generados por las Sociedades en base a las plusvalías tácitas de la valoración de los activos realizadas por el experto independiente incluyendo los activos de las sociedades.

7. EFECTIVO Y OTROS ACTIVOS LÍQUIDOS EQUIVALENTES

Este epígrafe recoge las cuentas corrientes que posee la Sociedad, las cuales devengan tipos de interés de mercado. El importe de las mismas a 31 de diciembre de 2018 es 20.423.114 euros (5.681.982 en 2017).

Con carácter general la Sociedad mantiene su tesorería y activos líquidos en entidades financieras de alto nivel crediticio. No hay restricciones a la disponibilidad de estos saldos.

8. ACTIVOS FINANCIEROS

La composición de los activos financieros, excepto las inversiones en el patrimonio de empresas del grupo, multigrupo y asociadas (Nota 6), al 31 de diciembre es la siguiente:

(Euros)	2018	2017
Activos financieros a corto plazo		
Anticipos a proveedores (Nota 8.1)	33.870	15.883
Deudores comerciales y otras cuentas a cobrar	3.887	-
Créditos a empresas del grupo (Nota 8.2 y 14)	2.006.299	-
Inversiones financieras a corto plazo	93.923	-
Total	2.137.979	15.883

8.1 Anticipos a proveedores

La Sociedad tiene registrados importes por 33.870 euros como anticipos entregados a acreedores por servicios a facturar en 2019 (15.883 en 2017).

8.2 Créditos a empresas del grupo

La Sociedad ha concedido a la empresa del grupo Varia Plaza varios préstamos durante el ejercicio 2018 por un importe conjunto de 1.970.000 euros. Dichos contratos tienen una duración común de 1 año y están remunerados con un tipo de interés del 4%. Los intereses devengados por dichos préstamos en 2018 han ascendido a la cantidad de 31.316 euros, que serán abonados al vencimiento de cada uno de los contratos (Nota 14).

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Asimismo, el 29 de noviembre de 2018, la Sociedad ha concedido un préstamo a la empresa del grupo C220 por importe de 4.965 euros. El plazo de duración del mismo es de 1 año y está remunerado con un tipo de interés del 4%. Los intereses devengados por dicho préstamo en 2018 han ascendido a la cantidad de 18 euros, que ya han sido abonados junto al capital a la fecha de formulación de las presentes cuentas anuales (Nota 14).

9. PASIVOS FINANCIEROS

La composición de los pasivos financieros al 31 de diciembre de 2018 es la siguiente:

(Euros)	Nota	2018	2017
Pasivos financieros a largo plazo			
Deudas con entidades de crédito	9.1	11.853.846	-
Gastos de formalización de deuda	9.1	(284.358)	
Total		11.569.488	-

(Euros)	Nota	2018	2017
Pasivos financieros a corto plazo			
Deudas con entidades de crédito	9.1	845.357	-
Deudas a corto plazo	9.2	-	8.252.000
Intereses a corto plazo	9.2	104.700	102.700
Proveedores		50.040	16.037
Acreedores	9.3	33.993	814
Total		1.032.090	8.371.551

9.1 Deudas con entidades de crédito a largo plazo

El 16 de febrero de 2018 la Sociedad ha formalizado un préstamo hipotecario de 13.400.000 euros con Banco Sabadell sobre el inmueble de su propiedad sito en Avenida Alfonso X el Sabio, nº 11 de Alicante. El vencimiento del mismo es el 28 de febrero de 2030 y está remunerado con un tipo de interés fijo del 2.25% en cuotas mensuales. A 31 de diciembre de 2018 los gastos de formalización de deudas ascienden a 316 miles de euros, de los cuales se han imputado a resultados 32 miles de euros. A fecha 31 de diciembre de 2018 los intereses devengados del préstamo ascienden a 260.277 euros (ver Nota 12.5) de los cuales se encuentran pendientes de pago cero euros.

El detalle de los vencimientos anuales del principal del préstamo hipotecario mencionado al 31 de diciembre es el siguiente:

(Miles de euros)	2018
Año 2019	843.357
Año 2020	843.357
Año 2021	843.357
Año 2022	843.357
Año 2023	843.357
Más de cinco años	8.480.418
	12.697.203

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9.2 Deudas a corto plazo

Durante el ejercicio 2017 la Sociedad recibió préstamos de diversos acreedores. La relación era la siguiente:

TITULAR DEL PRESTAMO	IMPORTE (Euros)	FECHA DE CONSTITUCIÓN
Adrinau, SL	1.000.000,00	11/07/2017
Anisio Morón Besoli	150.000,00	19/10/2017
Lexington, SA	500.000,00	12/06/2017
Enrique Oliver de Querol	250.000,00	13/11/2017
Esteve Torrens Cervero	200.000,00	04/12/2017
Jose Redento Torne	150.000,00	20/11/2017
LGS Gestión de Inversiones, SL	500.000,00	03/08/2017
Comienzos Siglo XXI, SL	3.000.000,00	24/07/2017
Rafael Aranda Estrada	500.000,00	25/10/2017
Wavip Group, SL	500.000,00	01/12/2017
Manuel Rueda Díaz de Rábago	400.000,00	07/12/2017
Luciano Dario Vietto	600.000,00	28/12/2017
Wavip Group, SL	200.000,00	22/12/2017
Claudio Matias Kranevitter	300.000,00	28/12/2017
TOTAL	8.250.000,00	

Tal y como se indica en la Nota 10, dichos préstamos se han capitalizado durante el primer semestre de 2018 y por tanto se amortizaron el 11 de mayo de 2018 pasando los prestamistas a formar parte del capital Social de la Sociedad.

El tipo de interés de los préstamos era del 4% hasta el 31 de diciembre de 2017, habiendo contabilizado la Sociedad unos intereses devengados por los mismos a cierre de ejercicio 2017 de 102.700,00 euros los cuales se encuentran pendientes de pago en 2018 y 2017.

9.3 Acreedores comerciales

El saldo registrado en este epígrafe se corresponde con acreedores por prestación de servicios por importe de 33.993 euros (814 euros en 2017). Dentro de este epígrafe se encuentra registrado por importe de 29.040 euros el gasto por la comisión de gestión con la Sociedad Gestión de Inversiones Millenium, S.L. (ver Nota 12.4).

10. FONDOS PROPIOS

La Sociedad se constituyó el 6 de junio de 2017 con un total de 60.000 acciones de valor nominal 1 euro cada una de ellas, numeradas del 1 al 60.000 ambos inclusive. Las acciones se encontraban al inicio del ejercicio suscritas y desembolsadas íntegramente al 25% de su valor nominal, quedando pendiente de desembolso 75 céntimos de euro por acción por un total de 45.000 euros. El 12 de marzo de 2018, el hasta ese momento accionista único desembolsó los 45.000 euros pendientes de capital, hecho que fue inscrito en el Registro Mercantil el 28 de mayo de 2018.

Las operaciones societarias que se han producido durante el ejercicio 2018 han sido las siguientes:

- Con fecha 12 de marzo de 2018 fue elevada a público una ampliación de capital por

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importe de 12.590.000 euros con cargo a aportaciones dinerarias mediante la creación de 12.590.000 acciones ordinarias de un euro de valor nominal cada una numeradas de la 60.001 a la 12.650.000 ambas inclusive. Dicha ampliación fue inscrita en el Registro Mercantil de Madrid el 11 de abril de 2018.

- Con fecha 11 de mayo de 2018 se realizó una segunda ampliación de capital por 9.070.000 euros de los cuales 8.350.000 euros se realizaron mediante la compensación de créditos y mediante la creación de 8.350.000 acciones de un euro de valor nominal cada una numeradas de la 12.650.000 a la 21.000.000 ambas inclusive y 720.000 euros se realizaron con cargo a aportaciones dinerarias mediante la creación de 720.000 acciones de un euro de valor nominal cada una numeradas de la 21.000.001 a la 21.720.000 ambas inclusive. Dicha ampliación fue inscrita en el Registro Mercantil de Madrid el 22 de junio de 2018.
- Con fecha 27 de julio de 2018 fue elevada a público una tercera ampliación de capital por importe de 25.397.000 euros con cargo a aportaciones dinerarias mediante la creación de 25.397.000 acciones de un euro de valor nominal cada una numeradas de la 21.720.001 a la 47.117.000 ambas inclusive e inscrita en el Registro Mercantil de Madrid el 29 de agosto de 2018.
- Con fecha 28 de diciembre de 2018 fueron elevadas a público una cuarta y una quinta ampliación de capital por un importe conjunto de 11.897.000 euros con cargo a aportaciones dinerarias mediante la creación de 11.897.000 acciones de un euro de valor nominal cada una numeradas de la 47.117.001 a la 59.014.000 ambas inclusive y que a fecha de cierre de ejercicio se encuentran pendientes de inscripción en el Registro Mercantil (ver Nota 16).

No hay reservas constituidas a fecha de cierre ni se han repartido dividendos durante el ejercicio. El importe negativo registrado en reservas corresponde con los gastos asociados a las ampliaciones de capital realizadas. Así mismo, no han existido negocios sobre acciones propias.

10.1 Distribución de resultados y gestión de capital

Las SOCIMI se hayan reguladas por el régimen fiscal especial establecido en la Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las sociedades anónimas cotizadas de inversión en el mercado inmobiliario. Estarán obligadas a distribuir en forma de dividendos a sus Accionistas, una vez cumplidas las obligaciones mercantiles que correspondan, el beneficio obtenido en el ejercicio, debiéndose acordar su distribución dentro de los seis meses posteriores a la conclusión de cada ejercicio, en la forma siguiente:

- a) El 100 por 100 de los beneficios procedentes de dividendos o participaciones en beneficios distribuidos por las participaciones mantenidas en otras SOCIMI u otras participaciones que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana.
- b) Al menos el 50 por ciento de los beneficios derivados de la transmisión de inmuebles y acciones o participaciones a que se refiere el apartado 1 del artículo 2 de esta Ley, realizadas una vez transcurridos los plazos a que se refiere el apartado 3 del artículo 3 de esta Ley, afectos al cumplimiento de su objeto social principal. El resto de estos beneficios

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deberá reinvertirse en otros inmuebles o participaciones afectos al cumplimiento de dicho objeto, en el plazo de los tres años posteriores a la fecha de transmisión. En su defecto, dichos beneficios deberán distribuirse en su totalidad conjuntamente con los beneficios, en su caso, que procedan del ejercicio en que finaliza el plazo de reinversión. Si los elementos objeto de reinversión se transmiten antes del plazo de mantenimiento, aquellos beneficios deberán distribuirse en su totalidad conjuntamente con los beneficios, en su caso, que procedan del ejercicio en que se han transmitido. La obligación de distribuir, no alcanza, en su caso, a la parte de estos beneficios imputables a ejercicios en los que la Sociedad no tributara por el régimen fiscal especial establecido en dicha Ley.

c) Al menos el 80 por ciento del resto de los beneficios obtenidos.

Cuando la distribución de dividendos se realice con cargo a reservas procedentes de beneficios de un ejercicio en el que haya sido aplicado el régimen fiscal especial, su distribución se adoptará obligatoriamente con el acuerdo a que se refiere el apartado anterior.

La reserva legal de las sociedades que hayan optado por la aplicación del régimen fiscal especial establecido en esta Ley no podrá exceder del 20 por ciento del capital social. Los estatutos de estas sociedades no podrán establecer ninguna otra reserva de carácter indisponible distinta de la anterior.

11. SITUACIÓN FISCAL

El detalle de los saldos relativos a activos fiscales y pasivos fiscales al 31 de diciembre de 2018 es el siguiente:

(Euros)	2018	2017
Créditos con las Administraciones Públicas		
IVA	221.908	4.511
	221.908	4.511
Otras deudas con las Administraciones Públicas		
IRPF	42.197	9.624
Seguridad Social	4.324	1.422
TOTAL	46.521	11.046

Según las disposiciones legales vigentes, las liquidaciones de impuestos no pueden considerarse definitivas hasta que no hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción, actualmente establecido en cuatro años. La Sociedad tiene abiertos a inspección todos los ejercicios desde 2017 (fecha de su constitución) para todos los impuestos que le son aplicables. En opinión del Administrador Único de la Sociedad, así como de sus asesores fiscales, no existen contingencias fiscales de importes significativos que pudieran derivarse, en caso de inspección, de posibles interpretaciones diferentes de la normativa fiscal aplicable a las operaciones realizadas por la Sociedad.

Tal y como se menciona en la Nota 1, la Sociedad se encuentra bajo la aplicación del régimen especial previsto en la Ley 11/2009 de 26 de octubre para las SOCIMI. El Administrador Único y los asesores fiscales de la Sociedad consideran que la Sociedad cumple con todos los requisitos mínimos exigidos para la aplicación de este régimen fiscal especial en el presente ejercicio. De acuerdo con el régimen fiscal especial de SOCIMI los rendimientos derivados de su actividad que

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cumplan los requisitos exigidos están exentos.

Cálculo del Impuesto sobre Sociedades

La conciliación entre el importe neto de los ingresos y gastos del ejercicio y la base imponible (resultado fiscal) del Impuesto sobre Sociedades es la siguiente:

(Euros)	2018	2017
Saldo de ingresos y gastos del ejercicio	(309.790)	(374.625)
Correcciones impuesto sobre Sociedades	-	-
Diferencias permanentes	(125.414)	179.273
Base imponible	(435.204)	(195.352)
Cuota íntegra	-	-
Retenciones y pagos a cuenta	-	-
Cuota a ingresar o devolver	-	-

La sociedad ha procedido a contabilizar en 2018 diferencias permanentes por importe de 125.414 euros. Dos ajustes negativos, uno por importe de 101.779 euros que proviene de las provisiones no deducibles por las participaciones de las filiales y otro por importe de 23.635 euros por gastos de las ampliaciones de capital contabilizadas directamente en el Patrimonio Neto.

Exigencias informativas derivadas de la condición de SOCIMI. Ley 11/2009, modificada por ley 16/2012

- a) Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificada con la ley 16/2012.

No existen reservas procedentes de ejercicios anteriores a la incorporación de la Sociedad al régimen SOCIMI.

- b) Reservas procedentes de ejercicios en los que se haya aplicado el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

No existen reservas.

- c) Dividendos distribuidos con cargo a beneficios de cada ejercicio en el que ha resultado de aplicable el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de las rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

No se han distribuido dividendos con cargo a beneficios.

En caso de distribución de dividendos con cargo a reservas, designación del ejercicio del que procede la reserva aplicada y si las mismas han estado gravadas al tipo de gravamen del cero por ciento, del 19 por ciento o al tipo general.

No se han distribuido dividendos con cargo a reservas.

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d) Fecha de acuerdo de distribución de dividendos a que se refiere las letras c) y d) anteriores.

No se ha producido ningún acuerdo de distribución de dividendos.

e) Fecha de adquisición de los inmuebles destinados a arrendamiento y de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.

Fecha adq.	Clasif. Activo	Identificación	Dirección	Población	Uso
16/02/2018	Activo Propiedad de la Sociedad	Edificio	Avenida Alfonso X el Sabio, nº 11	Alicante	Hotelero

f) Fecha de adquisición de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley

Sociedad	Fecha de adquisición	Ejercicio acogimiento régimen SOCIMI
Varia Pza Magdalena, S.L.U.	6 de septiembre de 2018	No acogida al régimen fiscal de SOCIMI
Millenium Hotels C220, S.L.U.	31 de julio de 2018	No acogida al régimen fiscal de SOCIMI

g) Identificación del activo que computa dentro del 80% por ciento a que se refiere el apartado 1 del artículo 3 de esta Ley.

Ver punto e)

h) Reservas procedentes de ejercicios en que ha resultado aplicable al régimen fiscal especial establecido en esta Ley que se hayan dispuesto en el periodo impositivo, que no sea para su distribución o para compensar pérdidas, identificando el ejercicio del que proceden las reservas.

En el ejercicio no se ha dispuesto de reservas.

12 INGRESOS Y GASTOS

12.1 Ingresos

El importe registrado en este epígrafe corresponde en su totalidad a las rentas recibidas por el arrendamiento del Hotel Eurostars Lucentum de Alicante desde su adquisición hasta el 31 de diciembre de 2018.

(Euros)	2018	2017
Rentas de arrendamientos	1.366.260	-
TOTAL	1.366.260	-

Los ingresos por arrendamiento se han generado en España.

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12.2 Trabajos realizados para activos

El detalle de los trabajos realizados para inversiones inmobiliarias es el siguiente:

(Euros)	2018	2017
Trabajos realizados para inv. inmobiliarias	483.234	-
TOTAL	483.234	-

La partida responde a las cantidades activadas por la Sociedad correspondientes a la adquisición del Hotel Lucentum de Alicante.

12.3 Gastos de personal y cargas sociales

El desglose a 31 de diciembre es el siguiente:

(Euros)	2018	2017
Sueldos y salarios	315.321	25.556
Seguridad Social a cargo de la empresa	28.950	1.184
TOTAL	344.271	26.739

12.4 Servicios exteriores

El detalle de servicios exteriores es el siguiente:

(Euros)	2018	2017
Arrendamientos	45.293	-
Servicios de profesionales independientes	442.835	7.842
Primas de seguros	6.279	-
Suministros	41.557	-
Tributos	498.946	-
Otros servicios	355.554	44.304
TOTAL	1.390.465	52.146

Los gastos registrados dentro de este epígrafe corresponden principalmente a los relacionados con la compra del Hotel.

Con fecha 2 de diciembre de 2018, la Sociedad firmó un contrato de gestión con Gestión de Inversiones Millenium, S.L., con el objeto de delegar a esta Sociedad la gestión ordinaria de la Sociedad. Dentro de los servicios profesionales independientes se encuentra registrado por importe de 29 miles de euros la parte de la comisión de gestión. La duración del contrato es de un año, prorrogable tácitamente por periodos de un año (ver Nota 14).

12.5 Ingresos y gastos financieros

La Sociedad ha contabilizado una partida de 31.389 euros como ingresos financieros que incluyen la cantidad de 31.334 euros por los préstamos a sociedades del grupo (Nota 14).

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Asimismo, ha contabilizado un importe conjunto de 291.907 euros en concepto de gastos financieros y de formalización de deudas abonados por el Préstamo Hipotecario que financia el Hotel Lucentum de Alicante. (Nota 9.1).

13. POLÍTICAS DE GESTIÓN DEL RIESGO

La Sociedad gestiona el capital y su estructura financiera con el fin de asegurar que es capaz de hacer frente a sus pagos corrientes, compromisos de inversión, deudas y a maximizar el retorno a sus accionistas.

Las políticas de gestión del riesgo financiero dentro del sector en el que opera la Sociedad vienen determinadas fundamentalmente por el análisis de los proyectos de inversión, la gestión en la ocupación de los inmuebles y por la situación de los mercados financieros:

- Riesgo de liquidez: se produce por la posibilidad de que la Sociedad no pueda disponer de fondos líquidos, o acceder a ellos, en la cuantía suficiente y al coste adecuado, para hacer frente en todo momento a sus obligaciones de pago. A la presente fecha, la Sociedad dispone de liquidez suficiente para hacer frente a pagos futuros.
- Riesgo de mercado: uno de los principales riesgos a los que estará expuesta la Sociedad es al de riesgo de mercado por posibles desocupaciones de inmuebles o renegociaciones a la baja de contratos de arrendamiento cuando expiran los contratos de alquiler. Este riesgo disminuiría los ingresos de la Sociedad y afectaría de forma negativa a la valoración de los activos. A 31 de diciembre de 2018, de acuerdo a la situación del inmueble propiedad de la compañía y las garantías del contrato de arrendamiento firmado por la Sociedad, este riesgo se considera moderado.
- Riesgo de tipo de interés: la Sociedad no tiene este riesgo ya que el interés de sus operaciones se realizan a tipo fijo.

14. OPERACIONES CON PARTES VINCULADAS

Las partes vinculadas con las que la Sociedad ha realizado transacciones durante el ejercicio 2018 y 2017, así como la naturaleza de dicha vinculación, es la siguiente:

	Naturaleza de la vinculación
Varia Pza Magdalena, S.L.	Empresa del grupo
Millenium Hotels C220 S.L.	Empresa del grupo
Gestión de Inversiones Millenium S.L.	Gestora/Parte Vinculada

El detalle de accionistas a 31 de diciembre de 2018 es el siguiente:

Accionista	% TOTAL
Alazady España, S.L.	16,96%
Garganta Construcciones, S.L.	11,87%
Cobllac, S.L.	8,48%
Mutua Médica MPS	8,48%
Liquid Investments, S.L.	6,79%
Otros accionistas con participación menor al 5%	47,42%

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Total	100%
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El detalle de saldos y transacciones a 31 de diciembre de 2018 es el siguiente:

(Euros)	Parte Vinculada Ejercicio 2018	Parte Vinculada Ejercicio 2017
Acreeedores:		
Gestión de Inversiones Millenium S.L. (Nota 9.3 y 12.4)	(29.040)	-
GrupoMillenium Investment Partners, S.L.	-	(16.037)
Préstamos e intereses		
Varia Pza.Magdalena S.L. (Nota 8.2)	1.970.000	-
Millenium Hotels C220 S.L. (Nota 8.2)	4.965	-
Intereses:		
Varia Pza.Magdalena S.L. (Nota 12.5 y 8.2)	31.316	-
Millenium Hotels C220 S.L. (Nota 12.5 y 8.2)	18	-
Accionistas (Nota 9.2)	(104.700)	-
Total	2.140.039	16.037

Retribución del Accionista Único y alta dirección

Al 31 de diciembre de 2018 y 2017 el Administrador Único no ha devengado remuneración alguna.

La remuneración devengada por los directivos durante el ejercicio 2018 en concepto de sueldos, dietas y prestación de servicios ha sido de 315 miles de euros (26 miles de euros en 2017) (ver Nota 12.3).

Al 31 de diciembre de 2018 y 2017 la Sociedad no tenía obligaciones contraídas en materia de pensiones y de seguros de vida respecto al Administrador Único.

Al 31 de diciembre de 2018 y 2017 no existían anticipos ni créditos concedidos al Administrador Único, ni había obligaciones asumidas por cuenta de este a título de garantía.

En relación con el artículo 229 de la Ley de Sociedades de Capital (LSC), a continuación se indican las situaciones de conflicto con el interés de la Sociedad comunicadas por el Administrador Único de la misma:

Administrador o persona vinculada	Actividad realizada	Cargo	Sociedad
JAVIER ILLAN PLAZA	ARRENDAMIENTO DE INMUEBLES PARA ESTABLECIMIENTOS HOTELEROS	MIEMBRO DEL CONSEJO DE ADMINISTRACION	MILLENIUM LUZ PALACIO, SL

Durante el ejercicio 2017, el Administrador Único de la Sociedad era miembro del Consejo de Administración de la compañía Millenium Hotels C220, S.L. La Sociedad es a día de hoy Socio Único de dicha compañía.

Durante el ejercicio 2018 y 2017 no se han satisfecho primas de seguros de responsabilidad civil del Administrador Único por daños ocasionados en el ejercicio.

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15 OTRA INFORMACIÓN

15.1 Estructura del personal

A continuación se detalla la plantilla media de trabajadores, agrupados por categorías y sexos:

2018

CATEGORIA PROFESIONAL	Tipo de contrato	Nº MEDIO	HOMBRES	MUJERES
DIRECTIVOS	Fijo	2	2	-

2017

CATEGORIA PROFESIONAL	Tipo de contrato	Nº MEDIO	HOMBRES	MUJERES
DIRECTOR CORPORATIVO	Fijo	1	1	-

A 31 de diciembre de 2018 y 2017 no hay personas empleadas por la Sociedad con discapacidad mayor o igual al 33%.

El detalle de la plantilla a cierre de ejercicio es como sigue, agrupados por categorías y sexos:

2018

CATEGORIA PROFESIONAL	Tipo de contrato	Nº TOTAL	HOMBRES	MUJERES
DIRECTIVOS	Fijo	3	2	1

2017

CATEGORIA PROFESIONAL	Tipo de contrato	Nº TOTAL	HOMBRES	MUJERES
DIRECTOR CORPORATIVO	Fijo	1	1	-

15.2 Honorarios de auditoría

Los honorarios devengados en el ejercicio por los servicios prestados por el auditor de cuentas son los siguientes:

(euros)	2018	2017
Servicios de auditoría	27.475	6.500
Otros servicios no auditoría	14.348	-
Total	41.823	6.500

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15.3 Información sobre el periodo medio de pago a proveedores. Disposición adicional tercera. «Deber de información» de la ley 15/2010, de 5 de julio

A continuación se detalla el periodo medio de pago a los proveedores:

	2018	2017
(Días)		
Periodo medio de pago a proveedores	1,21	2,73
Ratio de operaciones pagadas	99%	76%
Ratio de operaciones pendientes de pago	1%	24%
(Miles de euros)		
Total pagos realizados	24.294.174	52.122
Total pagos pendientes	83.995	16.851

16. HECHOS POSTERIORES AL CIERRE

Los acontecimientos posteriores al cierre del ejercicio han sido los siguientes:

Con fecha 21 de enero de 2019, las escrituras de aumento de capital aludidas en la Nota 10 que estaban pendientes de inscribir a cierre del ejercicio se han inscrito en el Registro Mercantil de Madrid.

Con fecha 27 de marzo de 2019, la sociedad ha adquirido por 23.500.000 euros un inmueble sito en la calle Gran Vía Don Diego López de Haro, nº 4 de Bilbao. La Sociedad se encuentra en trámite de obtención de licencia de obra para la transformación del inmueble en un Hotel de cinco estrellas, para el que ya tiene un contrato de arrendamiento firmado con una cadena internacional cuyo inicio está previsto a la finalización de las obras de reposicionamiento.

Asimismo, la Sociedad ha formalizado el 27 de marzo de 2019 un préstamo hipotecario por importe de 12.000.000 de euros al objeto de financiar el inmueble adquirido en Bilbao.

Con fecha 28 de marzo de 2019 fueron elevadas a público dos ampliaciones de capital por un importe conjunto de 16.500.000 euros con cargo a aportaciones dinerarias mediante la creación de 16.500.000 acciones de un euro de valor nominal cada una numeradas de la 59.014.000 a la 75.514.000 ambas inclusive y que a fecha de la formulación de las presentes Cuentas Anuales Consolidadas se encuentran pendientes de inscripción en el Registro Mercantil.

Madrid, a 29 de MARZO de 2019.

EL ADMINISTRADOR UNICO

JAVIER ILLAN PLAZA

Evolución de los negocios y situación de la sociedad

Las cuentas anuales se han preparado de acuerdo con el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre, el cual fue modificado en 2016 por el Real Decreto 602/2016, de 2 de diciembre, y en particular, la Adaptación Sectorial del Plan General de Contabilidad de las Empresas Inmobiliarias aprobada por Orden del 28 de diciembre de 1994 en todo lo que no contradiga al Plan General de Contabilidad, así como con el resto de la legislación mercantil vigente.

Las cuentas anuales han sido formuladas por el Administrador Único de la Sociedad para su sometimiento a la aprobación de la Junta General de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

El 26 de julio de 2017 se solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI. La Sociedad ha procedido a registrar a 31 de diciembre de 2018 y 2017, el correspondiente impuesto de sociedades teniendo en consideración la normativa aplicable a dicho Régimen fiscal de SOCIMIs.

En el ejercicio 2018 la Sociedad ha generado una cifra de negocios de 1.366.260 euros, con unas pérdidas en el resultado de explotación de 151.050 euros (pérdidas por 92.652 euros en 2017). El resultado neto de este ejercicio refleja pérdidas por 309.790 euros (pérdidas por 374.625 euros en 2017), principalmente por el impacto de los servicios exteriores.

Al 31 de diciembre 2018 la Sociedad presenta un fondo de maniobra positivo de 21.702.389 euros. Al 31 de diciembre 2018 la Sociedad cuenta con una tesorería de aproximadamente 20.423.114 euros.

El período medio de pago a proveedores de la sociedad asciende a 1,21 días.

Hechos posteriores

No existen hechos posteriores adicionales a los mencionados en la memoria consolidada.

Actividad en materia de desarrollo.

La Sociedad no ha realizado actividades de investigación y desarrollo durante el ejercicio 2018.

Acciones propias.

La Sociedad no ha realizado actividades con las acciones propias durante el ejercicio 2018.

Descripción de los principales riesgos e incertidumbres a los que se presenta la Sociedad.

El Administrador Único de la Sociedad manifiesta la existencia de determinados riesgos relativos en particular al análisis de los proyectos de inversión, la gestión en la ocupación de los inmuebles y por la situación de los

MILLENIUM HOTELS REAL ESTATE I, S.A.
Informe de Gestión
Ejercicio 2018

mercados financieros.

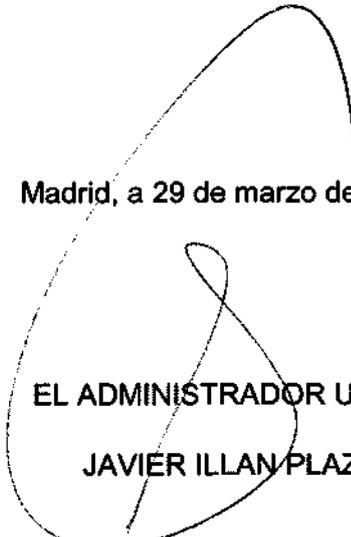
Estos factores de riesgo que pueden afectar a la Sociedad se detallan a continuación, así como las políticas para mitigarlos:

- **Riesgo de liquidez:** se produce por la posibilidad de que la Sociedad no pueda disponer de fondos líquidos, o acceder a ellos, en la cuantía suficiente y al coste adecuado, para hacer frente en todo momento a sus obligaciones de pago. A la presente fecha, la Sociedad dispone de liquidez suficiente para hacer frente a pagos futuros y tras las operaciones descritas en la nota de fondos propios de la memoria anual, se ha restablecido la situación patrimonial.

- **Riesgo de mercado:** uno de los principales riesgos a los que estará expuesta la Sociedad es al de riesgo de mercado por posibles desocupaciones de inmuebles o renegociaciones a la baja de contratos de arrendamiento cuando expiran los contratos de alquiler. Este riesgo disminuiría los ingresos de la Sociedad y afectaría de forma negativa a la valoración de los activos. A 31 de diciembre de 2018, de acuerdo a la situación del inmueble propiedad de la compañía y las garantías del contrato de arrendamiento firmado por la Sociedad, este riesgo se considera moderado.

- **Riesgo de tipo de interés:** la Sociedad no tiene este riesgo ya que el interés de sus operaciones se realizan a tipo fijo.

Madrid, a 29 de marzo de 2019.



EL ADMINISTRADOR UNICO

JAVIER ILLAN PLAZA

APPENDIX IV Individual annual accounts together with the directors' report and audit report for 2017

Informe de Auditoría de Cuentas Anuales Abreviadas
emitido por un Auditor Independiente

MILLENIUM HOTELS REAL ESTATE I, S.A. (Sociedad Unipersonal)
Cuentas Anuales Abreviadas
correspondientes al ejercicio comprendido entre el 6 de junio de
2017 y el 31 de diciembre de 2017

INFORME DE AUDITORÍA DE CUENTAS ANUALES ABREVIADAS EMITIDO POR UN AUDITOR INDEPENDIENTE

A los accionistas de MILLENIUM HOTELS REAL ESTATE I, S.A. (Sociedad Unipersonal):

Opinión

Hemos auditado las cuentas anuales de MILLENIUM HOTELS REAL ESTATE I, S.A.U., (la Sociedad), que comprenden el balance abreviado a 31 de diciembre de 2017, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, y la memoria abreviada correspondientes al ejercicio comprendido entre el 6 de junio de 2017 (fecha de constitución) y el 31 de diciembre de 2017.

En nuestra opinión, las cuentas anuales abreviadas adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2017, así como de sus resultados correspondientes al ejercicio comprendido entre el 6 de junio de 2017 (fecha de constitución) y el 31 de diciembre de 2017, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria abreviada) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales abreviadas* de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales abreviadas del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales abreviadas en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

Valoración de la participación en empresas del grupo y asociadas

La Sociedad cuenta con inversiones en el patrimonio de empresas del grupo, multigrupo y asociadas al 31 de diciembre de 2017 por un valor neto de 2.320.726,61 euros, que incluye un deterioro de valor por importe de 179.273,40 euros. Los desgloses correspondientes a las mencionadas participaciones y deterioros se encuentran en la Nota 5 de la memoria abreviada adjunta.

El Administrador Único de la Sociedad evalúa si hay indicios de deterioro al cierre del ejercicio y, en su caso, estima el valor recuperable. Este análisis tiene como objetivo concluir sobre la necesidad de registrar un deterioro de valor sobre las mencionadas participaciones, cuando su valor contable es mayor que su valor recuperable. Para determinar el valor recuperable, el Administrador Único de la Sociedad realiza un análisis del posible deterioro, basándose fundamentalmente en el Patrimonio Neto de la Sociedad participada.

El elevado riesgo de que esta participación presente deterioro, la relevancia de los importes involucrados y el hecho de que el análisis del Administrador Único de la Sociedad requiere de la realización de estimaciones y juicios sobre los activos de la filial, nos han hecho considerar la valoración de este activo como un aspecto más relevante de nuestra auditoría.

En relación con esta área, nuestros procedimientos de auditoría han incluido, entre otros la revisión del análisis realizado por la Sociedad en la identificación de los indicios de deterioro de la participación en empresas del grupo y asociadas, así como la revisión de la documentación soporte (actas, contratos, etc) en relación al importe registrado como participación y comprobación si la misma presenta indicios de deterioro. Por último hemos revisado los desgloses e información incluidos en la memoria abreviada adjunta requeridos por la normativa contable.

Párrafo de énfasis - Hecho posterior al cierre

Llamamos la atención al respecto de lo señalado en la Nota 14 en la que se indica que, con fecha 12 de marzo de 2018 y 11 de mayo de 2018 se ha procedido a aumentar el capital social y por tanto, la situación de causa de disolución en la que se encontraba la Sociedad al cierre del ejercicio 2017 se ha corregido, y en consecuencia se ha reestablecido el equilibrio patrimonial. Al 31 de diciembre de 2017 la Sociedad presenta un fondo de maniobra negativo por importe de 2.680.351,70 euros y, de acuerdo con el Artículo 363 de la Ley de Sociedades de Capital, la Sociedad se encuentra en causa de disolución, como consecuencia de las pérdidas que han dejado reducido el patrimonio neto a una cantidad inferior a la mitad del capital social. Tras los hechos descritos en la Nota 14 se ha reestablecido el equilibrio patrimonial. Nuestra opinión no ha sido modificada en relación con esta cuestión.

Responsabilidad del Administrador Único en relación con las cuentas anuales abreviadas

El Administrador Único es responsable de formular las cuentas anuales abreviadas adjuntas, de forma que expresen la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad, de conformidad con el marco normativo de información financiera aplicable a la entidad en España, que se identifica en la nota 2 de la memoria abreviada adjunta, y del control interno que consideren necesario para permitir la preparación de cuentas anuales abreviadas libres de incorrección material, debida a fraude o error.

En la preparación de las cuentas anuales abreviadas, el Administrador Único es responsable de la valoración de la capacidad de la Sociedad para continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si el Administrador Único tiene intención de liquidar la sociedad o de cesar sus operaciones, o bien no exista otra alternativa realista.

Responsabilidades del auditor en relación con la auditoría de las cuentas anuales abreviadas

Nuestros objetivos son obtener una seguridad razonable de que las cuentas anuales abreviadas en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad pero no garantiza que una auditoría realizada de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyan en las decisiones económicas que los usuarios toman basándose en las cuentas anuales.

Como parte de una auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de incorrección material en las cuentas anuales abreviadas, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad.

- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por el Administrador Único.
- Concluimos sobre si es adecuada la utilización, por el Administrador Único, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad de la Sociedad para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en las cuentas anuales abreviadas o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser la causa de que la Sociedad deje de ser una empresa en funcionamiento.
- Evaluamos la presentación global, la estructura y el contenido de las cuentas anuales abreviadas, incluida la información revelada, y si las cuentas anuales abreviadas representan las transacciones y hechos subyacentes de un modo que logran expresar la imagen fiel.

Nos comunicamos con el Administrador Único de la entidad en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

Entre los riesgos significativos que han sido objeto de comunicación al Administrador Único de la entidad, determinamos los que han sido de la mayor significatividad en la auditoría de las cuentas anuales abreviadas del periodo actual y que son, en consecuencia, los riesgos considerados más significativos.

Describimos esos riesgos en nuestro informe de auditoría salvo que las disposiciones legales o reglamentarias prohíban revelar públicamente la cuestión.

AUDITORES
INSTITUTO DE CENSORES JURADOS
DE CUENTAS DE ESPAÑA

ERNST & YOUNG, S.L.

Año 2018 Nº 01/18/07305
SELLO CORPORATIVO: 96,00 EUR

.....
Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española o internacional
.....

ERNST & YOUNG, S.L.
(Inscrita en el Registro Oficial de Auditores
de Cuentas con el Nº S0530)



Francisco Fernández Romero
(Inscrito en el Registro Oficial de Auditores
de Cuentas con el Nº 2918)

31 de mayo de 2018

MILLENIUM HOTELS REAL ESTATE I, S.A. (Unipersonal)

Cuentas anuales abreviadas
correspondientes al periodo comprendido
entre el 6 de junio de 2017 y
31 de diciembre de 2017

Balance de Situación abreviado

Euros	Nota	2017
ACTIVO NO CORRIENTE		2.320.726,61
Inversiones financieras a largo plazo	5	2.320.726,61
ACTIVO CORRIENTE		5.702.376,55
Existencias		15.883,20
Deudores comerciales y otras cuentas a cobrar		4.511,01
Otros deudores	9	4.511,01
Efectivo y otros activos líquidos equivalentes	6	5.681.982,34
TOTAL ACTIVO		8.023.103,16

Euros	Nota	2017
PATRIMONIO NETO	8	(359.625,10)
Fondos propios		(359.625,10)
Capital		15.000,00
Capital escriturado		60.000,00
(Capital no exigido)		(45.000,00)
Resultado del ejercicio		(374.625,10)
PASIVO CORRIENTE		8.382.728,25
Deudas a corto plazo		8.354.831,17
Deudas con entidades de crédito		131,17
Otras deudas a corto plazo	7	8.354.700,00
Acreedores comerciales y otras cuentas a pagar		27.897,08
Proveedores	7	16.851,04
Otras deudas con Administraciones Públicas	9	11.046,04
TOTAL PATRIMONIO NETO Y PASIVO		8.023.103,16

Las Notas 1 a 14 descritas en la memoria abreviada adjunta forman parte integrante del balance de situación abreviado correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

Cuenta de Pérdidas y Ganancias abreviada

Euros	Nota	Ejercicio 2017
Aprovisionamientos	10.1	(13.766,31)
Gastos de personal	10.2	(26.739,05)
Servicios exteriores	10.3	(52.146,34)
RESULTADO DE EXPLOTACIÓN		(92.651,70)
Gastos financieros	7	(102.700,00)
Deterioro de participaciones en instrumentos de patrimonio	5	(179.273,40)
RESULTADO FINANCIERO		(281.973,40)
RESULTADO ANTES DE IMPUESTOS		(374.625,10)
Impuestos sobre beneficios	9	-
RESULTADO DEL EJERCICIO		(374.625,10)

Las Notas 1 a 14 descritas en la memoria abreviada adjunta forman parte integrante de la cuenta de pérdidas y ganancias abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

Estado total abreviado de cambios en el patrimonio neto correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

(Euros)	Nota	Capital	Resultado del Ejercicio	Total patrimonio neto
Saldo a 6 de junio de 2017		-	-	-
Constitución	8	15.000,00	-	15.000,00
Total de ingresos y gastos reconocidos en el ejercicio	3	-	(374.625,10)	(374.625,10)
Saldo a 31.12.2017		15.000,00	(374.625,10)	(359.625,10)

Las Notas 1 a 14 descritas en la memoria abreviada adjunta forman parte integrante del estado total de cambios en el patrimonio neto abreviado correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

Estado de ingresos y gastos reconocidos correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

(Euros)	Nota	2017
Resultado de la cuenta de pérdidas y ganancias (I)	3	(374.625,10)
Ingresos y gastos imputados directamente al patrimonio neto		-
Total ingresos y gastos imputados directamente en el patrimonio neto (II)		-
Transferencias a la cuenta de pérdidas y ganancias		-
Total ingresos y gastos imputados a la cuenta de pérdidas y ganancias (III)		-
Total ingresos y gastos imputados directamente en el patrimonio neto (I+II+III)	3	(374.625,10)

MILLENIUM HOTELS REAL ESTATE I S.A. (Unipersonal)

Memoria abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

1. INTRODUCCIÓN E INFORMACIÓN GENERAL

La Sociedad MILLENIUM HOTELS REAL ESTATE I S.A. (Unipersonal), en adelante "la Sociedad", se constituyó el 6 de junio de 2017 como Sociedad Anónima, con el número 2.919 de orden de protocolo y tiene su domicilio social y fiscal en PS CASTELLANA, 102, 2, 28046, MADRID, MADRID.

Con carácter principal, la Sociedad tiene por objeto social la realización de las siguientes actividades:

- a. La adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento, incluyendo la actividad de rehabilitación de edificaciones en los términos establecidos en la Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido;
- b. La tenencia de acciones o participaciones en el capital de Sociedades Anónimas Cotizadas de Inversión Inmobiliaria (en adelante, "SOCIMI") o en el de otras entidades no residentes en territorio español que tengan el mismo objeto social que aquéllas y que estén sometidas a un régimen similar al establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios;
- c. La tenencia de acciones o participaciones en el capital de otras entidades, residentes o no en territorio español, que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana para su arrendamiento y que estén sometidas al mismo régimen establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios y cumplan los requisitos de inversión a que se refiere el artículo 3 de la LSOCIMI;
- d. La tenencia de acciones o participaciones de Instituciones de Inversión Colectiva Inmobiliaria reguladas en la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, o la norma que la sustituya en el futuro.
- e. Otras actividades accesorias a las anteriores, entendiéndose como tales aquellas que en su conjunto sus rentas representen menos del 20 por 100 de rentas de la Sociedad en cada periodo impositivo.

Estas actividades se realizan en España.

El 25 de julio de 2017, el Accionista Único de la Sociedad, D. Francisco Javier Illán Plaza, aprobó solicitar el acogimiento de la Sociedad al Régimen Fiscal Especial de Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario (SOCIMI) de aplicación a partir del momento de su constitución (ver Nota 1.a). Dicha comunicación se presentó ante la Administración Tributaria el 26 de julio de 2017.

A 31 de diciembre de 2017, la Sociedad no está obligada, de acuerdo a los límites establecidos en el artículo 42 del vigente Código de Comercio a formular cuentas anuales consolidadas.

Las presentes cuentas anuales abreviadas se presentan en euros por ser ésta la moneda del entorno económico principal en el que opera la Sociedad.

MILLENIUM HOTELS REAL ESTATE I S.A. (Unipersonal)

Memoria abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

1.a) Régimen SOCIMI

El 26 de julio de 2017 se solicitó la incorporación de la Sociedad al Régimen Fiscal SOCIMI. La Sociedad ha procedido a registrar a 31 de diciembre de 2017, el correspondiente impuesto de sociedades teniendo en consideración la normativa aplicable a dicho Régimen fiscal de SOCIMIs.

La Disposición Transitoria Primera de la Ley SOCIMIs permite la aplicación del Régimen fiscal de SOCIMIs en los términos establecidos en el artículo 8 de la Ley de SOCIMIs, aun cuando no se cumplan los requisitos exigidos en la misma a la fecha de incorporación, a condición de que tales requisitos se cumplan en los dos años siguientes a la fecha en la que se opta por aplicar dicho Régimen. En opinión del Administrador, la Sociedad cumplirá plenamente con los mencionados requisitos con anterioridad a la finalización del periodo transitorio.

La Sociedad se encuentra por tanto regulada por la Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario. El artículo 3 de dicha Ley, modificado por la nueva Ley, establece los requisitos de inversión de este tipo de Sociedades:

1. Las SOCIMI deberán tener invertido, al menos, el 80 por ciento del valor del activo en bienes inmuebles de naturaleza urbana destinados al arrendamiento, en terrenos para la promoción de bienes inmuebles que vayan a destinarse a dicha finalidad siempre que la promoción se inicie dentro de los tres años siguientes a su adquisición, así como en participaciones en el capital o patrimonio de otras entidades a que se refiere el apartado 1 del artículo 2 de la mencionada Ley.

El valor del activo se determinará según la media de los balances individuales trimestrales del ejercicio, pudiendo optar la Sociedad, para calcular dicho valor, por sustituir el valor contable por el de mercado de los elementos integrantes de tales balances, el cual se aplicaría en todos los balances del ejercicio. A estos efectos no se computarán, en su caso, el dinero o derechos de crédito procedente de la transmisión de dichos inmuebles o participaciones que se haya realizado en el mismo ejercicio o anteriores siempre que, en este último caso, no haya transcurrido el plazo de reinversión a que se refiere el artículo 6 de esta Ley.

2. Asimismo, al menos el 80 por ciento de las rentas del período impositivo correspondientes a cada ejercicio, excluidas las derivadas de la transmisión de las participaciones y de los bienes inmuebles afectos ambos al cumplimiento de su objeto social principal, una vez transcurrido el plazo de mantenimiento a que se refiere el apartado siguiente, deberá provenir del arrendamiento de bienes inmuebles y de dividendos o participaciones en beneficios procedentes de dichas participaciones.

Este porcentaje se calculará sobre el resultado consolidado en el caso de que la sociedad sea dominante de un grupo según los criterios establecidos en el artículo 42 del Código de Comercio, con independencia de la residencia y de la obligación de formular cuentas anuales consolidadas. Dicho grupo estará integrado exclusivamente por las SOCIMI y el resto de las entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.

3. Los bienes inmuebles que integren el activo de la Sociedad deberán permanecer arrendados durante al menos tres años. A efectos del cómputo se sumará el tiempo que los inmuebles hayan estado ofrecidos en arrendamiento, con un máximo de un año. El plazo se computará:

MILLENIUM HOTELS REAL ESTATE I S.A. (Unipersonal)

Memoria abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

- a) En el caso de bienes inmuebles que figuren en el patrimonio de la Sociedad antes del momento de acogerse al régimen, desde la fecha de inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley, siempre que a dicha fecha el bien se encontrara arrendado u ofrecido en arrendamiento. De lo contrario, se estará a lo dispuesto en la letra siguiente.
- b) En el caso de bienes inmuebles promovidos o adquiridos con posterioridad por la sociedad, desde la fecha en que fueron arrendados u ofrecidos en arrendamiento por primera vez.
- c) En el caso de acciones o participaciones de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley, deberán mantenerse en el activo de la sociedad al menos durante tres años desde su adquisición o, en su caso, desde el inicio del primer período impositivo en que se aplique el régimen fiscal especial establecido en esta Ley.

Tal y como establece la Disposición transitoria primera de la Ley 11/2009, de 26 de Octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario, podrá optarse por la aplicación del régimen fiscal especial en los términos establecidos en el artículo 8 de dicha Ley, aun cuando no se cumplan los requisitos exigidos en la misma, a condición de que tales requisitos se cumplan dentro de los dos años siguientes a la fecha de la opción por aplicar dicho régimen.

El incumplimiento de tal condición supondrá que la Sociedad pase a tributar por el régimen general del Impuesto sobre Sociedades a partir del propio periodo impositivo en que se manifieste dicho incumplimiento, salvo que se subsane en el ejercicio siguiente. Además, la Sociedad estará obligada a ingresar, junto con la cuota de dicho periodo impositivo, la diferencia entre la cuota que por dicho impuesto resulte de aplicar el régimen general y la cuota ingresada que resultó de aplicar el régimen fiscal especial en los periodos impositivos anteriores, sin perjuicio de los intereses de demora, recargos y sanciones que, en su caso, resulten procedentes.

Adicionalmente a lo anterior, la modificación de la Ley 11/2009, de 26 de octubre, con la 16/2012, de 27 de diciembre de 2012 establece las siguientes modificaciones específicas:

- Flexibilización de los criterios de entrada y mantenimiento de inmuebles: no hay límite inferior en cuanto a número de inmuebles a aportar en la constitución de la SOCIMI salvo en el caso de viviendas, cuya aportación mínima serán 8. Los inmuebles ya no deberán permanecer en balance de la sociedad durante 7 años, sino sólo un mínimo de 3.
- Disminución de necesidades de capital y libertad de apalancamiento: el capital mínimo exigido se reduce de 15 a 5 millones de euros, eliminándose la restricción en cuanto al endeudamiento máximo del vehículo de inversión inmobiliaria.
- Disminución de reparto de dividendos: hasta la entrada en vigor de esta Ley, la distribución del beneficio obligatoria era del 90%, pasando a ser esta obligación desde el 1 de enero de 2013 al 80%.

El tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0%. No obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar

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aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

2. BASES DE PRESENTACIÓN DE LAS CUENTAS ANUALES

2.1 Marco Normativo de Información financiera aplicable a la Sociedad

Las cuentas anuales abreviadas se han preparado de acuerdo con el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre, el cual fue modificado en 2016 por el Real Decreto 602/2016, de 2 de diciembre, así como con el resto de la legislación mercantil vigente.

Las cuentas anuales abreviadas han sido formuladas por el Administrador Único de la Sociedad para su sometimiento a la aprobación de la Junta General de Accionistas, estimándose que serán aprobadas sin ninguna modificación.

2.2 Imagen fiel

Las cuentas anuales abreviadas se han preparado a partir de los registros contables, habiéndose aplicado las disposiciones legales vigentes en materia contable con el objeto de mostrar la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad.

2.3 Aspectos críticos de la valoración y estimación de la incertidumbre

Los supuestos clave acerca del futuro, así como otros datos relevantes sobre la estimación de la incertidumbre en la fecha de cierre del ejercicio, que llevan asociados un riesgo importante de suponer cambios significativos en el valor de los activos o pasivos en el próximo ejercicio son los siguientes:

- Cumplimiento del Régimen fiscal de SOCIMI.

En la elaboración de las cuentas anuales abreviadas correspondientes al ejercicio 2017 se han determinado estimaciones e hipótesis en función de la mejor información disponible a 31 de diciembre de 2017 sobre los hechos analizados. Es posible que acontecimientos que puedan tener lugar en el futuro obliguen a modificarlas (al alza o a la baja) en próximos ejercicios lo que se haría de forma prospectiva, reconociendo los efectos del cambio de estimación en las correspondientes cuentas anuales futuras.

2.4 Principio de empresa en funcionamiento

La Sociedad presenta a 31 de diciembre de 2017 un fondo de maniobra negativo por importe de 2.680.351,70 euros. Asimismo, de acuerdo con el Artículo 363 de la Ley de Sociedades de Capital, la Sociedad se encuentra en causa de disolución, como consecuencia de las pérdidas que han dejado reducido el patrimonio neto a una cantidad inferior a la mitad del capital social, a no ser que éste se aumente o se reduzca en la medida suficiente. Tal y como se menciona en la nota 14 de hechos posteriores, con fecha 12 de marzo de 2018 y 11 de mayo de 2018 se ha procedido a aumentar el capital social al efecto de revertir la situación.

El Administrador Único de la Sociedad iniciará en breve las acciones necesarias para restablecer el mencionado equilibrio patrimonial (ver Nota 14). Por lo tanto, las cuentas anuales abreviadas se presentan de acuerdo con el principio de empresa en funcionamiento.

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Las presentes cuentas anuales abreviadas han sido preparadas de acuerdo con el principio de empresa en funcionamiento ya que el Administrador Único estima que la evolución de la Sociedad en el ejercicio 2017 y siguientes, la adquisición de activos relevantes y las modificaciones positivas en el Patrimonio Neto previas a la formulación de las cuentas permitirán hacer frente a los pasivos corrientes.

2.5 Comparación de la información

Al ser la Sociedad de nueva creación en 2017, la sociedad no compara la situación del ejercicio con el ejercicio anterior.

3. APLICACIÓN DE RESULTADOS

La propuesta de distribución del resultado del ejercicio 2017, formulada por el Administrador Único de la Sociedad y que se espera sea aprobada por el Accionista Único, es la siguiente:

(Euros)	2017
Base de reparto	
Resultado del Ejercicio 2017	(374.625,10)
Distribución	
A absorber con futuros beneficios	(374.625,10)
Total	

4. NORMAS DE REGISTRO Y VALORACIÓN

Durante el ejercicio 2017 se han aplicado los siguientes criterios contables:

4.1 Inversiones inmobiliarias

La Sociedad clasificará como inversiones inmobiliarias aquellos activos no corrientes que sean inmuebles y que posea para obtener rentas, plusvalías o ambas, en lugar de para su uso en la producción o suministros de bienes o servicios, o bien para fines administrativos, o su venta en el curso ordinario de las operaciones. También calificará así aquellos terrenos y edificios cuyos usos futuros no estén determinados en el momento de su incorporación al patrimonio de la Sociedad.

No hay terrenos ni construcciones calificadas a 31 de diciembre como inversiones inmobiliarias en el balance de la Sociedad pero se espera que en un futuro próximo la Sociedad tenga inversiones inmobiliarias (ver Nota 14).

Arrendamientos

Los contratos se califican como arrendamientos financieros cuando de sus condiciones económicas se deduce que se transfieren al arrendatario sustancialmente todos los riesgos y beneficios inherentes a la propiedad del activo objeto del contrato. En caso contrario, los contratos se clasifican como arrendamientos operativos.

Sociedad como arrendatario

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Los activos adquiridos mediante arrendamiento financiero se registran de acuerdo con su naturaleza, por el menor entre el valor razonable del activo y el valor actual al inicio del arrendamiento de los pagos mínimos acordados, incluida la opción de compra, contabilizándose un pasivo financiero por el mismo importe. No se incluye en el cálculo de los pagos mínimos acordados las cuotas de carácter contingente, el coste de los servicios y los impuestos repercutibles por el arrendador. Los pagos realizados por el arrendamiento se distribuyen entre los gastos financieros y la reducción del pasivo. La carga financiera total del contrato se imputa a la cuenta de pérdidas y ganancias del ejercicio en que se devenga, aplicando el método del tipo de interés efectivo. A los activos se les aplican los mismos criterios de amortización, deterioro y baja que al resto de activos de su naturaleza.

Los pagos por arrendamientos operativos se registran como gastos en la cuenta de pérdidas y ganancias cuando se devengan.

Sociedad como arrendador

Los ingresos derivados de los arrendamientos operativos se registran en la cuenta de pérdidas y ganancias cuando se devengan. Los costes directos imputables al contrato se incluyen como mayor valor del activo arrendado y se reconocen como gasto durante el plazo del contrato, aplicando el mismo criterio utilizado para el reconocimiento de los ingresos del arrendamiento.

A 31 de diciembre de 2017 no existen arrendamientos ni financieros ni operativos pero se espera que en un futuro próximo la Sociedad tenga arrendamientos operativos.

4.2 Activos financieros

Clasificación y valoración

Los activos financieros que posee la Sociedad se clasifican en las siguientes categorías:

Inversiones en el patrimonio de empresas del grupo, multigrupo y asociadas

Incluyen las inversiones en el patrimonio de las empresas sobre las que se tiene control (empresas del grupo), se tiene control conjunto mediante acuerdo estatutario o contractual con uno o más socios (empresas multigrupo) o se ejerce una influencia significativa (empresas asociadas).

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación entregada más los costes de transacción que les sean directamente atribuibles.

Para las inversiones en empresas del grupo se consideran, cuando resultan aplicables, los criterios incluidos en la norma relativa a operaciones entre empresas del grupo (Nota 12).

Cuando una inversión pasa a calificarse como empresa del grupo, multigrupo o asociada, se considerará como coste de dicha inversión el valor contable que debiera tener la misma inmediatamente antes de que la empresa pase a tener dicha calificación. En su caso, los ajustes valorativos previos asociados a dicha inversión contabilizados directamente en el patrimonio neto, se mantendrán en éste hasta que dicha inversión se enajene o deteriore.

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Tras su reconocimiento inicial, estos activos financieros se valoran a su coste, menos, en su caso, el importe acumulado de las correcciones valorativas por deterioro.

Cancelación

Los activos financieros se dan de baja del balance de la Sociedad cuando han expirado los derechos contractuales sobre los flujos de efectivo del activo financiero o cuando se transfieren, siempre que en dicha transferencia se transmitan sustancialmente los riesgos y beneficios inherentes a su propiedad.

Si la Sociedad no ha cedido ni retenido sustancialmente los riesgos y beneficios del activo financiero, éste se da de baja cuando no se retiene el control. Si la Sociedad mantiene el control del activo, continua reconociéndolo por el importe al que está expuesta por las variaciones de valor del activo cedido, es decir, por su implicación continuada, reconociendo el pasivo asociado.

La diferencia entre la contraprestación recibida neta de los costes de transacción atribuibles, considerando cualquier nuevo activo obtenido menos cualquier pasivo asumido, y el valor en libros del activo financiero transferido, más cualquier importe acumulado que se haya reconocido directamente en el patrimonio neto, determina la ganancia o pérdida surgida al dar de baja el activo financiero y forma parte del resultado del ejercicio en que se produce.

Deterioro del valor de los activos financieros

El valor en libros de los activos financieros se corrige por la Sociedad con cargo a la cuenta de pérdidas y ganancias cuando existe una evidencia objetiva de que se ha producido una pérdida por deterioro.

Para determinar las pérdidas por deterioro de los activos financieros, la Sociedad evalúa las posibles pérdidas tanto de los activos individuales, como de los grupos de activos con características de riesgo similares.

En el caso de los activos financieros valorados a su coste amortizado, el importe de las pérdidas por deterioro es igual a la diferencia entre su valor en libros y el valor actual de los flujos de efectivo futuros que se estima van a generar, descontados al tipo de interés efectivo existente en el momento del reconocimiento inicial del activo. Para los activos financieros a tipo de interés variable se utiliza el tipo de interés efectivo a la fecha de cierre de las cuentas anuales. La Sociedad considera para los instrumentos cotizados el valor de mercado de los mismos como sustituto del valor actual de los flujos de efectivo futuros, siempre que sea suficientemente fiable.

La reversión del deterioro se reconoce como un ingreso en la cuenta de pérdidas y ganancias y tiene como límite el valor en libros del activo financiero que estaría registrado en la fecha de reversión si no se hubiese registrado el deterioro de valor.

4.3 Pasivos financieros

Clasificación y valoración

Débitos y partidas a pagar

Incluyen los pasivos financieros originados por la compra de bienes y servicios por operaciones de tráfico de la Sociedad y los débitos por operaciones no comerciales que no son instrumentos

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derivados.

En su reconocimiento inicial en el balance, se registran por su valor razonable, que, salvo evidencia en contrario, es el precio de la transacción, que equivale al valor razonable de la contraprestación recibida ajustado por los costes de transacción que les sean directamente atribuibles.

Tras su reconocimiento inicial, estos pasivos financieros se valoran por su coste amortizado. Los intereses devengados se contabilizan en la cuenta de pérdidas y ganancias, aplicando el método del tipo de interés efectivo.

No obstante, los débitos por operaciones comerciales con vencimiento no superior a un año y que no tengan un tipo de interés contractual, así como los desembolsos exigidos por terceros sobre participaciones, cuyo importe se espera pagar en el corto plazo, se valoran por su valor nominal, cuando el efecto de no actualizar los flujos de efectivo no es significativo.

La diferencia entre el valor razonable y el importe recibido de las fianzas por arrendamientos operativos se considera un cobro anticipado por el arrendamiento y se imputa a la cuenta de pérdidas y ganancias durante el periodo del arrendamiento. Para el cálculo del valor razonable de las fianzas se toma como periodo remanente el plazo contractual mínimo comprometido.

Cancelación

La Sociedad da de baja un pasivo financiero cuando la obligación se ha extinguido.

Cuando se produce un intercambio de instrumentos de deuda con un prestamista, siempre que éstos tengan condiciones sustancialmente diferentes, se registra la baja del pasivo financiero original y se reconoce el nuevo pasivo financiero que surge. De la misma forma se registra una modificación sustancial de las condiciones actuales de un pasivo financiero.

La diferencia entre el valor en libros del pasivo financiero, o de la parte del mismo que se haya dado de baja, y la contraprestación pagada, incluidos los costes de transacción atribuibles, y en la que se recoge asimismo cualquier activo cedido diferente del efectivo o pasivo asumido, se reconoce en la cuenta de pérdidas y ganancias del ejercicio en que tenga lugar.

Cuando se produce un intercambio de instrumentos de deuda que no tengan condiciones sustancialmente diferentes, el pasivo financiero original no se da de baja del balance, registrando el importe de las comisiones pagadas como un ajuste de su valor contable. El nuevo coste amortizado del pasivo financiero se determina aplicando el tipo de interés efectivo, que es aquel que iguala el valor en libros del pasivo financiero en la fecha de modificación con los flujos de efectivo a pagar según las nuevas condiciones.

4.4 Efectivo y otros activos líquidos equivalentes

Este epígrafe incluye el efectivo en caja, las cuentas corrientes bancarias y los depósitos y adquisiciones temporales de activos que cumplen con todos los siguientes requisitos:

- Son convertibles en efectivo.
- En el momento de su adquisición su vencimiento no era superior a tres meses.

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- No están sujetos a un riesgo significativo de cambio de valor.
- Forman parte de la política de gestión normal de tesorería de la Sociedad.

4.5 Impuesto sobre Beneficios

El gasto o ingreso por impuesto sobre beneficios comprende la parte relativa al gasto o ingreso por el impuesto corriente y la parte correspondiente al gasto o ingreso por impuesto diferido.

El impuesto corriente es la cantidad que la Sociedad satisface como consecuencia de las liquidaciones fiscales del impuesto sobre el beneficio relativas a un ejercicio. Las deducciones y otras ventajas fiscales en la cuota del impuesto, excluidas las retenciones y pagos a cuenta, así como las pérdidas fiscales compensables de ejercicios anteriores y aplicadas efectivamente en éste, dan lugar a un menor importe del impuesto corriente.

El gasto o el ingreso por impuesto diferido se corresponde con el reconocimiento y la cancelación de los activos y pasivos por impuesto diferido. Éstos incluyen las diferencias temporarias que se identifican como aquellos importes que se prevén pagaderos o recuperables derivados de las diferencias entre los importes en libros de los activos y pasivos y su valor fiscal, así como las bases imponibles negativas pendientes de compensación y los créditos por deducciones fiscales no aplicadas fiscalmente. Dichos importes se registran aplicando a la diferencia temporaria o crédito que corresponda el tipo de gravamen al que se espera recuperarlos o liquidarlos.

El tipo impositivo general aplicable en el ejercicio 2017 es del 25 por ciento, mientras que el tipo de gravamen de las SOCIMI en el Impuesto sobre Sociedades se fija en el 0 por ciento. No obstante, cuando los dividendos que la SOCIMI distribuya a sus socios con un porcentaje de participación superior al 5% estén exentos o tributen a un tipo inferior al 10%, la SOCIMI estará sometida a un gravamen especial del 19%, que tendrá la consideración de cuota del Impuesto sobre Sociedades, sobre el importe del dividendo distribuido a dichos socios. De resultar aplicable, este gravamen especial deberá ser satisfecho por la SOCIMI en el plazo de dos meses desde la fecha de distribución del dividendo.

Se reconocen pasivos por impuestos diferidos para todas las diferencias temporarias imponibles, excepto aquellas derivadas del reconocimiento inicial de fondos de comercio o de otros activos y pasivos en una operación que no afecta ni al resultado fiscal ni al resultado contable y no es una combinación de negocios, así como las asociadas a inversiones en empresas dependientes, asociadas y negocios conjuntos en las que la Sociedad puede controlar el momento de la reversión y es probable que no reviertan en un futuro previsible.

Por su parte, los activos por impuestos diferidos sólo se reconocen en la medida en que se considere probable que la Sociedad vaya a disponer de ganancias fiscales futuras contra las que poder hacerlos efectivos, siempre y cuando el Régimen SOCIMI lo permita.

Los activos y pasivos por impuestos diferidos, originados por operaciones con cargos o abonos directos en cuentas de patrimonio, se contabilizan también con contrapartida en patrimonio neto.

En cada cierre contable se reconsideran los activos por impuestos diferidos registrados, efectuándose las oportunas correcciones a los mismos en la medida en que existan dudas sobre su recuperación futura. Asimismo, en cada cierre se evalúan los activos por impuestos diferidos no registrados en balance de situación y éstos son objeto de reconocimiento en la medida en que pase a ser probable su recuperación en ejercicios fiscales futuros.

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Los activos y pasivos por impuesto diferido se valoran a los tipos de gravamen esperados en el momento de su reversión, según la normativa vigente aprobada, y de acuerdo con la forma en que racionalmente se espera recuperar o pagar el activo o pasivo por impuesto diferido.

Los activos y pasivos por impuesto diferido no se descuentan y se clasifican como activos y pasivos no corrientes.

4.6 Clasificación de los activos y pasivos entre corrientes y no corrientes

Los activos y pasivos se presentan en el balance clasificados entre corrientes y no corrientes. A estos efectos, los activos y pasivos se clasifican como corrientes cuando están vinculados al ciclo normal de explotación de la Sociedad y se esperan vender, consumir, realizar o liquidar en el transcurso del mismo, son diferentes a los anteriores y su vencimiento, enajenación o realización se espera que se produzca en el plazo máximo de un año; se mantienen con fines de negociación o se trata de efectivo y otros activos líquidos equivalentes cuya utilización no está restringida por un periodo superior a un año. En caso contrario se clasifican como activos y pasivos no corrientes.

4.7 Ingresos y gastos

De acuerdo con el principio de devengo, los ingresos y gastos se registran cuando ocurren, con independencia de la fecha de su cobro o de su pago.

Ingresos por ventas y prestaciones de servicios

Los ingresos se reconocen cuando es probable que la Sociedad reciba los beneficios o rendimientos económicos derivados de la transacción y el importe de los ingresos y de los costes incurridos o a incurrir pueden valorarse con fiabilidad. Los ingresos se valoran al valor razonable de la contrapartida recibida o por recibir, deduciendo los descuentos, rebajas en el precio y otras partidas similares que la Sociedad pueda conceder, así como, en su caso, los intereses incorporados al nominal de los créditos. Los impuestos indirectos que gravan las operaciones y que son repercutibles a terceros no forman parte de los ingresos.

Los ingresos por alquileres se reconocen linealmente en el periodo de duración del contrato. A 31 de diciembre de 2017 no existen ingresos por arrendamiento.

4.8 Transacciones entre partes vinculadas

Las transacciones con partes vinculadas se contabilizan de acuerdo con las normas de valoración detalladas anteriormente, excepto para las siguientes transacciones:

- Las aportaciones no dinerarias de un negocio a una empresa del grupo se valoran, en general, por el valor contable de los elementos patrimoniales entregados en las cuentas anuales consolidadas en la fecha en la que se realiza la operación.
- En las operaciones de fusión y escisión de un negocio, los elementos adquiridos se valoran, en general, por el importe que corresponde a los mismos, una vez realizada la operación, en las cuentas anuales consolidadas. Las diferencias que se originan se registran en reservas.

Los precios de las operaciones realizadas con partes vinculadas se encuentran adecuadamente

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soportados, y las operaciones se realizan a valor de mercado, por lo que el Administrador Único de la Sociedad considera que no existen riesgos que pudieran originar pasivos fiscales significativos en el futuro.

5. INVERSIONES EN EL PATRIMONIO DE EMPRESAS DEL GRUPO, MULTIGRUPO Y ASOCIADAS

El detalle y los movimientos de las distintas partidas que componen este epígrafe son los siguientes:

(Euros)	2017
Inversiones en empresas del grupo y asociadas a largo plazo Instrumentos de patrimonio	2.320.726,61
Total	2.320.726,61

El desglose de los instrumentos de patrimonio a largo plazo a 31 de diciembre de 2017 es el siguiente:

(Euros)	Saldo inicial a 6 de junio de 2017	Altas o Dotaciones	2017
Instrumentos de patrimonio a largo plazo Coste	-	2.500.000,00	2.500.000,00
Deterioro	-	(179.273,40)	(179.273,40)
Total	-	2.320.726,61	2.320.726,61

El saldo registrado en este epígrafe corresponde con el aumento de capital de la Sociedad Varia Plaza Magdalena, S.L. por importe de 2.500.000 euros que fueron íntegramente asumidos y desembolsados por la Sociedad. De esta forma, el 22 de diciembre de 2017, la Sociedad entró a formar parte del capital social de la Sociedad Varia Plaza Magdalena, S.L. (en adelante, Varia Plaza), entidad propietaria de un edificio sito en Plaza Magdalena, nº 1 de Sevilla.

La información relativa a las empresas del grupo y asociadas a 31 de diciembre de 2017 es la siguiente:

(Euros)	Valor neto contable	Porcentaje de participación directa	Capital	Prima de emisión	Beneficios (pérdidas) del ejercicio	Total patrimonio neto	Resultado de explotación	Dividendos recibidos en el ejercicio
Ejercicio 2017								
Varia Plaza	2.320.726,61	50%	505.400	4.494.600	(358.546,79)	4.641.453,21	(478.062,40)	-
	2.320.726,61							

6. EFECTIVO Y OTROS ACTIVOS LÍQUIDOS EQUIVALENTES

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Este epígrafe recoge las cuentas corrientes que posee la Sociedad las cuales devengan tipos de interés de mercado (5.681.682,34 euros en 2017).

Con carácter general la Sociedad mantiene su tesorería y activos líquidos en entidades financieras de alto nivel crediticio. No hay restricciones a la disponibilidad de estos saldos.

7. PASIVOS FINANCIEROS

La composición de los pasivos financieros al 31 de diciembre de 2017 es la siguiente:

(Euros)	2017
Pasivos financieros a corto plazo	
Deudas a corto plazo	8.252.000,00
Intereses a corto plazo	102.700,00
Proveedores	16.037,13
Acreedores	813,91
Total	8.371.551,04

7.1 Deudas a corto plazo

Durante el ejercicio 2017 la Sociedad ha recibido préstamos de diversos acreedores. Está previsto que dichos préstamos se capitalicen durante el primer semestre de 2018 pasando los prestamistas a formar parte del capital Social de la Sociedad. La relación es la siguiente:

TITULAR DEL PRESTAMO	IMPORTE (Euros)	FECHA DE CONSTITUCION	FECHA DE AMORTIZACION
Adrinau, SL	1.000.000,00	11/07/2017	31/03/2019
Anisio Morón Besoli	150.000,00	19/10/2017	31/03/2019
Lexington, SA	500.000,00	12/06/2017	31/03/2019
Enrique Oliver de Querol	250.000,00	13/11/2017	31/03/2019
Esteve Torrens Cervero	200.000,00	04/12/2017	31/03/2019
Jose Redento Torne	150.000,00	20/11/2017	31/03/2019
LGS Gestión de Inversiones, SL	500.000,00	03/08/2017	31/03/2019
Comienzos Siglo XXI, SL	3.000.000,00	24/07/2017	31/03/2019
Rafael Aranda Estrada	500.000,00	25/10/2017	31/03/2019
Wavip Group, SL	500.000,00	01/12/2017	31/03/2019
Manuel Rueda Díaz de Rábago	400.000,00	07/12/2017	31/03/2019
Luciano Dario Vietto	600.000,00	28/12/2017	31/03/2019
Wavip Group, SL	200.000,00	22/12/2017	31/03/2019
Claudio Matias Kranevitter	300.000,00	28/12/2017	31/03/2019
TOTAL	8.250.000,00		

El tipo de interés de los préstamos anteriores es del 4% hasta el 31 de diciembre de 2017, habiendo contabilizado la Sociedad unos intereses devengados por los mismos a cierre de ejercicio de 102.700,00 euros los cuales se encuentran pendientes de pago.

8. FONDOS PROPIOS

La Sociedad se constituye el 6 de junio de 2017 con un total de 60.000 acciones de valor nominal 1 euro cada una de ellas, numeradas del 1 al 60.000 ambos inclusive. Las acciones se

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encuentran suscritas y desembolsadas íntegramente al 25% de su valor nominal, quedando pendiente de desembolso 75 céntimos de euro por acción por un total de 45.000 euros. A fecha de formulación de estas cuentas anuales abreviadas ya se ha procedido al desembolso total de esa cantidad (ver Nota 14).

No hay reservas constituidas a fecha de cierre por la reciente constitución ni se han repartido dividendos durante el ejercicio. Así mismo, no han existido negocios sobre acciones propias.

9. SITUACIÓN FISCAL

El detalle de los saldos relativos a activos fiscales y pasivos fiscales al 31 de diciembre es el siguiente:

(Euros)	2017
Créditos con las Administraciones Públicas	
IVA	4.511,01
	4.511,01
Otras deudas con las Administraciones Públicas	
IRPF	9.624,34
Seguridad Social	1.421,70
TOTAL	11.046,04

Según las disposiciones legales vigentes, las liquidaciones de impuestos no pueden considerarse definitivas hasta que no hayan sido inspeccionadas por las autoridades fiscales o haya transcurrido el plazo de prescripción, actualmente establecido en cuatro años. En opinión del Administrador Único de la Sociedad, así como de sus asesores fiscales, no existen contingencias fiscales de importes significativos que pudieran derivarse, en caso de inspección, de posibles interpretaciones diferentes de la normativa fiscal aplicable a las operaciones realizadas por la Sociedad.

Tal y como se menciona en la Nota 1, la Sociedad se encuentra bajo la aplicación del régimen especial previsto en la Ley 11/2009 de 26 de octubre para las SOCIMI. El Administrador Único y los asesores fiscales de la Sociedad consideran que la Sociedad cumple con todos los requisitos mínimos exigidos para la aplicación de este régimen fiscal especial en el presente ejercicio. De acuerdo con el régimen fiscal especial de SOCIMI los rendimientos derivados de su actividad que cumplan los requisitos exigidos están exentos.

Cálculo del Impuesto sobre Sociedades

La conciliación entre el importe neto de los ingresos y gastos del ejercicio y la base imponible (resultado fiscal) del Impuesto sobre Sociedades es la siguiente:

(Euros)	2017
Saldo de ingresos y gastos del ejercicio	(374.625,10)
Correcciones impuesto sobre Sociedades	-
Diferencias permanentes	179.273,40
Base imponible	(195.351,70)
Cuota íntegra	-
Retenciones y pagos a cuenta	-
Cuota a ingresar o devolver	-

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Exigencias informativas derivadas de la condición de SOCIMI. Ley 11/2009, modificada por ley 16/2012

- a) Reservas procedentes de ejercicios anteriores a la aplicación del régimen fiscal establecido en la Ley 11/2009, modificada con la ley 16/2012.

No existen reservas procedentes de ejercicios anteriores a la incorporación de la Sociedad al régimen SOCIMI, toda vez que la Sociedad se constituyó el 6 de junio de 2017, momento en el que se solicitó la aplicación del mencionado régimen especial.

- b) Reservas procedentes de ejercicios en los que se haya aplicado el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

No existen reservas.

- c) Dividendos distribuidos con cargo a beneficios de cada ejercicio en el que ha resultado de aplicable el régimen fiscal establecido en esta Ley, diferenciando la parte que procede de las rentas sujetas al tipo de gravamen del cero por ciento o del 19 por ciento, respecto de aquellas que, en su caso, hayan tributado al tipo general de gravamen.

No se han distribuido dividendos con cargo a beneficios, al constituir pérdidas el resultado del ejercicio.

- d) En caso de distribución de dividendos con cargo a reservas, designación del ejercicio del que procede la reserva aplicada y si las mismas han estado gravadas al tipo de gravamen del cero por ciento, del 19 por ciento o al tipo general.

No se han distribuido dividendos con cargo a reservas.

- e) Fecha de acuerdo de distribución de dividendos a que se refiere las letras c) y d) anteriores.

No se ha producido ningún acuerdo de distribución de dividendos.

- f) Fecha de adquisición de los inmuebles destinados a arrendamiento y de las participaciones en el capital de entidades a que se refiere el apartado 1 del artículo 2 de esta Ley.

<u>Fecha adq.</u>	<u>Clasif. Activo</u>	<u>Identificación</u>	<u>Dirección</u>	<u>Población</u>	<u>Uso</u>
22/12/2017	Activo Propiedad de la Sociedad Varía Plaza (ver Nota 5), Sociedad participada	Edificio	Plaza Magdalena, 1	Sevilla	Hotelero

- g) Identificación del activo que computa dentro del 80% por ciento a que se refiere el apartado 1 del artículo 3 de esta Ley.

Ver punto f)

- h) Reservas procedentes de ejercicios en que ha resultado aplicable al régimen fiscal especial establecido en esta Ley que se hayan dispuesto en el periodo impositivo, que no sea para su

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distribución o para compensar pérdidas, identificando el ejercicio del que proceden las reservas.

En el ejercicio no se ha dispuesto de reservas.

10. INGRESOS Y GASTOS

10.1 Aprovisionamientos

El importe registrado en este epígrafe corresponde en su totalidad a trabajos realizados para otras empresas.

10.2 Gastos de personal y cargas sociales

El desglose a 31 de diciembre es el siguiente:

(Euros)	2017
Sueldos y salarios	25.555,55
Seguridad Social a cargo de la empresa	1.183,50
TOTAL	26.739,05

10.3 Servicios exteriores

El detalle de servicios exteriores es el siguiente:

(Euros)	2017
Servicios de profesionales independientes	7.842,00
Otros servicios	44.126,00
TOTAL	51.968,00

11. POLÍTICAS DE GESTIÓN DEL RIESGO

La Sociedad gestiona el capital y su estructura financiera con el fin de asegurar que es capaz de hacer frente a sus pagos corrientes, compromisos de inversión, deudas y a maximizar el retorno a su Accionista Único.

Las políticas de gestión del riesgo financiero dentro del sector en el que opera la Sociedad, vienen determinadas fundamentalmente por el análisis de los proyectos de inversión, la gestión en la ocupación de los inmuebles y por la situación de los mercados financieros:

- Riesgo de liquidez: se produce por la posibilidad de que la Sociedad no pueda disponer de fondos líquidos, o acceder a ellos, en la cuantía suficiente y al coste adecuado, para hacer frente en todo momento a sus obligaciones de pago. A la presente fecha, la Sociedad dispone de liquidez suficiente para hacer frente a pagos futuros y tras la operación descrita en Nota 14, se ha restablecido la situación patrimonial.

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Memoria abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

- Riesgo de mercado: uno de los principales riesgos a los que estará expuesta la Sociedad es al de riesgo de mercado por posibles desocupaciones de inmuebles o renegociaciones a la baja de contratos de arrendamiento cuando expiran los contratos de alquiler. Este riesgo disminuiría los ingresos de la Sociedad y afectaría de forma negativa a la valoración de los activos. A 31 de diciembre de 2017 dado que la Sociedad no posee directamente ningún inmueble ni por tanto tiene ningún contrato de arrendamiento, este riesgo es inexistente.

12. OPERACIONES CON PARTES VINCULADAS

Las partes vinculadas con las que la Sociedad ha realizado transacciones durante el ejercicio 2017, así como la naturaleza de dicha vinculación, es la siguiente:

	Naturaleza de la vinculación
Grupo Millenium Investment Partners, S.L. Varia Pza Magdalena, S.L.	Parte Vinculada Empresa del grupo

El detalle de los saldos mantenidos con partes vinculadas es el siguiente:

(Euros)	Parte Vinculada
Proveedores a corto plazo	16.037
Total	16.037

Retribución del Accionista Único y alta dirección

Al 31 de diciembre de 2017 el Administrador Único no ha devengado remuneración alguna.

Al 31 de diciembre de 2017 la Sociedad no tenía obligaciones contraídas en materia de pensiones y de seguros de vida respecto a su Alta Dirección ni al Administrador Único.

Al 31 de diciembre de 2017 no existían anticipos ni créditos concedidos al Administrador Único ni al personal de alta dirección, ni había obligaciones asumidas por cuenta de ellos a título de garantía.

En relación con el artículo 229 de la Ley de Sociedades de Capital (LSC), a continuación se indican las situaciones de conflicto con el interés de la Sociedad comunicadas por el administrador de la misma:

Administrador o persona vinculada	Actividad realizada	Cargo	Sociedad
JAVIER ILLAN PLAZA	ARRENDAMIENTO DE INMUEBLES PARA ESTABLECIMIENTOS HOTELEROS	ADMINISTRADOR ÚNICO	MILLENIUM LUZ PALACIO, SL

MILLENIUM HOTELS REAL ESTATE I S.A. (Unipersonal)

Memoria abreviada correspondiente al periodo comprendido entre el 6 de junio de 2017 y el 31 de diciembre de 2017

JAVIER ILLAN PLAZA	ARRENDAMIENTO DE INMUEBLES PARA ESTABLECIMIENTOS HOTELEROS	MIEMBRO DEL CONSEJO DE ADMINISTRACIÓN	MILLENIUM HOTELS C220, SL
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Durante el ejercicio 2017 no se han satisfecho primas de seguros de responsabilidad civil del Administrador Único por daños ocasionados en el ejercicio.

13. OTRA INFORMACIÓN

13.1 Estructura del personal

A continuación se detalla la plantilla media de trabajadores, agrupados por categorías y sexos en 2017:

CATEGORIA PROFESIONAL	Tipo de contrato	Nº MEDIO	HOMBRES	MUJERES
DIRECTOR CORPORATIVO	Fijo	1	1	-

13.2 Honorarios de auditoría

Los honorarios devengados en el ejercicio por los servicios prestados por el auditor de cuentas ascienden a 6.500 euros.

13.3 Información sobre el periodo medio de pago a proveedores. Disposición adicional tercera. «Deber de información» de la ley 15/2010, de 5 de julio

A continuación se detalla el periodo medio de pago a los proveedores:

	2017
(Días)	
Periodo medio de pago a proveedores	2,73
Ratio de operaciones pagadas	1,50
Ratio de operaciones pendientes de pago	82,00
(Miles de euros)	
Total pagos realizados	52.121,91
Total pagos pendientes	16.851,04

14. HECHOS POSTERIORES AL CIERRE

Los acontecimientos posteriores al cierre del ejercicio han sido los siguientes:

1. Con fecha 16 de febrero de 2018 la Sociedad ha adquirido un inmueble en el que se ubica el HOTEL EUROSTARS LUCENTUM de Alicante, sito en la Avenida Alfonso X el Sabio, nº 11 de Alicante por importe de 22.000.000,00 euros. Como consecuencia de dicha

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adquisición, la Sociedad se subroga en calidad de arrendador al contrato de arrendamiento sobre el inmueble vigente en dicha fecha. En consecuencia, las rentas devengadas a partir de dicha fecha corresponderán a la Sociedad.

2. Asimismo, el 16 de febrero de 2018 la Sociedad ha formalizado un préstamo hipotecario de 13.400.000 euros sobre el inmueble adquirido en la misma fecha en el que se ubica el HOTEL EUROSTARS LUCENTUM de Alicante.
3. A uno de los prestamistas (Wavip Group, SL) aludido en la Nota 7.1 se le reintegran 200.000,00 euros el día 4 de enero de 2018 dejando su préstamo en 500.000,00 euros.

Además, durante el ejercicio 2018 se han llevado a cabo los siguientes movimientos en los Fondos Propios de la Sociedad:

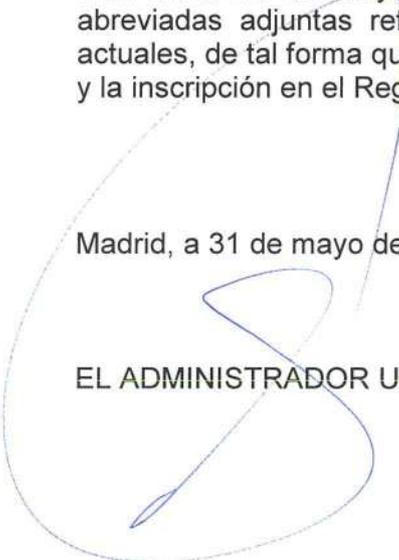
- El 12 de marzo de 2018, el hasta ese momento accionista único ha desembolsado los 45.000 euros pendientes de capital.
- El 12 de marzo de 2018, se acordó aumentar capital social de la Sociedad por importe de 12.590.000 euros, quedando el capital social en 12.650.000 euros.

Con fecha 12 de marzo de 2018 fue elevada a público la ampliación de capital por importe de 12.590.000 euros e inscrita en el Registro Mercantil el 11 de abril de 2018 y con fecha 11 de mayo de 2018 se realizó una ampliación de capital por 9.070.000 euros de los cuales 8.350.000 euros se realizaron mediante la compensación de créditos (Nota 7.1) y 720.000 euros se realizaron con cargo a aportaciones dinerarias. Dicha ampliación se encuentra a la fecha de reformulación de estas cuentas anuales abreviadas pendiente de inscripción en el Registro Mercantil. Por tanto, la situación de causa de disolución en la que se encontraba la Sociedad al cierre del ejercicio 2017 se ha corregido, y en consecuencia se ha restablecido el equilibrio patrimonial.

Con fecha 30 de mayo de 2018 el Administrador Único ha presentado las cuentas anuales abreviadas adjuntas reformuladas con el objetivo de adaptar la misma a las circunstancias actuales, de tal forma que recogen los acontecimientos posteriores descritos en el párrafo anterior y la inscripción en el Registro Mercantil de la ampliación de capital descrita anteriormente.

Madrid, a 31 de mayo de 2018.

EL ADMINISTRADOR UNICO



APPEDIX V Independent valuation report on the real estate assets

VALUATION REPORT

MILLENIUM PORTFOLIO, 5 Hotels in Spain

MILLENIUM HOTELS REAL ESTATE I, S.A.

Paseo de la Castellana 102, 2º, 28046, Madrid, Spain

Valuation Dates:

- 31 December 2018 for Via Castellana, Eurostars Lucentum and proposed Radisson Bilbao
- 31 March 2019 for the proposed Radisson Seville
- 30 April 2019 for the proposed Alma Seville

Report Issue Date: 29 May 2019



Millenium Portfolio

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LEGAL NOTICE AND DISCLAIMER

This valuation report (the "Report") has been prepared by CBRE Real Estate, S.A. ("CBRE") exclusively for Millenium Hotels Real Estate I, S.A. (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 24 May 2019 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

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(i) 25% of the value of the property to which the Instruction relates (as at the valuation date);

or

(ii) €20 million (Twenty Million Euro).

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Valuation Report

VALUATION REPORT

Report Date	29 May 2019
Addressee	MILLENIUM HOTELS REAL ESTATE I, S.A. Paseo de la Castellana 102, 2 ^ª 28046, Madrid, Spain For the attention of the Directors
The Properties	The properties listed in the Schedule of Capital Values.
Property Description	Portfolio of 5 properties comprising two trading hotels and three hotel developments in Spain.
Ownership Purpose	Investment & Development
Instruction	To value the unencumbered Freehold interests in the Properties on the basis of Market Value as at the different Valuation Dates stated below in accordance with the terms of engagement entered into between CBRE Real Estate S.A and the addressee dated 24 May 2019.
Valuation Dates	<ul style="list-style-type: none">■ 31 December 2018 for Via Castellana, Eurostars Lucentum and proposed Radisson Bilbao■ 31 March 2019 for proposed Radisson Seville■ 30 April 2019 for proposed Alma Seville
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.
Purpose of Valuation	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Professional Standards (January 2014) (“Red Book”).</p> <p>We understand that our valuation report and the Appendices to it (together the “Valuation Report”) is required for inclusion in a Market Incorporation Information Document (the “DIIM”) which is to be published by Millenium Hotels Real Estate I, S.A pursuant to an Initial Public Offering by the Company on the Alternative Market (“the MAB”) of the Spanish Stock Exchange.</p> <p>In accordance with the RICS Valuation –Global Standards (January 2017) (“Red Book”) we have made certain disclosures in connection with this valuation instruction and our relationship with Millenium Real Estate I, S.A.</p>

Valuation Report

Market Value

€111,700,000 (ONE HUNDRED ELEVEN MILLION SEVEN HUNDRED THOUSAND EUROS) excluding VAT as shown in the Schedule of Capital Values set out below.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

For the avoidance of doubt, we have valued the Properties as real estate and the values reported herein represent 100% of the market values of the assets. No account has been taken in reporting these market values of the extent of the Company interests in the companies holding the subject Properties.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using the discounted cashflow methodology as well as the income capitalisation approach and comparable recent market transactions on arm's length terms.

Report Format

This is a condensed Valuation Report. A Valuation Report including detailed Property Reports has been issued on behalf of Millenium Real Estate I, S.A.

Part I of this portfolio includes the Market Values of the portfolio. Part II of this Valuation Report contains an overview of the portfolio, the valuation methodology and assumptions.

Valuation Methodology for Properties in the course of development

In the case of properties in the course of development, we should draw your attention to the fact that the residual method of valuation is very sensitive to changes in key inputs. Small changes in variables such as sales volumes or build costs will have a disproportionate effect on land value. Site values can therefore be susceptible to considerable variances as a result of changes in market conditions

Limitations

We have not been able to check certain documents affecting the properties between the reported valuation dates and the date of this report. These documents include the following. Please refer to the General Commentary section for more detail:

- Signed leased contract for Radisson Bilbao, which was agreed by the parties after our valuation as of 31 December 2018;
- Title Deeds or acquisition documents regarding the purchase by Millenium Real Estate I, S.A of the proposed Radisson Bilbao, the proposed Radisson Seville and the Rioja Building of the proposed Radisson Seville;
- Building permits for the Rioja Building, which is in the proposed Radisson Seville.

Valuation Report

Special Assumptions

Special assumptions have been applied to calculate the Gross Development Value (GDV) or value as if complete of three of the assets.

We have received written confirmation from the Client that it is ok for us to include special assumptions regardless the external use of this report.

Compliance with Valuation Standards

The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017, which incorporate the International Valuation Standards (“the Red Book”).

The valuations are compliant with the International Valuations Standards and in accordance with paragraphs 128 to 130 of the ESMA update (ESMA/2011/81) of the Committee of European Securities Regulators’ (CESR) recommendations for the consistent implementation of the European Commission regulation (EC) n. 809/2004 implementing the Prospectus Directive where applicable, and in accordance with the Spanish Stock Exchanges requirements.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE Real Estate, S.A. we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject properties. Other valuers may reach different conclusions as to the value of the subject properties. This Valuation is for the sole purpose of providing the intended user with the Valuer’s independent professional opinion of the value of the subject properties as at the valuation date.

Assumptions

The Properties’ details on which the valuations are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based is subsequently found to be incorrect, the valuation figure may also be incorrect and should be reconsidered.

Variation from Standard Assumptions

None.

Valuation Report

Trading Potential

The definition of 'Market Value', together with our comments and assumption adopted for the valuation – including trade related valuations – are detailed under Valuation Assumptions below.

When providing valuations of trade related properties, the RICS Valuation-Professional Standards normally requires the Valuer to provide an indication of the effect of the closure of the business on the properties. In the event that the Properties referred to in this report was closed and the authorisations were not in place, the value would be based upon a potential purchaser's projections of the achievable trade that differ materially from the current market expectations or a value for alternative use. Accordingly, there may be a material difference between the valued expressed in this report and those that would be reported in the event of business failure.

Valuer

The Properties have been valued by valuers who are qualified for the purpose of the valuation in accordance with the Red Book.

Disclosure

We confirm that we have previously valued the assets included in the portfolio, for the same addressee of this report as stated below:

- The proposed Alma Seville was valued for internal management purposes as of 30 April 2019;
- The proposed Radisson Seville was valued for internal management purposes as of 31 March 2019;
- The proposed Radisson Bilbao was valued for internal management purposes as of 31 December 2018;
- The Via Castellana, the Eurostars Lucentum and the proposed Radisson Seville were valued as a portfolio for internal management purposes as of 31 December 2018, September 2018 and January 2018;
- The Via Castellana Hotel was valued for internal purposes as of June 2018, December 2017 and April 2017;
- The Eurostars Lucentum was valued for internal purposes as of June 2017;

Independence

The total fees, including the fee for this assignment, earned by CBRE Real Estate, S.A. (or other companies forming part of the same group of companies within Spain) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total Spanish revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2019.

We confirm that we do not have any material interest in Millenium Real Estate I, S.A or the Properties.

We do not consider that any conflict of interest arises in us preparing this Valuation Report and Millenium Hotels Real Estate I, S.A have confirmed to us that it also considers this to be the case.

Copies of our conflict checks have been retained within our working folders.

Valuation Report

Reliance

This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

With reference to our Standard Terms of Business 5.5 and 5.6, CBRE Real Estate, S.A acknowledges that no liability cap applies to the valuations for the DIIM in respect of third parties to the extent imposed by Spanish law or required by the Spanish securities market regulator (CNMV).

Publication

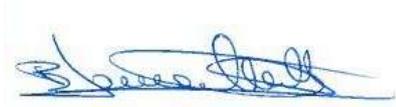
Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Notwithstanding the above, this report may be published as an annex to the Market Incorporation Information Document (DIIM) for the incorporation of the Company to the Alternative Stock Market (MAB), provided that its content is fully reflected.

Valuation Report

Yours faithfully,



Blanca Martín Alonso MRICS
Director
RICS Registered Valuer
For and on behalf of CBRE Real Estate S.A.

Jorge Ruiz Andrés MRICS
Senior Director, Head of Hotels Spain
RICS Registered Valuer
For and on behalf of CBRE Real Estate S.A.

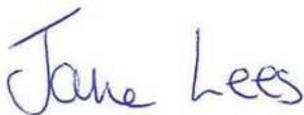
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Signed for and on behalf of CBRE Hotels Limited



Name: Jane Lees MRICS
RICS Registered Valuer

Position: Executive Director

For the avoidance of doubt, and pursuant to the terms of the Legal Notice and Disclaimer, CBRE Hotels Limited has co-signed this Report purely to confirm its role as contributor. Consequently, the Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to CBRE Hotels Limited and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against CBRE Hotels Limited whether arising in contract, tort, negligence or otherwise.

Valuation Report

SCHEDULE OF CAPITAL VALUES

Properties Held for Investment

PROPERTIES HELD FOR INVESTMENT											
PROPERTY	LOCATION	ROOMS	TENURE	EXIT YIELD (Fixed Rent)	DISCOUNT RATE (Fixed Rent)	EXIT YIELD (Variable Rent)	DISCOUNT RATE (Variable Rent)	NET INITIAL YIELD	GROSS MARKET VALUE	ACQUISITION FEES	NET MARKET VALUE
Via Castellana	Madrid	228	Freehold	5.50%	7.25%	6.00%	7.75%	5.33%	€ 39,314,000	€ 1,171,000	€ 38,100,000
Eurostars Lucentum	Alicante	169	Freehold	6.00%	7.75%	-	-	6.00%	€ 24,790,000	€ 854,000	€ 23,900,000
										€ 62,000,000	

Properties Held in the course of Development

PROPERTIES HELD IN THE COURSE OF DEVELOPMENT											
PROPERTY	LOCATION	ROOMS	TENURE	EXIT YIELD (Fixed Rent)	DISCOUNT RATE (Fixed Rent)	EXIT YIELD (Variable Rent)	DISCOUNT RATE (Variable Rent)	NET INITIAL YIELD	GROSS DEVELOPMENT VALUE (Day One Value)	ACQUISITION FEES	NET MARKET VALUE (Residual Value)
Proposed Radisson Bilbao	Bilbao	137	Freehold	5.50%	7.25%	6.25%	8.00%	4.81%	€ 47,000,000	€ 487,000	€ 23,500,000
Proposed Radisson Seville	Seville	89	Freehold	5.25%	7.00%	6.25%	8.00%	4.22%	€ 37,500,000	€ 720,280	€ 20,200,000
Proposed Alma Seville	Seville	31	Freehold	5.00%	6.75%	6.25%	8.00%	4.76%	€ 14,400,000	€ 213,000	€ 6,000,000
									€ 98,900,000		€ 49,700,000

TOTAL MARKET VALUE OF THE PORTFOLIO

€ 111,700,000

Valuation Report

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

We have carried out our work based upon information supplied to us as outlined below, which we have assumed to be correct and comprehensive.

The table below outlines the information we have been provided with:

INFORMATION	SOURCE
All assets	
Floor Plans	Millenium Hotels Real Estate I, S.A.
Land Registry Extracts	Millenium Hotels Real Estate I, S.A.
Operating Licenses & Certificates	Millenium Hotels Real Estate I, S.A.
Fixed Charges (Property Tax, Insurance, Community, etc.)	Millenium Hotels Real Estate I, S.A.
Current Operating Agreements and its addendums where applicable	Millenium Hotels Real Estate I, S.A.
Via Castellana	
Cadastral Certificates	Millenium Hotels Real Estate I, S.A.
Asset management reports prepared by Magma Hospitality Consulting	Millenium Hotels Real Estate I, S.A.
Appraisal ("Tasación") prepared by Tinsa	Millenium Hotels Real Estate I, S.A.
Capex for 2017 and 2018	Millenium Hotels Real Estate I, S.A.
Calculation of the Variable Rent until YTD September 2018	Millenium Hotels Real Estate I, S.A.
Historic Accounts (2015-2017, YTD June 2018) & Budget 2018	Millenium Hotels Real Estate I, S.A.
List of parking tenants	Millenium Hotels Real Estate I, S.A.
Rental Invoice	Millenium Hotels Real Estate I, S.A.
Eurostars Lucentum	
Energy Performance Certificate	Millenium Hotels Real Estate I, S.A.
Legal Due Diligence	Millenium Hotels Real Estate I, S.A.
Historic Accounts (2016-2017)	Millenium Hotels Real Estate I, S.A.
Deed of Sale	Millenium Hotels Real Estate I, S.A.
Rental Invoice	Millenium Hotels Real Estate I, S.A.
Proposed Radisson Bilbao	
Business Plan prepared by Radisson (2020-2024)	Millenium Hotels Real Estate I, S.A.
Cultural Heritage Commission Decision	Millenium Hotels Real Estate I, S.A.
Initial Concept Design Project ("Proyecto Básico")	Millenium Hotels Real Estate I, S.A.
Letter of Intent Radisson	Millenium Hotels Real Estate I, S.A.
Proposed Development Costs	Millenium Hotels Real Estate I, S.A.

Valuation Report

INFORMATION	SOURCE
Proposed Radisson Seville	
Energy Performance Certificate of Magdalena building	Millenium Hotels Real Estate I, S.A.
Urbanism Report of Magdalena building	Millenium Hotels Real Estate I, S.A.
Business Plan prepared by Radisson	Millenium Hotels Real Estate I, S.A.
Deed related to the acquisition of 50% participation of Magdalena building	Millenium Hotels Real Estate I, S.A.
Technical Design Project ("Proyecto de Ejecución")	Millenium Hotels Real Estate I, S.A.
Building Permit	Millenium Hotels Real Estate I, S.A.
Demolition project	Millenium Hotels Real Estate I, S.A.
Proposed Development Costs and costs incurred as at the valuation date	Millenium Hotels Real Estate I, S.A.
Proposed Alma Seville	
Proposed Floor Plans	Millenium Hotels Real Estate I, S.A.
Town Planning Feasibility Study	Millenium Hotels Real Estate I, S.A.
State of Repair Assessments	Millenium Hotels Real Estate I, S.A.
Lease agreement with Alma Hotels	Millenium Hotels Real Estate I, S.A.
Business Plan prepared by Alma Hotels	Millenium Hotels Real Estate I, S.A.
Design Project ("Proyecto Básico")	Millenium Hotels Real Estate I, S.A.
Proposed Development Costs	Millenium Hotels Real Estate I, S.A.

In the event of a future change in the trading potential or actual level of trade from that identified by the financial information provided (for example as a result of the conduct of trade at the Properties) the values reported herein could materially vary.

The Properties

Our report contains a brief summary of the property details on which our valuation has been based.

Inspections and Personnel

The Properties were inspected by the following surveyors as listed below:

PROPERTY	INSPECTION DATE	VALUERS
Via Castellana Hotel	20 April 2017	Sandra Rubio MRICS and Blanca Martín MRICS
Eurostars Lucentum	25 April 2018	Sandra Rubio MRICS and Blanca Martín MRICS
Proposed Radisson Bilbao	18 September 2018	Sandra Rubio MRICS and Blanca Martín MRICS
Proposed Radisson Seville	8 February 2018 and 25 April 2019	Blanca Martín MRICS
Proposed Alma Seville	25 April 2019	Blanca Martín MRICS

Valuation Report

Revaluation without inspection

As instructed, we did not re-inspect the properties Via Castellana and Eurostars Lucentum for the purpose of the latest valuation as of 31 December 2018. The dates of the latest inspections have been highlighted above.

You have confirmed that you are not aware of any material changes to the physical attributes of the properties, or the nature of its location, since the last inspection. We have assumed this advice to be correct.

The valuations and reports were prepared by the above listed valuers who are qualified for the purpose as defined in the RICS Valuation – Global Standards 2017, which incorporate the International Valuation Standards (“the Red Book”).

Areas

We have not measured the properties. Hotels are generally valued by reference to trading potential rather than floor area.

Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the Properties.

None of the services have been tested by us.

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

We have revised Technical Due Diligence prepared by third parties when available and commented thereon in our reports.

Town Planning

We have made verbal and online Planning enquiries only. Information supplied to us by planning officers is given without liability on their part. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.

Titles, Tenures and Lettings

Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto.

Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including

Valuation Report

relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

Valuation Report

VALUATION ASSUMPTIONS

Capital Values

The valuation has been prepared on the basis of "Market Value", which is defined as:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

Investment Value is defined in the Red Book as:

"The value of an asset to an owner or a prospective owner for individual investment or operational objectives."

The valuation prepared on the basis of Investment Value reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange. The Investment Value reflects the circumstances and financial objectives of the entity for which the valuation is being produced.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

No account has been taken of capital allowances that may be available to the purchaser.

Trade Related Valuations

We have had regard to the RICS Guidance Note on the valuation of individual trade related properties. Key considerations are set out below.

The essential characteristics of properties that are normally sold on the basis of their trading or underlying trading potential is that they are designed, or adapted, for a specific use and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the trading potential of the property.

The valuation of the operational entity usually includes:

- a) the legal interest in the land and buildings;
- b) the trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment; and
- c) the market's perception of the trading potential, together with an assumed ability to obtain/renew existing licences, consents, certificates and permits.

Valuation Report

The valuation excludes consumables and stock in trade and any antiques, fine art and chattels.

The valuation includes trade items and equipment that are essential to the running of the operational entity but which either are owned separately from the land and buildings or are leased – see under Trading Properties heading below.

Unless we state otherwise, our valuation is based on an estimate of the maintainable level of trade (fair maintainable turnover) and future profitability (fair maintainable operating profit) a competent operator of a business conducted on the premises acting in an efficient manner would expect to achieve. The concept involves estimating the trading potential of the property having regard to its inherent characteristics and prevailing market conditions rather than the actual level of trade under the existing ownership. Therefore, personal goodwill that is created by the present owner or management is excluded.

The goodwill that is included in the valuation is generally considered to include value which attaches to the property and runs with the property by virtue of circumstances such as its location, design, planning permission, property-specific name and reputation, customer patronage, licence and occupation for its particular use (known as transferable goodwill or inherent goodwill).

This is differentiated from personal goodwill, which is created by the current operator and is the value of profit generated over and above market expectations, and which would be extinguished upon sale of the trade related property, together with financial factors related specifically to the current operator of the business. Personal goodwill is not expected to remain with the business in the event of the property being sold, but to be extinguished upon sale, and we exclude it from our valuation of the property.

A new owner will expect to assume the benefit of the income from the existing owners of the property and the forward-bookings, which are an important part of the ongoing business. Generally, the purchaser will be obliged to take over the employment of existing staff, whose statutory and service-related employment rights will be maintained. Certain activities can only be carried on under licences or other statutory consents, approvals and certificates and their continuance or grant on the date of transfer or renewal is an explicit assumption in our valuation.

As with all properties valued by reference to trading potential, valuations are vulnerable to external influences and the introduction of competition. The trading valuation is inextricably linked to the performance of the national economy.

Valuation Report

Unless stated otherwise within this report, our valuation assumes that the Property is open for business and trading at the valuation date. The valuation of the Property is as a fully-equipped operational entity having regard to trading potential on the assumption that there will be a continuation of trading. Where the property is empty through cessation of trade, or it is a new property with no existing trade to transfer and/or there is no trade inventory, different assumptions and/or Special Assumptions apply as set out in this report. The valuation is of the empty property having regard to trading potential subject to those assumptions/Special Assumptions.

Unless stated otherwise within this report, where provided, vacant possession valuations are of the Property on the basis that it continues to trade, save that the existing operator is no longer involved.

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent.

Trading Properties

Items of plant and machinery normally considered as landlord's fixtures such as lifts, escalators, air conditioning, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuation.

Furthermore, a number of items that normally might be regarded as tenant's fixtures and fittings - such as trade appliances, furniture and equipment - as well as soft goods considered necessary to generate the turnover and profit, are included in our valuation of the properties. The vacant possession valuation assumes that Properties are available for sale including all fixtures and fittings. We understand that fixtures, machinery and equipment are either owned, leased or under contract. We have made no adjustment to reflect the net present value of meeting any existing lease contracts in respect of the equipment. Unless stated otherwise within this report, we have assumed that any such leasing costs are reflected in the trading figures supplied to us, and that all trade fixtures and fittings essential to the running of the properties as an operational entity would be capable of transfer as part of a sale of the building, and any necessary third-party consents obtained.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- (a) the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law;
- (b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- (c) the Properties possess current energy performance certificates as required under government directives;

Valuation Report

- (d) the Properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- (b) the Properties are free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the properties; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation, and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
- (c) the Properties are not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;
- (f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- (g) tenants will meet their obligations under their leases;

Valuation Report

- (h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- (i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and
- (i) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

2

General Commentary

General Commentary

General Overview

The Hotel Portfolio subject to valuation comprises two fully operational hotels and three hotel developments with 654 rooms in total. The portfolio is summarised as follows:

Table of Hotel Properties

	PROPERTY	CLASS	CATEGORY	N. ROOMS	LOCATION
A	Vía Castellana	TRADING HOTEL	4*	228	Madrid
B	Eurostars Lucentum	TRADING HOTEL	4*	169	Alicante
C	Proposed Radisson Bilbao	DEVELOPMENT	5*	137	Bilbao
D	Proposed Radisson Seville	DEVELOPMENT	5*	89	Seville
E	Proposed Alma Seville	DEVELOPMENT	5*	31	Seville
			Total	654	

Source: CBRE Hotels & Millenium Hotels Real Estate I, S.A.

Valuation Dates

The different assets comprising the portfolio have been valued by CBRE on different dates following instructions from the Client. As can be seen below, three of the properties were last valued as of 31 December 2018, whilst two properties were valued thereafter. Any changes in the assets or/and valuations between the valuation dates and the date of this report have not been considered, although we believe the markets where the assets are located have not changed significantly since our valuation dates.

	PROPERTY	CLASS	VALUATION DATE
A	Vía Castellana	TRADING HOTEL	31/12/2018
B	Eurostars Lucentum	TRADING HOTEL	31/12/2018
C	Proposed Radisson Bilbao	DEVELOPMENT	31/12/2018
D	Proposed Radisson Seville	DEVELOPMENT	31/03/2019
E	Proposed Alma Seville	DEVELOPMENT	30/04/2019

Condition

CBRE Real Estate S.A did not undertake a structural surveys or test the services. We only undertook limited inspections for valuation purposes.

In addition to the above, we have reviewed copies of third parties' Technical Due Diligence reports concerning three of the properties (Vía Castellana, Eurostars Lucentum, proposed Radisson Seville).

We are not aware of any material issues that would impact our valuations.

Capital Expenditure

Our valuation assumes that there are no outstanding legal claims in relation to historic Capital Expenditures. However, we recommend that you clarify this point with your legal advisers. We reserve the right to review our valuations should any further information become available.

No future Capital Expenditure has been considered in the valuation of the two operational hotels, Vía Castellana and Eurostars Lucentum, as per the information provided. On the

General Commentary

other hand, development costs for the three developments (proposed Radisson Seville, proposed Radisson Bilbao, and proposed Alma Seville) as provided by the Client, have been considered in our residual valuations of the properties. We have checked the development programs with our Quantity Surveyors, who have given us a desktop opinion of the numbers.

Environmental Considerations

We have not been provided with an Environmental Survey for any of the subject assets and we have therefore assumed that there are no defects which could impact value. As such, we have assumed that there is no latent contamination that could adversely affect any of the properties subject to valuations. If a detailed environmental survey reveals actual or potential contamination, our valuations may be adversely affected.

Furthermore, we have not been made aware of any asbestos at any of the subject properties. However, it should be noted that the demolition project provided for the proposed Radisson Seville accounts for asbestos removal in the budget. In addition, we understand that the two other developments, which will be subject to significant works, will be free of asbestos by their opening dates.

We have also assumed that all of the Hotels either comply or will comply with current legislation and that any systems which use recycled or reclaimed R22 refrigerant gas have been replaced or adjusted to meet new legislation.

The table below summarises the provided Energy Performance Certificates ('EPC'). No certificate has been provided for the rest of the assets:

	PROPERTY	LOCATION	EPC Rating
B	Eurostars Lucentum	Alicante	C
C	Proposed Radisson Bilbao	Bilbao	D
D	Proposed Radisson Seville	Seville	B ¹

Source: CBRE Hotels & Millenium Hotels Real Estate I, S.A.

¹ We have been provided with an EPC for Building in Plaza Magdalena, which states that the building is currently 'B' rated. No EPC has been provided for the 'Rioja Building'.

Lastly, according to our online queries to the Spanish Ministry of Agriculture, Fisheries, Food and Environment, none of the properties present flooding risk except for the two properties located in Seville. These two properties have exceptional to limited fluvial flooding risk.

Tenure

We have been provided with copies of the Property Register Extracts ('Nota Simple') for all the assets. Additionally, we have been provided with the title deeds for the two trading assets (Eurostars Lucentum and Via Castellana), thus have confirmed ownership of these properties by Millennium Hotel Real Estate I, S.A.

In the case of the proposed Radisson Seville, we were provided with the title deed related to Millennium Hotel Real Estate I, S.A.'s acquisition of 50% of the shares of Varia Plaza Magdalena S.L., the owning company of the first acquired building ('Plaza Magdalena') from Varia Inversiones Spain, the former owner. However, as at the valuation date, the second building comprising the asset ('Rioja Building') was not in hands of Varia Plaza Magdalena S.L but still owned by a third party, although we were informed that the formal acquisition would follow shortly. Therefore, it is our understanding that during the period between the Valuation Date of that asset (31 March 2019) and the issue date of this report,

General Commentary

the acquisition of the second building has been completed and the entirety of the project is in hands of Millennium Hotel Real Estate I, S.A.

In the case of the development in Bilbao, as at the Valuation Date (31 December 2018), the building was still in hands of the previous owner and so was the case for the development of the proposed Alma Seville, valued as at 30 April 2018. We understand that both assets have been acquired by Millennium Hotels Real Estate I, S.A since our valuation, but we have not been made privy to any documents that attest these acquisitions, thus this should be checked by your legal advisors.

For the purpose of our valuations, we have assumed that the freehold properties are free of encumbrances, restrictions or outgoings of an onerous nature other than those indicated to us at the time of our inspections (or to which our attention has since been drawn) which would affect value.

Town Planning

We have not undertaken formal planning enquiries and have made desk-based enquiries only. Information supplied to us by planning officers is given without liability on their part and therefore we cannot accept responsibility for incorrect information or for material omissions in the information supplied to us.

Operating Licences and Planning Applications

Where available we have seen copies of the licences and certificates.

With respect to planning applications for the developments, our valuation reflect the situation of these applications as of the different valuation dates. We understand that further steps may have been accomplished since the valuation dates and the date of this report, especially in the case of the proposed Radisson Seville and Radisson Bilbao, but we have not had access to any additional documentation in this regard. Therefore, should any of the conversion projects suffer planning or construction delays, reported values could change and our valuation should be returned to us for updating.

Our valuations are prepared on the assumption that the Hotels comply with all relevant statutory enactments, operational licences, Building Acts and Regulations and that a valid Fire Risk Assessment has been performed (and recommendations carried out) for each trading Hotel and will be carried out upon completion of each development. This should be confirmed with your legal advisors. In the case of development properties, we have made the reasonable assumption that the necessary building and operating permits will be granted on a timely manner.

Property Expenses

We have deducted the relevant Property Expenses from the Gross Rents as per the contracts in place. Property Expenses mainly include Property Tax (IBI), Insurance, and Other Fixed Charges (community, etc.).

We have been provided with Property Tax Receipts (IBI) for 2018 for all the Hotels (except that of Eurostars Lucentum which is dated 2017). We have assumed inflationary growth for all the Fixed Charges within our projections, which is standard practice in Spain.

VAT

We understand that the properties have been elected for VAT.

General Commentary

Operating Structure

The two trading hotels are operated by Hotusa under lease contracts. We have been provided with a copy of the original contracts, which have been used for the purposes of our projections. In addition, we have checked the latest rental invoices prior to our valuation dates. The two contracts with Hotusa expire before the end of our projections. However, we have been informed by our Client that both Lessor and Lessee are willing to extend both leases under similar terms and conditions, thus, we have made the reasonable assumption that this will be the case upon lease termination.

The three developments will also be subject to lease contracts with national or international operators and these contracts have been accounted for in our valuations. In the case of the proposed Radisson Seville and the proposed Alma Seville, we were provided with the signed documents with the operators (Radisson and Alma) as of the valuation dates. With regards to the proposed Radisson Bilbao, as at its Valuation Date, the final contract was not signed, thus we based our valuation on a heads of terms. Although we have not been provided with additional information, we understand that the lease agreement has already been signed between the parties under the same terms. Should the terms of any contract vary with respect to conditions as at the valuation dates, we reserve the right to revise our valuations.

Sub Lettings and Concessions

We have been advised of only two potential sublettings at the proposed Radisson Seville.

We have relied upon the information provided to us and would recommend that this be confirmed by your solicitors.

Historic Accounts

We have been provided with limited historic trading details for the two operating hotels. We have also been provided with Business Plans prepared by Radisson for the two properties in Bilbao and Seville. In addition, we have been provided with a 10-year Business Plan prepared by Alma Hotels for the proposed Alma Seville.

Trading Projections

Our Valuations are based upon CBRE Hotels' view of the projected trading at each property. In preparing these, we have taken into account the property's trading history, any changes in supply or demand of which we are aware, the provided Business Plans and the conversations that we had with staff on-site.

For the trading assets, that is, Via Castellana and Eurostars Lucentum, Year One of our Projections commences as at the Valuation Date (31 December 2018). On the other hand, Year One of our Projections for all three developments correspond to their respective opening dates but assume the Hotels are open and trading as at the date of valuation.

Projections cover 10 Years and have been prepared in USALI format. We assume a constant inflation rate of 1.75% throughout projections.

General Commentary

Purchasers' costs

The following percentages have been reflected for the calculation of the Net Market Values:

Purchaser's Costs

	MADRID	ALICANTE	ANDALUSIA	BASQUE COUNTRY
Stamp Duty	0.04%	0.04%	0.04%	0.04%
Notary Fees	0.03%	0.03%	0.03%	0.03%
Legal Fees	0.50%	0.50%	0.50%	0.50%
Tax ('IAJD')	1.50%	2.00%	2.00%	0.50%
Agent Fees	1.00%	1.00%	1.00%	1.00%
Total	3.07%	3.57%	3.57%	2.07%

Source: CBRE Hotels

Valuations

We have had regard to the following when calculating the Market Value of the Hotels.

Discounted cash flow (DCF)

Under the DCF method, the projected net earnings for the hotel over 10 years are discounted back to present day values using an appropriate discount rate. The value of the hotel derived from the capitalised earnings in the 10th year is also brought back to present values. Capital expenditure is built into the cash flow if appropriate.

Income capitalisation

This involves capitalising the projected net earnings for the hotel in a stabilised trading year and making allowances for the income shortfall up to stabilisation and any capital expenditure.

Market evidence

The value of the hotel is considered in the context of any recent market transactions, with adjustments for location and quality.

We detail in each valuation the capitalisation and discount rates applied along with any other highlights.

Residual Site Value

Under the residual valuation methodology, the net value of the completed scheme is calculated from which the development costs, including fees and profits, are deducted to leave a gross site value. This site value is then compared with similar site values/units to ensure it is reasonably saleable at that price in the local market.

The residual valuation method has been used for the three hotel developments that form part of the portfolio.

Bases of Valuation

We have prepared valuations of the properties on the basis of Market Value assuming a fully-equipped operational entity having regard to the trading potential.

General Commentary

Special assumptions have been applied to all the hotel developments. More precisely, we have made the following special assumptions:

- Full planning consent has been granted for the proposed Hotels;
- The proposed Hotels has been completed in accordance with the plans and specifications provided and is open and trading as if complete.

Analysis of Market Evidence

In determining an appropriate yield to apply to the respective properties a number of sales have been considered, each providing varying degrees of comparability.

We have also discussed the capitalisation rates applied to the valuations with our brokerage team, taking into consideration recent single asset and portfolio transactions, investor sentiment and demand for assets within the subject portfolio.

Marketability and Potential Purchasers

The portfolio under valuation comprises five hotels operated, or potentially operated, under strong brands, well-located in key Spanish markets. It provides a good opportunity to acquire either a portfolio or individual hotels. Its marketability would be positively influenced by the following:

- In general, the Hotels or on completion of development will provide a good room product with a mix of facilities convenient for their specific target clientele, catering from the upscale to luxury markets;
- Two of the assets present in a good condition whilst the other three will be newly built properties, increasing their attractiveness to investors and alternative operators alike;
- All five properties are either subject or will be subject to lease contracts, an operating structure which is appealing for certain types of investors, such as investment funds or family offices. The operators are well-known brands with high awareness plus strong and well-established experience in managing hotels in the subject markets, which increases the attractiveness of the portfolio as an investment opportunity;
- The Hotels are located in markets where there is strong demand underpinning liquidity in the market. Therefore, for an individual sale of the assets, we would expect a marketing period of between 6-9 months, whilst for a sale of the assets within a portfolio sale we would anticipate a marketing period of between 9-12 months, assuming pricing is in line with our recommendations;
- The Hotels are likely to attract considerable interest from a range of parties including Private Equity, specialist hotel funds, high net worth individuals, institutional investors and hotel chains. We expect a great deal of interest from investors with previous experience in the Spanish market, especially those with current exposure in the subject locations and also from international groups looking to enter the Spanish hotel market.

APPENDIX VI Report on the Company's organisational structure



Millenium Hotels
Real Estate

**ESTRUCTURA ORGANIZATIVA Y SISTEMA DE CONTROL INTERNO DE MILLENIUM
HOTELS REAL STATE I SOCIMI, S.A. PARA EL CUMPLIMIENTO DE LAS OBLIGACIONES
DE INFORMACIÓN QUE ESTABLECE EL MERCADO**

14 de Mayo de 2019

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1. INTRODUCCION

Milleniun Hotels Real Estate I Socimi, S.A., (en lo sucesivo la "Sociedad" o "MHRE") es una sociedad anónima constituida el 6 de junio de 2017 y domiciliada en el Paseo de la castellana 102, 2ª planta, 28046 de Madrid.

La Sociedad tiene el siguiente objeto social de acuerdo al artículo 2 de sus estatutos:

1. *Con carácter principal, la Sociedad tiene por objeto social la realización de las siguientes actividades, ya sea en territorio nacional o en el extranjero:*
 - a) *la adquisición y promoción de bienes inmuebles de naturaleza urbana para su arrendamiento, incluyendo la actividad de rehabilitación de edificaciones en los términos establecidos en la Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido;*
 - b) *la tenencia de acciones o participaciones en el capital de Sociedades Anónimas Cotizadas de Inversión Inmobiliaria (en adelante, "SOCIMI") o en el de otras entidades no residentes en territorio español que tengan el mismo objeto social que aquéllas y que estén sometidas a un régimen similar al establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios;*
 - c) *la tenencia de acciones o participaciones en el capital de otras entidades, residentes o no en territorio español, que tengan como objeto social principal la adquisición de bienes inmuebles de naturaleza urbana para su arrendamiento y que estén sometidas al mismo régimen establecido para las SOCIMI en cuanto a la política obligatoria, legal o estatutaria, de distribución de beneficios y cumplan los requisitos de inversión a que se refiere el artículo 3 de la LSOCIMI;*
 - d) *la tenencia de acciones o participaciones de Instituciones de Inversión Colectiva Inmobiliaria reguladas en la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva, o la norma que la sustituya en el futuro.*
2. *Junto con la actividad económica derivada del objeto social principal, la Sociedad podrá desarrollar otras actividades accesorias, entendiéndose como tales aquellas que en su conjunto sus rentas representen menos del 20 por 100 de las rentas de la Sociedad en cada período impositivo o aquellas que puedan considerarse accesorias de acuerdo con la ley aplicable en cada momento, entre ellas:*
 - a) *la compra, venta, alquiler, parcelación y urbanización de solares, terrenos y fincas de cualquier naturaleza, pudiendo proceder a la edificación de los mismos y a su enajenación, íntegramente, en forma parcial o en régimen de propiedad horizontal;*
 - b) *la construcción completa de edificaciones; y*
 - c) *la adquisición, tenencia, disfrute y administración de participaciones sociales, valores mobiliarios nacionales y extranjeros o cualquier tipo de títulos que concedan una participación en sociedades por cuenta propia y sin actividad de intermediación, así como su administración y gestión.*
3. *Quedan excluidas todas aquellas actividades para cuyo ejercicio la ley exija requisitos que no pueden ser cumplidos por la Sociedad. Si las disposiciones legales exigiesen para el ejercicio*

de alguna actividad comprendida en el objeto social algún título profesional, autorización administrativa previa, inscripción en un registro público, o cualquier otro requisito, dicha actividad no podrá iniciarse hasta que se hayan cumplido los requisitos profesionales o administrativos exigidos.

4. *Las actividades integrantes del objeto social podrán ser desarrolladas total o parcialmente, de forma directa o indirecta, y mediante la participación en otras sociedades con objeto idéntico o análogo.*

A fin de cumplir su objetivo, la Sociedad define, entre otros elementos, un conjunto de estrategias, sistemas, procesos, políticas y procedimientos en el ámbito del control interno, a través de su órgano de administración, procurando garantizar:

- ✓ Un desempeño eficiente y rentable de la actividad, a medio y largo plazo, que asegure la utilización eficaz de los activos y recursos, la continuidad del negocio y de la propia Sociedad, a través de una gestión y control adecuados de los riesgos de la actividad, una evaluación prudente y adecuada de los activos y la responsabilidad, así como de la implantación de mecanismos de protección contra usos no autorizados, intencionados o negligentes;
- ✓ La existencia de información financiera y de gestión completa, pertinente, fiable y oportuna, que apoye la toma de decisiones y los procesos de control, tanto a nivel interno como externo;
- ✓ El respeto por las disposiciones legales y reglamentarias aplicables, así como por las normas y los usos profesionales y deontológicos, las reglas internas y estatutarias, las reglas de conducta y de relación con las contrapartes, las orientaciones de los órganos sociales y las recomendaciones de las autoridades de supervisión, a fin de proteger la reputación de la institución y de evitar que esta sea objeto de sanciones.

Se exige a la Sociedad, especialmente a los miembros de los órganos directivos, que se comporten y actúen siempre ajustándose al principio de buena fe y con los más elevados estándares de diligencia, transparencia y lealtad

En este sentido, el Consejo de Administración de la Sociedad ha aprobado el reglamento interno de conducta en el ámbito del mercado de valores de la Sociedad (el “Reglamento Interno de Conducta”) que ha sido publicado en la página web de la Sociedad (www.millenniumhotels realestate.com).

Tal y como se indica en el artículo 1 del Reglamento Interno de Conducta, el objetivo del mismo es regular las normas de conducta a observar por la Sociedad, sus órganos de administración, empleados y demás personas relacionadas con los mercados de valores. El contenido del mismo se ajusta a lo previsto en el artículo 225.2 de la Ley del Mercado de Valores.

2. PRINCIPIOS GENERALES

Con el fin de alcanzar los objetivos antes mencionados, el sistema de control interno que se está implementando de la Sociedad, tiene como base:

- Un ambiente de control adecuado donde se refleje la importancia del control de interno y se establezca la estructura y disciplina de los elementos restantes que conforman el sistema de control interno.
- Un sólido sistema de gestión de riesgos que permita identificar, supervisar y controlar todos los riesgos que puedan influir en la estrategia y los objetivos definidos por la Sociedad, que asegure su cumplimiento y la toma de medidas necesarias para responder adecuadamente a desviaciones no deseadas.
- Un sistema de información y comunicación eficiente creado para garantizar la recepción, el tratamiento y el intercambio de datos relevantes, amplios y consistentes, en un plazo y una forma que permitan el desempeño eficaz y oportuno de la gestión y el control de la actividad y de los riesgos de la Sociedad, y

En todo caso, este sistema debe ser adecuado a la dimensión, naturaleza y complejidad de la actividad, a la naturaleza y magnitud de los riesgos asumidos o que se vayan a asumir, así como el grado.

El Consejo de Administración es el responsable de implantar y mantener un sistema de control interno adecuado y eficaz que respete estos principios y garantice el cumplimiento de los objetivos señalados anteriormente. Por tanto, es competencia del Consejo de Administración detallar los objetivos y principios que constituyen la base del sistema de control interno, incorporándolos en la estrategia y las políticas de la Sociedad.

3. ESTRUCTURA DE GOBIERNO Y ORGANIZATIVA

Estructura de Gobierno

El órgano de administración de la Sociedad es el Consejo de Administración cuya principal responsabilidad es la gestión, representación y administración de los negocios de la misma de acuerdo a la legalidad vigente y a lo establecido en los Estatutos y en el Reglamento Interno de Conducta aprobado.

El órgano de administración de la Sociedad está regulado en los artículos 30 a 38 de los Estatutos Sociales de la Sociedad.

La composición actual del Consejo es de cinco miembros, siendo los mismos los siguientes:

- D. Javier Illán Plaza
- Don Remigio Iglesias Surribas
- Don Jose María Castellano Rios
- Doña Isabel Dutilh Carvajal
- Don Jaime Montalvo Correa

Adicionalmente, Juan Gomez- Acebo Sainz de Heredia desempeña el cargo de Secretario no consejero

El consejo contará con dos órganos de Gobierno:

- (i) Comisión de auditoría y control de riesgos: formada por un Consejero no ejecutivo y dos independientes.
- (ii) Comisión de nombramientos y retribuciones: formada por un Consejero no ejecutivo y dos independientes

Estructura Organizativa

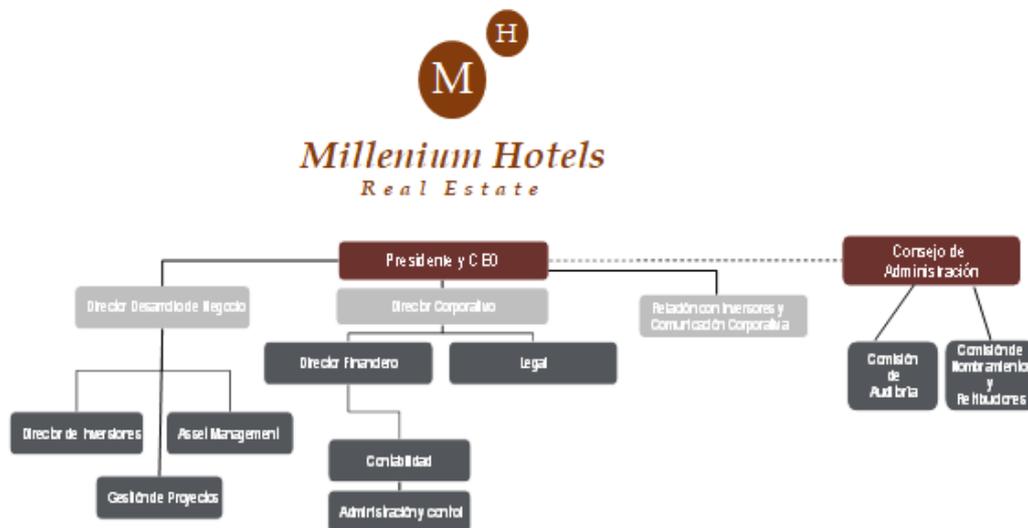
Contamos con un estructura organizativa altamente eficiente y totalmente integrada que nos permite adquirir, renovar, arrendar, mantener y administrar de manera efectiva y eficiente nuestra cartera de inmuebles.

Nuestra compañía consta de empleados altamente cualificados y con una experiencia media de más de 20 años en el sector, lo que convierte a nuestro equipo en uno de los más cualificados de su tipo en España. Nuestra sede operativa está centralizada en Madrid.

Nuestra estructura se divide en 3 grandes áreas (i) Desarrollo de negocio, (ii) Departamento Corporativo que incluya las áreas financiera y legal y (iii) Relación con Inversores

A lo que se suma el respaldo de empresas de servicios externos que prestan servicios auxiliares tales como: personal de mantenimiento, soporte informático etc.

El cuadro siguiente refleja nuestra estructura organizativa a la fecha de este Documento Informativo:



- (i) **Área de desarrollo de negocio:** Este departamento engloba las tareas de identificación y selección de activos de acuerdo con la estrategia de inversión de la compañía, su reconversión en su caso y gestión, así como su comercialización posterior con grupos hoteleros cuyo posicionamiento se encuentre en el segmento de 4 o 5 estrellas.

Las principales áreas del departamento son:

- ✓ Dirección de Inversiones: Responsable de la búsqueda, seguimiento, análisis y ejecución de todas las operaciones de inversión, así como de las propuestas de desinversión. También se incluye dentro de su competencia la interlocución con las marcas y operadores hoteleros.
- ✓ Gestión de Activos: Seguimiento y control de los activos en operación.
- ✓ Director de Proyectos: Ejecución técnica de los proyectos de desarrollo.

- (ii) **Departamento Corporativo:** Del que dependen los departamentos

- **Financiero:** Es el principal responsable de las funciones de control financiero, que incluyen principalmente: la contabilidad financiera, informes internos, auditoría, tesorería y control presupuestario. Asimismo procura garantizar que el grupo disponga de liquidez suficiente para financiar tanto sus operaciones como sus posibles oportunidades de inversión. En particular, supervisa periódicamente los vencimientos de deuda, la evolución de los tipos de interés, las oportunidades de refinanciación y cobertura, y las oportunidades potenciales para la mejora global de la estructura financiera.
- **Área legal:** está involucrada tanto en las decisiones de inversión y gestión de activos, supervisa asuntos relacionados con la estructura corporativa y de gobierno corporativo y define las políticas, procedimientos y acciones del grupo para asegurar el cumplimiento de las leyes y regulaciones. También participa en la negociación de acuerdos (incluidos los acuerdos de adquisición y arrendamiento). Es también responsable de la supervisión y seguimiento de todos los asuntos jurídicos relacionados con el grupo, tales como procedimientos judiciales y permisos y licencias, ya sea directamente o a través de la supervisión de jurídico externo. Actualmente es un servicio externalizado en el despacho de abogados Uria y Menéndez

- (iii) **Departamento de Relación con Inversores:** Su objetivo es construir una relación sólida y duradera con la comunidad financiera (*regulador, inversores y analistas*), a través un diálogo abierto y permanente, que le permita conocer y entender nuestro negocio. Para ello abogamos por una estrategia basada en la máxima transparencia, que se concreta en constantes cauces comunicativos que garantizan que nuestros grupos de interés, dispongan de una información clara, veraz, completa, homogénea y simultánea.

4. GESTIÓN DE RIESGOS

El negocio, las actividades y los resultados de MHRE están condicionados tanto por factores intrínsecos, exclusivos de la Sociedad, como por factores externos.

MHRE, ha llevado a cabo un proceso de identificación y evaluación de aquellos riesgos que consideran que puedan afectar en mayor medida a la sociedad y en particular, a la información financiera suministrada por ella.

Tras dicho análisis, cabe destacar los siguientes riesgos:

- (1) Riesgos relativos a la financiación de la Sociedad: nivel de endeudamiento, eventuales dificultades en relación con la obtención de financiación en tiempo y forma, variación en los tipos de interés o falta de liquidez para el cumplimiento de la política de distribución de dividendos de la Sociedad.
- (2) Riesgos vinculados a la gestión de la Sociedad: reciente constitución, dependencia de personas clave y posible influencia de los accionistas de referencia.
- (3) Riesgos relacionados con la actividad de la Sociedad: concentración de la actividad, inversión inmobiliaria, falta de obtención o retraso en la obtención de licencias o permisos, retrasos en las obras de reconversión de activos, laborales, daños en los activos inmobiliarios, reclamaciones judiciales y extrajudiciales y valoración de la cartera de activos.
- (4) Riesgos asociados al sector inmobiliario y hotelero: coyuntura económica o política, alta competencia, cambios normativos e iliquidez de los activos hoteleros.
- (5) Riesgos de carácter fiscal: pérdida del régimen fiscal especial, cambio en la legislación fiscal y posible pago de un gravamen especial.
- (6) Riesgos relativos a las acciones de la Sociedad: falta de liquidez, evolución de la cotización y falta de interés de los accionistas.

Además, la Sociedad considera los siguientes aspectos de mayor riesgo para la fiabilidad de la información financiera:

- (1) Reconocimiento de ingresos debido a las diferentes posibilidades de tipos de contrato existentes y a sus características de contabilización. Los contratos de alquiler pueden ser de distinta naturaleza, así como contener cláusulas específicas que deban ser consideradas individualmente a la hora de contabilizar los ingresos de arrendamiento. La Sociedad procede a registrar los ingresos por arrendamiento atendiendo a un método lineal, generándose una cuenta a cobrar por las cantidades pendientes de facturar.
- (2) Registro y valoración de los activos de la Sociedad. La valoración de las inversiones inmobiliarias se lleva a cabo a partir de una estimación de los flujos de efectivo futuros esperados para dichos activos. Todo ejercicio de valoración conlleva un factor importante de incertidumbre. De cara a minimizar este riesgo, la Sociedad encarga con una periodicidad anual (como mínimo, según lo establece la norma) la valoración de los

inmuebles de su propiedad, o actualizaciones de valor a un experto externo independiente de reconocido prestigio.

- (3) Pagos y tratamiento de gastos: Los gastos se imputan en función del criterio de devengo, es decir, cuando se produce la corriente real de bienes y servicios que los mismos representan, con independencia del momento en que se produzca la corriente monetaria o financiera derivada de ellos.
- (4) Impagos y gestión de la morosidad: Uno de los principales riesgos operativos a los que se enfrenta una sociedad inmobiliaria es el de morosidad. En este sentido, la Sociedad tiene establecidos determinados mecanismos con el objeto de minimizar dicho riesgo, tales como: (i) empleo de fianzas legales y avales; y (ii) realizar un seguimiento pormenorizado y periódico de las facturas impagadas, incluyendo reclamaciones periódicas de las mismas.
- (5) Fraude: El fraude entendido como la comisión de errores intencionados en la información financiera de cara a que la misma no refleje la imagen fiel de la situación financiera y patrimonial de la Sociedad. En este sentido, cabe destacar, que además de la auditoría de las cuentas anuales de la Sociedad, se proceden a formular y a revisar por parte del auditor de cuentas los estados financieros consolidados intermedios todos los semestres.

5. SISTEMA DE CONTROL DE RIESGOS

La Sociedad entiende por control toda actividad llevada a cabo para mitigar los riesgos que puedan suponer un impacto significativo negativo en los objetivos o que puedan llevar a un fraude o errores en la información financiera reportada internamente y a terceros.

A continuación procedemos a describir las principales actividades de control interno que se llevan a cabo:

(1) Establecimiento de estrategias y objetivos:

La Sociedad cuenta con un plan estratégico a medio plazo, el cual ha sido aprobado por el Consejo de Administración.

La estrategia de la Sociedad y objetivo que se persigue se centra en la adquisición de activos inmobiliarios en las zonas prime de las ciudades más importante de España, cuya explotación estará destinada a hoteles que operan en el segmento del lujo (4* y 5*)

(2) Código de Conducta:

La Dirección de la Sociedad ha definido un Código de Conducta para todos los empleados de la Sociedad, con el fin de sentar las bases de un entorno ético y concordante con la normativa vigente en cada ámbito, y de evitar acciones y procedimientos ilícitos.

La Sociedad es responsable de que todo su personal, incluyendo consejeros y directivos, sean conocedores de los mencionados parámetros de código de buena conducta. De igual manera la Sociedad ha procedido a aprobar un Reglamento Interno de Conducta en materias relacionadas con el Mercado de Valores.

(3) Capacidades, formación y evaluación del personal:

La Sociedad es consciente de la importancia de disponer de un equipo de trabajo cualificado, por lo que cuenta con personal con capacidades necesarias para desempeñar sus funciones de manera adecuada y con una y dilatada amplia experiencia en el sector con el fin de lograr un resultado óptimo en sus funciones.

En este sentido cabe destacar que los perfiles de los principales responsables del control y supervisión de la información financiera incluyen las siguientes características.

- Formación universitaria y postgrado
- Experiencia relevante en el sector desde diferentes ámbitos (análisis de inversiones, contable y financiero, legal y técnica)
- Experiencia en finanzas

(4) Comité de Inversión y Gestión:

La Sociedad cuenta con un Comité de inversión y gestión, para analizar las diferentes oportunidades de inversión y aprobar las operaciones que encajen con la estrategia de la Sociedad. Los resultados de dicho Comité son elevados al Consejo de Administración para su aprobación.

(5) Planificación y presupuestario:

Al finalizar el ejercicio, se elabora un presupuesto anual del ejercicio siguiente preparado por el Departamento Financiero de la Sociedad y aprobado por el Consejo de Administración.

Adicionalmente, ante cada oportunidad de inversión se realiza un análisis en detalle (modelo financiero) que proporcione todos los elementos de cara a aprobar, en su caso, la presentación de una oferta por parte de la Sociedad una vez que la misma ha sido aprobada por el Comité de Inversión y Gestión.

(6) Registro de Ingresos y cuentas a cobrar:

El departamento financiero es el encargado de realizar la gestión de los alquileres de todos los activos que se encuentran alquilados.

Principalmente y junto con el área de desarrollo, se encarga de gestionar los contratos con los arrendatarios y asegurar el cumplimiento de las condiciones acordadas.

(7) Registro y valoración de los activos:

En relación al registro de los activos adquiridos cabe mencionar que las políticas están definidas por la Dirección Financiera de la Sociedad.

En relación con la valoración de las inversiones inmobiliarias, tal como se ha explicado anteriormente, se lleva a cabo a partir de una estimación de los flujos de efectivo futuros esperados para dichos activos para activos arrendados. En este sentido, el departamento financiero, bajo la supervisión de la Sociedad, procede a registrar los deterioros en base al valor razonable de los activos obtenidos de los informes de valoración.

(8) Registro de la deuda a coste amortizado y monitorización de los covenants financieros

El cálculo del coste amortizado de la deuda, la clasificación entre el corto y largo plazo atendiendo a los vencimientos de la misma así como el gasto por intereses, es calculado internamente por el Departamento Financiero de la Sociedad.

(9) Proceso de cierre y reporting

Desde un punto de vista administrativo – contable, la Sociedad realiza internamente a través de su departamento de administración dependiente de la dirección financiera las funciones contables y de gestión de impuestos

En aras de dotar de la mayor transparencia a sus accionistas y de monitorizar los resultados de la Sociedad, que permita una ágil toma de decisiones, se procede a la preparación de estados financieros consolidados intermedios resumidos con una periodicidad semestral. Dichos estados financieros son formulados por el Consejo de Administración de la Sociedad, sometidos a revisiones limitadas por parte del auditor de cuentas de la Sociedad y comunicados a los accionistas y al mercado.

(10) Información y comunicación

La totalidad de estados financieros elaborados por la Sociedad son revisados y formulados por el Consejo de Administración, poniéndose a disposición de los accionistas de la misma para su revisión y en su caso aprobación (en el caso de las cuentas anuales).

Junto con cada comunicación realizada a los accionistas en relación con los estados financieros aprobados, el CEO de la Sociedad procede a informar sobre los principales hechos acaecidos en el ejercicio o período, las principales adquisiciones realizadas, una breve explicación sobre la evolución de la sociedad, así como facilitar información acerca del pipeline de inversión de la Sociedad y las perspectivas para los próximos períodos.

(11) Actividades de monitorización

Las actividades de monitorización y supervisión tienen como objetivo determinar si los distintos componentes del sistema de control interno de las mismas funcionan correctamente.

El Consejo de Administración de la Sociedad mantiene una posición de supervisión continua en las actividades, llevando a cabo una revisión de los principales KPIs de la Sociedad de manera al menos semestral, al objeto de tener un conocimiento continuo de los principales eventos que se van produciendo en la Sociedad al objeto de asegurar que la información financiera que se refleja en los estados financieros es consistente y coherente con la información reportada de manera regular y con los resultados de la Sociedad,

En lo que a la transmisión de información se refiere, se lleva a cabo de manera fluida, regular y homogénea gracias al constante contacto entre el equipo directivo y el Consejo de Administración, lo que permite que la información publicada en la página web, las presentaciones corporativas o financieras, las declaraciones realizadas y el resto de información emitida al mercado sea consistente y se cumpla con los estándares requeridos por la normativa del MAB.

6. SISTEMA DE GESTION DOCUMENTAL

El sistema de Gestión Documental tiene como finalidad gestionar la documentación de la Sociedad de una forma proactiva y eficiente, así como delimitar el control de los accesos a determinada documentación en cumplimiento de la Legislación relativa a la Protección de Datos.

La Sociedad ha distinguido entre: (i) Documentación Sensible; y (ii) Documentación.

(1) La Documentación Sensible, es aquella que forma parte de la Sociedad y que su pérdida, deterioro o menoscabo supondría un inconveniente para la Sociedad, y aquella que contenga información que no necesariamente deban conocer todos los empleados del Gestor de Negocio. Entre esta documentación se encuentran: (i) todos los títulos de propiedad de la Sociedad y sus participadas (ii) las escrituras de la Sociedad, (iii) los contratos de financiación, pólizas de préstamo y/o crédito con o sin garantía hipotecaria, (iv) los demás derechos reales de la compañía, (v) cualesquiera comunicaciones relativas a los apartados anteriores de la Compañía, y/o de sus Consejeros o Directivos, (vi) las cuentas anuales de la Sociedad y sus participadas, sus declaraciones de impuestos y extractos bancarios, (v) las Actas del Consejo de Administración y (vi) la documentación relativa a los trabajadores -si los hay- y seguridad social.

(2) Entre la Documentación, o resto de información, se entiende cualquier documento no recogido en los apartados anteriores.

La documentación sensible será escaneada y digitalizada en archivo digital, por la asesoría jurídica o por el departamento financiero de la Sociedad, según el caso, quienes además serán los responsables de su custodia y a la que sólo tendrán acceso los miembros del Consejo de Administración, en su caso y de ser imprescindible, los miembros del Comité de Inversiones y el Departamento de asesoría jurídica y administración y finanzas de la Sociedad,

Físicamente dicha documentación se archiva en un Armario cerrado al que sólo tienen acceso el Departamento de asesoría jurídica y administración y finanzas de la Sociedad,

El resto de documentación, se escanea por cualesquiera empleados de la Sociedad y se archiva, tanto en digital como en archivo físico siendo de acceso para todos en las Oficinas.

7. COMUNICACIÓN DEL PRESENTE INFORME

El presente Informe sobre Estructura Organizativa y Sistemas de Control de la Sociedad para el Cumplimiento de las Obligaciones de Información al Mercado está disponible para su consulta en la página Web de la Sociedad. www.millenniumhotelsrealestate.com

8. CONCLUSIÓN

La Sociedad, representada por su Consejo de Administración, dispone de una estructura organizativa y sistema de control interno que le permite cumplir con las obligaciones de información que establece el Mercado.

9. APROBACIÓN Y ENTRADA EN VIGOR

La presente política ha sido aprobada por el Consejo de Administración de la Sociedad el 14 de mayo de 2019, habiendo entrado en vigor en la fecha de su aprobación y pudiendo ser modificada en cualquier momento por el propio Consejo de Administración.